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BEFORE THE
ILLINOIS COMMERCE COMMISSION
BENCH SESSION
(PUBLIC UTILITY)
Wednesday, March 25, 2015
Chicago, Illinois

Met pursuant to notice at 10:30 a.m. at
160 North LaSalle Street, Chicago, Illinois.

- PRESENT:
- MR. BRIEN J. SHEAHAN, Chairman
 - MR. MIGUEL del VALLE, Commissioner
 - MS. ANN McCABE, Commissioner (via video conference)
 - MS. SHERINA E. MAYE, Commissioner
 - MR. JOHN R. ROSALES, Acting Commissioner

SULLIVAN REPORTING COMPANY, by
Christine Kowalski, CSR
License No. 084-004422

1 CHAIRMAN SHEAHAN: Good morning, Ann. Are you
2 ready.

3 Good morning, Ann. Are you ready in
4 Springfield?

5 COMMISSIONER McCABE: We are.

6 CHAIRMAN SHEAHAN: Pursuant to the Open
7 Meetings Act, I call the March 25th, 2015 Bench
8 Session of the Illinois Commerce Commission to order.

9 Joining us from Springfield is
10 Commissioner Maye (sic), Commissioners del Valle,
11 Maye, and Rosales are present with me in Chicago. We
12 have a quorum.

13 COMMISSIONER MAYE: Mr. Chairman, for the
14 record, Commissioner McCabe is in Springfield.

15 CHAIRMAN SHEAHAN: Oh, I'm sorry.

16 COMMISSIONER MAYE: It's okay.

17 CHAIRMAN SHEAHAN: I stand corrected.

18 Commissioner Rosales, welcome. We're
19 delighted and excited to have you for your first
20 Commission meeting.

21 COMMISSIONER ROSALES: Thank you, everyone.

22 CHAIRMAN SHEAHAN: We have no requests to

1 speak; and, therefore, moving on to our Electric
2 agenda, Item E-1 is MidAmerican's filing to clarify
3 which consumer-owned transformers are eligible for a
4 credit.

5 Are there any objections to not
6 suspending the filing in this case?

7 (No response.)

8 Hearing none, the filing is not
9 suspended.

10 Item E-2 involves our development and
11 adoption of rules concerning municipal aggregation.

12 Are there any objections to approving
13 the Proposed Order adopting the rules?

14 (No response.)

15 Hearing none, the rules are adopted.

16 Item 3 -- E-3 through E-4 are joint
17 motions to dismiss complaints against ComEd
18 concerning billing issues.

19 Are there any objections to
20 considering these items together and granting the
21 motions dismissing -- and dismissing both
22 proceedings?

1 (No response.)

2 Hearing none, those items are granted.

3 Item E-5 concerns a reconciliation of
4 Ameren's riders EUA and GUA.

5 Are there any objections to approving
6 the Proposed Orders?

7 (No response.)

8 Without objection, the Order is
9 approved.

10 Item E-6 is Fox Valley Electrical
11 Construction's petition to cancel its EV Installer
12 Authority.

13 Is there any objection to approving
14 the Proposed Order?

15 (No response.)

16 The Order is approved.

17 Items E-7 through E-18 are petitions
18 for the confidential treatment of various reports.

19 Are there any objections to
20 considering these items together and approving the
21 Proposed Orders?

22 (No response.)

1 Hearing none, the Orders are approved.

2 Items E-19 and 20 are applications for
3 Electric Vehicle Charging Station Installer Authority
4 and Distributed Generation Installer Authority.

5 Are there any objections to
6 considering these items together and approving the
7 Proposed Orders?

8 (No response.)

9 Hearing none, the Orders are approved.

10 Items E-21 through E-23 are
11 applications for authority to operate as agents,
12 brokers, or consultants.

13 Are there any objections to
14 considering these items together and approving the
15 Proposed Orders?

16 (No response.)

17 Hearing none, the Orders are approved.

18 Moving on to our Gas agenda, item G-1
19 is our revision to 83 Illinois Administrative Code,
20 Section 500, Standards of Service for Gas Utilities
21 and Alternative Gas Suppliers. Nicor Advanced
22 Energy, LLC, has filed a request for oral argument.

