

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Ameren Illinois Company)	
d/b/a Ameren Illinois)	
)	ICC Docket No. 11-0279
Proposed General Increase in)	
Electric Delivery Service Rates)	
)	consolidated with
Ameren Illinois Company)	
d/b/a Ameren Illinois)	
)	ICC Docket No. 11-0282
Proposed General Increase in)	
Natural Gas Rates)	

INITIAL BRIEF (REVISED) OF THE ILLINOIS COMPETITIVE ENERGY ASSOCIATION

The Illinois Competitive Energy Association (“ICEA”) is an Illinois-based trade association of competitive energy suppliers dedicated to ensuring that Illinois citizens, businesses, and all other energy consumers have the opportunity to enjoy the many benefits that robust competitive energy markets can bring. The ICEA members include alternative retail electric suppliers and alternative gas suppliers whose focus is preserving and championing customer choice of energy supply and Illinois’ competitive electric and natural gas markets.¹ Given ICEA’s mission, as well as the experience of its members who are actively engaged in serving residential and small commercial natural gas customers in other markets in Illinois as well as throughout the United

¹ The ICEA Members include Ameren Energy Marketing, Champion Energy Services, Constellation NewEnergy, Direct Energy Services LLC, Exelon Energy Company, First Energy Solutions Corp., Integrys Energy Services, MC Squared Energy Services, Reliant Energy Northeast LLC, and Nordic Energy Services. The comments expressed in this filing represent the positions of the ICEA as an organization but may not represent the views of any particular member of the ICEA.

States, ICEA has both great interest as well as a great deal of experience in the subject of competitive retail natural gas markets.

ICEA respectfully submits this Initial Brief in support of the Retail Gas Suppliers (“RGS”) proposal (“RGS Proposal”) as detailed in both the direct and rebuttal testimony of RGS witness James Crist. RGS Exs. 1.0 and 2.0C. As ICEA understands it, the RGS Proposal would have the Illinois Commerce Commission (“Commission”) direct Ameren Illinois to institute a mass market gas choice program and engage with all interested parties in a workshop process to identify, address and fashion the essential requirements for a successful gas choice program.

For the reasons set forth in the testimony of James Crist as well as the reasons enumerated by ICEA below, the Commission should act in this proceeding to begin a workshop process with the goal of establishing a retail gas choice program in Ameren Illinois’ service territory. ICEA believes that the quality of a choice program is determined in large part by the process used to work out the program’s details. These details need not nor should they be decided upon in this proceeding. Instead, all of the particulars can and should be developed through comprehensive and timely exchanges among all interested parties working together to achieve a common goal of establishing a retail gas choice program for Ameren Illinois that works for consumers, suppliers and Ameren Illinois.

I. Reasons For a Mass Market Retail Gas Choice Program

1. Introduction

As ICEA understands the record in this proceeding, Ameren Illinois is not opposed in concept to a retail market gas choice program. Yet, the record also shows that

Ameren Illinois and others have expressed some reservations regarding the development of a gas choice program. These include past complaints brought against certain retail natural gas suppliers, a seeming lack of interest by consumers for such a program, and a desire to see an analysis of the savings such a program could bring. Such concerns have been fully addressed in Mr. Crist's testimony. As such, ICEA concurs with RGS that the time is right to provide consumers gas choice in the Ameren Illinois service territory.

2. Requiring customer requests for implementation of a retail gas choice program is an unreasonable pre-requisite.

ICEA agrees with the rebuttal testimony of James Crist, i.e., that a lack of customers requesting a gas choice program is not evidence that a program should not be implemented. RGS Ex. 2.0C at 7-8. ICEA maintains that, just the same as opportunities have been available in utility service territories in northern Illinois, consumers in Ameren Illinois service territory should be given the same opportunity to benefit from the choices and rate offerings that flow from a properly and well-developed retail gas choice program.

3. Statutory changes have strengthened consumer protections on retail natural gas sales to residential and small commercial natural gas customers.

