

3 DIRECT TESTIMONY OF MARGARET E. FELTS

4 IN ILLINOIS COMMERCE COMMISSION

5 DOCKET NO. 15-0528

6 Q. Please state your name and business address.

7 A. My name is Margaret E. Felts. My business address is 316 Market Street, P.O.
8 Box 220, Mt. Carmel, IL 62863.

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

10 A. I am the President of Mt. Carmel Public Utility Co. ("Mt. Carmel" or "Company").

11 Q. Please describe your qualifications.

12 A. I earned an Associate of Science Degree from Vincennes University in 1976. From
13 1977 to 1996, I worked for Security Bank and Trust Co. and it's successor, Old National Bank,
14 holding positions of Accounting Department Manager, Assistant V.P. of Bank Marketing, and
15 Assistant Vice President and Trust Officer.

16 My responsibilities focused on ensuring quality customer service and developing
17 programs responsive to the needs of our customers, as well as supervising the customer contact
18 employees. As Trust Officer, I administered trust and estate assets in compliance with the
19 governing documents.

20 My responsibilities as President of Mt. Carmel Public Utility Co. include the general
21 management of the Company. I also continue to serve on the Company Board of Directors. Prior
22 to being appointed President, I was Secretary-Treasurer of the Corporation. Responsibilities

23 included supervision of Customer Service, Human Resources, and Financial Management. I
24 have also been involved with the FAC and PGA functions of the Company during my
25 employment.

26 Q. Have you previously testified before this Commission?

27 A. I have testified before the Illinois Commerce Commission on behalf of the Company,
28 particularly in areas of requesting authority to seek financing for expansion and changes in the
29 Part 280 proposed rule, and prior reconciliation proceedings.

30 Q. What is the purpose of your testimony today?

31 A. By Order dated September 16, 2015, the Illinois Commerce Commission ordered Mt.
32 Carmel Public Utility Co. to present evidence showing the reconciliation of Fuel Adjustment
33 Clause revenues with the actual prudent cost of fuel paid by the utility and authorized to be
34 collected under the utility's provisions of the Fuel Adjustment Charge. The period to be covered
35 is calendar year 2015.

36 This reconciliation has been made and my testimony is for the purpose of presenting it
37 and other exhibits.

38 Q. Please describe what Schedule E-1 attached to this testimony is.

39 A. Schedule E-1 is a copy of Company's Uniform Fuel Adjustment Clause on file with and
40 approved by the Illinois Commerce Commission and in effect for the year 2015.

41 Q. Please describe what Schedule E-2 attached to this testimony is.

42 A. Schedule E-2 is a summary of the Fuel Adjustment Reconciliation for 2015. We have
43 made monthly reports with the Illinois Commerce Commission under the Fuel Adjustment
44 Clause detailing our receipts and purchases so that information is on file with the Commission.

45 Q. Please explain Schedule E-2 which addresses the FAC Reconciliation – Electric Energy
46 Charge for the year ended December 31, 2015.

47 A. The balance of Factor Ra at December 31, 2014, per the 2014 Reconciliation was
48 \$139,944, and the Factor Ro from the 2014 Reconciliation to be refunded was (\$37). This
49 results in a Balance to be Collected during 2015 of \$139,907 as shown on Line 3.

50 Lines 4 through 7 of Schedule E-2 address the Under/(Over) Collection of Revenues
51 during 2015, which shows an Over Recovery of (\$69,103). When added to the Balance to be
52 collected during the Reconciliation period of \$139,907, the FAC Reconciliation Balance at
53 December 31, 2015 is \$70,804.

54 The Balance of Factor Ra at the end of the reconciliation period, from the monthly
55 filings, is \$69,071. When subtracted from the FAC Reconciliation Balance at December 31,
56 2015 of \$70,804, it leaves at line 11 of Schedule E-2, a Requested Reconciliation Factor (Factor
57 Ro) to be Collected in the amount of \$1,733 for the calendar year 2015.

58 Q. Who did you purchase your power requirements from for the year 2015?

59 A. MCPU's power requirements for the year 2015 were purchased from Illinois Power
60 Marketing as successor in interest under an Ameren Energy Marketing full requirements contract
61 which extends past the year 2015. The Ameren Energy Marketing contract was entered into

62 after a Request for Proposals was issued in the year 2012. Responses to the RFP were reviewed
63 and the contract with Ameren Energy Marketing was the most prudent.

64 Ameren Energy Marketing was acquired effective December, 2013, by Dynegy
65 Company, d/b/a Illinois Power Marketing. MCPU's Ameren Energy Marketing contract terms
66 were unchanged in the transition.

67 Q. Have you detailed the monthly FAC filings with your testimony as an exhibit?

68 A. No, we believe the above exhibits, together with our monthly filings with the
69 Commission, are sufficiently clear to eliminate the need of detailing them at this time.

70 Q. Have you attached to your testimony a copy of your independent auditor's report
71 addressing the FAC?

72 A. Yes, a copy of the independent auditor's report issued by Kemper CPA Group, LLP for
73 the year ended December 31, 2015, is attached to this testimony as MCPU Schedule E-3.

74 Q. Have you or will you give notice to your customers of the FAC filing?

75 A. By the time of the hearings on this matter public notice will have been published twice in
76 newspapers of general circulation in the cities and villages in which there are customers of the
77 company who are affected by the filing. The first publication will have been within ten (10)
78 days following the date of the filing and the second publication will have been made during the
79 week following. Notice will also have been posted in a prominent place in the office of the
80 company. Beginning with the date of this filing, copies of the same have been available to the
81 public at the company's business office. The Company will also post the public notice on its
82 website www.mtcpu.com for 60 days beginning within ten (10) days from filing.

83 Q. Do you believe that all fuels were prudently purchased?

84 A. Yes, I do.

85 Q. Do you have anything further at this time?

86 A. No, this concludes my testimony.