1 Is there any objection to denying
2 their request for oral argument?

3 (No response.)

4 Hearing none, the request is denied.

5 Item G-2 is Archer Energy, LLC's
6 application for Alternative Gas Supplier Service
7 Authority.

8 Is there any objection to approving
9 the Proposed Order?

10 (No response.)

11 The Order is -- hearing none, the
12 Order is approved.

13 Item G-3 concerns our approval of
14 Nicor's Rider 26 Reconciliation Statement.

15 Is there an objection to approving the
16 Proposed Order?

17 (No response.)

18 Hearing none, the Order is approved.

19 Item G-4 is our reconciliation of
20 revenues collected under Ameren's gas adjustment
21 charges with actual costs prudently incurred.

22 Is there any objection to approving

1 the Proposed Order?

2 (No response.)

3 The Order is approved.

4 Items G-5 and 6 concern

5 reconciliations for North Shore Gas and the Peoples

6 Gas Light and Coke Company's Rider UEA.

7 Are there any objections to

8 considering these items together and approving the

9 Proposed Orders?

10 (No response.)

11 Hearing none, the Orders are approved.

12 Item G-7 is Dominick's Villa Rosa

13 Pizzeria's complaint against Nordic Energy.

14 I believe Commissioner del Valle has

15 some proposed edits in this case.

16 COMMISSIONER del VALLE: Thank you,

17 Mr. Chairman.

18 My edits do not change the outcome of

19 the Order. The edits begin of the analysis by first

20 considering whether the Commission has jurisdiction

21 over the parties and the claim before addressing the

22 merits of the Motion to Dismiss.

1 The Order contains that Article 19 of
2 the PUA gives the Commission jurisdiction over
3 contract disputes between residential and small
4 commercial customers, and the claimant in this case
5 is neither.

6 Having concluded the dismissal is
7 warranted on jurisdictional grounds, the Order
8 declines to address the merits of the motion.

9 I move the adoption of the edit.

10 CHAIRMAN SHEAHAN: Is there a second to the
11 adoption of the edit?

12 COMMISSIONER MAYE: Second.

13 CHAIRMAN SHEAHAN: All those in favor, say --
14 is there any discussion?

15 (No response.)

16 All those in favor, say "Aye."

17 (Chorus of Ayes.)

18 The edit is approved.

19 Is there a motion to approve the Order
20 as edited?

21 COMMISSIONER MAYE: So moved.

22 CHAIRMAN SHEAHAN: Is there a second?

1 COMMISSIONER del VALLE: Second.

2 CHAIRMAN SHEAHAN: Any discussion?

3 (No response.)

4 All those in favor, say Aye.

5 (Chorus of Ayes.)

6 The Order as edited is approved.

7 Item G-8 is a complaint against the
8 Peoples Gas Light and Coke Company as to negative
9 credit bureau reporting.

10 Is there any objection to granting the
11 parties' Joint Motion to Dismiss?

12 (No response.)

13 Hearing none, the motion is granted.

14 Items G-9 through 13 are petitions for
15 the confidential treatment of various reports.

16 Are there any objections to
17 considering these items together and entering the
18 Proposed Orders?

19 (No response.)

20 Hearing none, the Orders are entered.

21 Moving on to our Telecommunications
22 agenda, Item T-1 concerns a settlement with Illinois

1 Telephone Corporation for an alleged failure to
2 maintain obligations under the PUA and to maintain
3 obligations as an ETC.

4 Are there any objections to approving
5 the Proposed Order?

6 (No response.)

7 Hearing none, the Order is approved.

8 Item T-2 is Essex Telecom's
9 application for ETC designation.

10 Is there any objection to approving
11 the Proposed Order?

12 (No response.)

13 Hearing none, the Order is approved.

14 Item T-3 is KEPS Technologies'
15 application for a certificate of local exchange
16 authority.

17 Is there any objection to approving
18 the Proposed Order?

19 (No response.)

20 Hearing none, the Order is approved.

21 Items T-4 through 17 are petitions for
22 the confidential treatment of various reports.

1 Are there any objections to
2 considering these items together and entering the
3 Proposed Orders?

4 (No response.)