In his rebuttal testimony starting on page 13, AG/CUB witness Christopher Thomas discusses certain issues regarding existing choice programs in Illinois. AG/CUB Ex.6.0 at 13-16. Notably, however, his testimony does not reference the 2009 change to the Public Utilities Act. It appears from the record in this proceeding that there is support for a retail gas choice program provided that both customer protections and consumer education initiatives are viable components of such a program and that utility cost

recovery is appropriate. RGS Cross Ex.10. ICEA agrees with the importance of these matters and the prominence they should take in the workshop discussions.

4. Gas choice programs allow an environment for other beneficial innovations and price options to arise.

In his direct testimony, starting on page 8, Mr. Crist points to innovation and multiple price options as a result of competition. RGS Ex. 1.0 at 8–16. Mr. Crist also points to successful retail gas choice programs in the Midwest. In addition to price offers, ICEA agrees with Mr. Crist’s direct testimony on page 20 that retail choice expands beyond savings. Id at 20.

II. ICEA Supports a Collaborative Approach

Ameren Illinois, in the testimony of its witness Vonda Seckler, maintains that “AIC is not planning to develop a gas residential choice program unless mandated by legislation or ordered by the Commission” (Ameren Ex. 35, at page 13 lines 229–233). Given that it would take a Commission order to move Ameren Illinois to a choice program, ICEA urges the Commission to include just such a directive in its order for this proceeding to guarantee a retail gas choice program is put in place. ICEA also recognizes that a hastily–fashioned program is neither in the best interest of customers nor any of the parties. For this reason, ICEA strongly supports a collaborative approach such as that proposed and detailed by RGS witness Crist which would allow input from all parties and ensure a wide and full exchange of ideas and specifics. This type of process would also ensure that the program developed would have the broadest support of all parties involved.

In ICEA’s view, developing a gas choice program requires full discussions on program costs with proper allocation and payment for assets; financial security, billing

and rate options; capacity; and, dutiful regard for consumer protection and consumer education. None of these items are quickly addressed. By the same token, however, workshop discussions with no intended end-date may be wasteful of time and encourage delay. As such, ICEA asks that the Commission's order clearly set out both a start date and an end date for the workshops with an ultimate goal to have all parties agree on a functioning gas choice program and with the understanding that any items not agreed-upon will be decided by the Commission. CUB and Ameren Illinois have both indicated that they would be open to a collaborative approach. ICEA joins the Retail Gas Suppliers in their request that the Commission order Ameren Illinois to begin a collaborative to discuss implementation of a retail natural gas choice program based along the criteria for the collaborative as proposed in the testimony of RGS witness James Crist.

III. Conclusion

As noted in the introduction, the ICEA is dedicated to ensuring that Illinois citizens, businesses, and all other energy consumers have the opportunity to enjoy the many benefits that robust competitive energy markets can bring. The ICEA members include alternative retail electric suppliers and alternative natural gas suppliers whose focus is preserving and championing customer choice of energy supply and Illinois' competitive electric and natural gas markets. ICEA supports the proposal of the Retail Gas Suppliers and asks the Illinois Commerce Commission to order a collaborative workshop for the purpose of creating an appropriate retail gas choice program in the Ameren Illinois service territory.

Dated: October 25, 2011

Respectfully submitted,

The Illinois Competitive Energy Association

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NOTICE OF FILING

Please take note that on October 25, 2011, I am causing to be filed via e-docket with the Chief Clerk of Illinois Commission Commission, the attached Initial Brief (Revised) of the Illinois Competitive Energy Association in Docket 11-0279 and 11-0282 (consolidated) as per the ALJs' notice/ruling on October 24, 2011.

Dated: October 25, 2011

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CERTIFICATE OF SERVICE

I, Eve Moran, attorney for the Illinois Competitive Energy Association, certify that I caused to be served copies of the Initial Brief (Revised) of the Illinois Competitive Energy Association upon the parties on the service list maintained on the Illinois Commerce Commission's e-Docket system for Docket 11-0279 & 11-0282 (consolidated) via electronic delivery, on October 25, 2011.

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