

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 02-0657

DIRECT TESTIMONY

OF

ROBERT J. MILL

Submitted On Behalf

Of

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY

d/b/a AmerenCIPS

UNION ELECTRIC COMPANY

d/b/a AmerenUE

January 10, 2003

1 **ILLINOIS COMMERCE COMMISSION**

2 **Direct Testimony of Robert J. Mill**
3 **Ameren Services Corporation**

4
5 **Docket No. 02-0657**
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7 **Q. What is the purpose of your testimony?**

8 **A.** The purpose of my testimony is to address the implementation of the proposed
9 suspension of Riders TC and PPOS for Central Illinois Public Service Company
10 ("AmerenCIPS") and Union Electric Company ("AmerenUE"), particularly in light of the
11 pending closing of Ameren's acquisition of Central Illinois Light Company ("CILCO").
12 Rider TC recovers transition charges and Rider PPOS implements the power purchase
13 option ("PPO").

14 **Q. How does the CILCO acquisition affect the suspension of Riders TC and PPOS?**

15 **A.** In its Order in Docket No. 02-0428 approving the acquisition of CILCO by Ameren, the
16 Commission imposed a series of conditions on the acquisition. One of the conditions is a
17 commitment by Ameren that it will suspend the AmerenCIPS and AmerenUE transition
18 charges from June 1, 2003 until at least June 1, 2005. Moreover, that condition provides
19 that Ameren is required to suspend the transition charges through that date regardless of
20 whether those charges legally may be reinstated on or after June 1, 2005. The proposed
21 revised tariffs in this docket provide that the charges would automatically become
22 effective again on June 1, 2005. Since Ameren is now obligated to proceed with
23 suspension (if it intends to close the CILCO transaction) regardless of whether it is
24 permitted to reinstate the charges on or after June 1, 2005, Ameren has revised its

25 proposed tariffs to remove the automatic reinstatement provisions. Those revised
26 proposed tariffs are attached as Exhibit 1.1.

27 **Q. What is the status of the CILCO transaction?**

28 **A.** The transaction has been approved by this Commission and by the Federal Energy
29 Regulatory Commission ("FERC"). The waiting period under the Hart-Scott-Rodino act,
30 to permit Department of Justice ("DOJ") antitrust review, has expired, meaning that,
31 barring further action by the DOJ, Ameren is free to close the transaction from an
32 antitrust perspective. The Securities and Exchange Commission ("SEC") still must act
33 under the Public Utility Holding Company Act. Ameren believes that SEC approval
34 should be received shortly. In any event, Ameren believes that this proceeding should go
35 forward on the assumption that the transaction will close before the end of the first
36 quarter of this year.

37 **Q. How should the question of reinstatement of the charges be addressed?**

38 **A.** Ameren believes that the Commission should make a legal determination in this
39 proceeding as to whether the charges may be reinstated under the Illinois Public Utilities
40 Act on or after June 1, 2005, and should establish a procedure for Ameren to seek
41 reinstatement later. The procedure is not a matter that should be left for later disposition.
42 Collection of transition charges brings with it an obligation to offer the PPO. Customers
43 must have sufficient advance notice of transition charges to make informal decisions
44 regarding their supply options, including the PPO. Thus, whether Rider TC (and,
45 therefore, Rider PPOS) may be reinstated should be addressed now, and not in the Spring
46 of 2005. Since Ameren's ability to reinstate the recovery of transition charges is a legal
47 question, it need not be addressed in testimony.

48 **Q. What procedure does Ameren propose?**

49 **A.** Ameren proposes that if it seeks to reinstate transition charges, it must do so by filing
50 revised tariffs no less than 180 days prior to the effective date of the reinstatement. This
51 will allow customers ample time.

52 **Q. How does Ameren intend to notify customers of the suspension of Riders TC and**
53 **PPOS?**

54 **A.** Ameren intends to send each existing DST customer a notice explaining the two-year
55 suspension of the transition charge and the PPO. Ameren will also post a notice of the
56 suspension on its website, and will send notices to all retail electric suppliers registered to
57 do business in its service areas.

58 **Q. Does this conclude your testimony?**

59 **A.** Yes, it does.