5 Hearing none, the Orders are entered.

6 Item 18 is Illinois Rural Electric
7 Cooperative's application for State-issued
8 authorization to provide video service.

9 Is there any objection to approving
10 the Proposed Order?

11 (No response.)

12 Hearing none, the Order is approved.

13 Items T-19 through T-22 are joint
14 petitions for interconnection agreements or
15 amendments to interconnection agreements.

16 Are there any objections to
17 considering these items together and entering the
18 Proposed Orders?

19 (No response.)

20 Hearing none, the Orders are entered.

21 Moving on to our Water and Sewer
22 agenda, Item W-1 is Utility Services of Illinois's

1 proposed rate increases for water and sewer service.

2 Is there any objection to the
3 Resuspension Order?

4 (No response.)

5 Hearing none, the Order is approved.

6 Item W-2 is Aqua Illinois's proposed
7 general increase in water rates for the Kankakee
8 service territory.

9 ALJ Sainsot, do we have any public
10 comments?

11 JUDGE SAINSOT: Yes. As of 9:30 this morning,
12 there were two public comments.

13 CHAIRMAN SHEAHAN: Thank you.

14 Both Commissioner Maye and I have
15 proposed edits for this Order.

16 Commissioner Maye?

17 COMMISSIONER MAYE: Thank you, Mr. Chairman.

18 I would like to propose edits to the
19 Return on Equity section of the Order. These edits
20 begin on Page 43 and end on Page 55 and appear under
21 the Commission Analysis and Conclusions section with
22 resulting changes to the Findings and Ordering

1 The edits acknowledge the result
2 includes a leverage and size adjustment, which the
3 Commission does not typically adopt and is not
4 exclusively doing so here; however, as stated
5 earlier, taking an average of Staff's and Aqua
6 Illinois's DCF and CAPM results creates a balance of
7 each expert's ROE estimates and produces a just and
8 reasonable ROE.

9 In addition to changing the ROE
10 analysis, the edits revise the Order for consistency
11 purposes to support the view that the Commission
12 found value in the opinions of both expert witnesses.
13 The edits also removed some language for tone
14 purposes.

15 Thank you to Commissioner McCabe's
16 office for her input on these edits.

17 And with that, I'd move for the
18 adoption of the edits.

19 CHAIRMAN SHEAHAN: I second --

20 COMMISSIONER McCABE: Second.

21 CHAIRMAN SHEAHAN: -- the motion as well.

22 Any discussion?

1 (No response.)

2 All those in favor, say Aye.

3 (Chorus of Ayes.)

4 COMMISSIONER McCABE: Chairman?

5 CHAIRMAN SHEAHAN: Yes, Commissioner Mc- --

6 COMMISSIONER McCABE: Did you turn off your
7 mic? We can't hear you in Springfield.

8 CHAIRMAN SHEHAN:: Oh. So sorry,
9 Commissioner McCabe. Thank you.

10 We have a motion and second on
11 Commissioner Maye's edits.

12 Is there any discussion?

13 (No response.)

14 All those in favor, say Aye.

15 (Chorus of Ayes.)

16 Opposed, say No.

17 COMMISSIONER del VALLE: No.

18 CHAIRMAN SHEAHAN: Motion carries 4 to 1.

19 I'd also like to propose some edits
20 today to Pages 23, 29, 66, and 69 concerning the
21 adjustments to other revenue involving HomeServe.

22 These edits specifically conclude that

1 the Commission finds Aqua Illinois violated the PUA
2 by selling its customer information to Aqua Resources
3 without an Affiliated Interest Agreement, but also
4 finds that the appropriate remedy for that violation
5 remains unclear.

6 The edits note that had the parties
7 introduced evidence -- into evidence the total of the
8 data fee paid by Aqua Resources to Aqua Illinois,
9 which was recorded below the line, an adjustment in
10 this proceeding would have been appropriate.

11 That the -- to the extent of the harm
12 to ratepayers based on the arrangement between Aqua
13 Illinois and Aqua Resources and HomeServe is not yet
14 known and the Commission would prefer to gain a
15 fuller understanding of the arrangement between the
16 parties before choosing to impute the benefits of
17 this arrangement entirely against Aqua Illinois's
18 revenue requirement.

19 And, three, that the last part of the
20 Staff's investigation -- as part of the Staff's
21 investigation, the parties are directed to, A,
22 provide the full amount of the data fee revenue Aqua

1 Illinois received from Aqua Resources during the 2010
2 to '12 time period, provide the full amount of
3 revenues received by Aqua Resources to date from
4 HomeServe based on the customer data provided by Aqua
5 Illinois, and address what may be the most
6 appropriate remedy to make ratepayers whole and
7 discourage such arrangements in the future.

8 I would move for the adoption of these
9 edits.

10 Is there a second?

11 COMMISSIONER MAYE: Second.

12 CHAIRMAN SHEAHAN: Is there any discussion?

13 (No response.)

14 All those in favor of adopting the
15 edits, say Aye.

16 (Chorus of Ayes.)

17 Opposed, say No.

18 (No response.)

19 The edits pass.

20 Are there any comments regarding the
21 Order as edited?

22 Commissioner del Valle?

1 COMMISSIONER del VALLE: Although I disagree
2 with the amendment to the Order's conclusion
3 regarding the Return on Equity -- I agree with
4 Staff's conclusion on that -- I concur with the rest
5 of the Final Order including, of course, the
6 investigation into the utilities' affiliated interest
7 agreements and I will be voting yes on the Final
8 Order.

9 CHAIRMAN SHEAHAN: Thank you, Commissioner.

10 Is there a motion to enter the Order
11 as amended?

12 COMMISSIONER MAYE: So moved.

13 CHAIRMAN SHEAHAN: Is there a second?

14 COMMISSIONER ROSALES: Second.

15 CHAIRMAN SHEAHAN: It's been moved and
16 seconded.

17 Any further discussion?

18 (No response.)

19 All those in favor, say Aye.

20 (Chorus of Ayes.)

21 Opposed, say No.

22 (No response.)

1 The motion carries and the Amended
2 Order is adopted.

3 Item W-3 is our annual reconciliation
4 of IAWC's purchased water and purchased sewer
5 treatment surcharges.

6 Are there any objections to approving
7 the Proposed Order?

8 (No response.)

9 Hearing none, the Order is approved.

10 On other business, we have a couple of
11 items. The first item is a resolution honoring
12 Mr. Darin Burk, our Pipeline Safety Program Manager,
13 on his retirement. And I'll read the resolution. I
14 believe he's in Springfield.

15 COMMISSIONER McCABE: He is.

16 CHAIRMAN SHEAHAN: Okay. Fantastic.

17 We can't see you, Mr. Burk, but we're
18 thrilled that you're here and we have a chance to
19 honor your service.

20 The resolution reads: Whereas, Darin
21 Burk has dedicated 30 years of work to ensuring the
22 safety of natural gas pipelines in Illinois and

1 throughout the United States, and

2 Whereas, in 1989, he joined the
3 Illinois Commerce Commission Staff as a Pipeline
4 Safety Analyst bringing engineering insight and
5 expertise to the job, and

6 Whereas, Darin Burk was recognized for
7 his work on the Silco Pipeline case by the Illinois
8 Department of Justice and the U.S. Department of
9 Transportation's Office of Inspector General by being
10 recognized as a special agent, and

11 Whereas, Darin Burk developed new
12 training programs for Illinois pipeline operators and
13 his investigative methods were incorporated by the
14 Federal Pipeline and Hazardous Material Safety
15 Administration in training and qualification courses,
16 and

17 Whereas, Darin Burk's work and
18 sterling reputation led him to his leadership
19 position as manager of the Commission's Pipeline
20 Safety Program as well as other leadership positions
21 including the position of Chairman within the
22 National Association of Pipeline Safety

1 Representatives where he was awarded the coveted
2 Chairman's Award two consecutive years for his hard
3 work and diligence in promoting NAPSR, and

4 Whereas, Darin Burk's work ethic and
5 diligence in monitoring the natural gas
6 infrastructure of Illinois set an example for all of
7 us who had the pleasure to work with him over this
8 many years,

9 Therefore, be it resolved by the
10 Illinois Commerce Commission on this 25th day of
11 March, 2015, that we offer our sincerest appreciation
12 for his long and distinguished service to the people
13 of Illinois, and

14 Be it further resolved that on a
15 personal level, we wish him the best as he opens a
16 new chapter in his life.

17 Mr. Burk, would you like to say
18 anything to the Commission or Staff?

19 MR. DARIN BURK: Yes, thank you. First of all,
20 I would like to thank you, past Chairmen, current and
21 past Commissioners, our Directors, Office of General
22 Counsel, and especially the Director of the Safety

1 and Reliability Division for all of the support
2 provided to me over the years that helped me become
3 what I believe was very successful in my job.

4 We have a very, very strong pipeline
5 safety program in Illinois and that's been
6 demonstrated by the numerous times that the
7 Commission supported the recommendations of Staff
8 throughout the various cases that we have brought to
9 the Commission. I've had a very, very interesting
10 career here to say the least.

11 I believe we pioneered a lot of new
12 things in Illinois and we were never afraid to make
13 change. And I do believe that that message went to
14 our utilities and that the utilities understand that
15 safety isn't just compliance. You have to go beyond
16 compliance. Simply being compliant, you are not
17 safe; but if you operate a safe system, you'll be in
18 compliance.

19 I appreciate being recognized today
20 and thank you very much.

21 CHAIRMAN SHEAHAN: Thank you.

22 Do we have any other comments from the

1 Commissioners?

2 Commissioner McCabe?

3 COMMISSIONER McCABE: Yes. I just want to
4 thank Darin for his 30 years of service and
5 well-deserved acknowledgements of his -- his efforts
6 to NAPSRS and otherwise. And I have the actual framed
7 resolution I'm going to present to Darin right now.

8 CHAIRMAN SHEAHAN: Fantastic.

9 (Applause.)

10 Mr. Burk, thank you again for your
11 service. We are grateful and the people of the State
12 are grateful.

13 Commissioner McCabe, I believe you
14 also have something you'd like to say recognizing an
15 employee who's moving on to other opportunities.

16 COMMISSIONER McCABE: Yes. This is my advisor,
17 Cameron Schilling's, last day. About three years ago
18 when he interviewed with me, he said, I can't explain
19 why, but utility regulatory issues really interest
20 me.

21 (Laughter.)

22 He has shown his affinity for

1 regulatory issues and his ability to quickly master
2 them, work with others, and build on his prior
3 legislative and policy experience. He'll soon join
4 the External Affairs Group at the Federal Energy
5 Regulatory Commission, also known as FERC. The good
6 news is he'll be interacting with State PUCs and
7 RTOs, so some of us will still cross paths.

8 And, Cameron, I just want to say
9 congrats and best wishes.

10 CHAIRMAN SHEAHAN: Great. Thank you.

11 (Applause.)

12 Commissioners, just to make sure that
13 we kind of dot the "I"s and cross the "T"s here,
14 there's a motion and second on Mr. Burk's resolution.

15 All those in favor, say Aye.

16 (Chorus of Ayes.)

17 Opposed, say No.

18 (No response.)

19 Motion carries. Thank you.

20 We've got a further item on the agenda
21 under Administrative Matters. I'm going -- I've
22 asked Commissioner Rosales to consider chairing a

1 Legislative Committee. The details will be
2 forthcoming.

3 I've also asked Commissioner del Valle
4 to take a look at ARES marketing practices, and I
5 believe he wants to say a couple words about -- about
6 that.

7 COMMISSIONER del VALLE: Well, thank you,
8 Mr. Chairman.

9 The Staff has -- has discussed this
10 and we have set a date for June 1st for our policy
11 session, and so we'll be providing additional
12 information as usual. Staff will collaborate on the
13 shaping of the agenda for that policy session.

14 CHAIRMAN SHEAHAN: Terrific. Thank you.

15 Any other business, Commissioners?

16 (No response.)

17 ALJ Wallace, do we have any other
18 issues that come before us today?

19 JUDGE WALLACE: No. That's all, Mr. Chairman.

20 CHAIRMAN SHEAHAN: Okay. Then, therefore,
21 we're adjourned. Thank you.

22