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BEFORE THE  
ILLINOIS COMMERCE COMMISSION  
PUBLIC UTILITIES REGULAR OPEN MEETING  
Wednesday, July 29, 2020  
Chicago, Illinois

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

PRESENT:

- CARRIE ZALEWSKI, Chairman
- D. ETHAN KIMBREL, Commissioner
- SADZI M. OLIVA, Commissioner
- MARIA S. BOCANEGRA, Commissioner
- MICHAEL T. CARRIGAN, Commissioner

SULLIVAN REPORTING COMPANY  
BY: JO ANN KROLICKI, CSR (Via teleconference)  
License No. 084-002215

1                   CHAIRMAN ZALEWSKI: I'm going to get  
2 started. Before we begin, can we confirm that the  
3 court reporter is on the line?

4                   THE REPORTER: Yes, ma'am.

5                   CHAIRMAN ZALEWSKI: Thank you.

6                   I have Commissioners Bocanegra,  
7 Carrigan, Kimbrel, and Oliva in Chicago.

8                   Judge Teague Kingsley, are you with  
9 us?

10                  JUDGE TEAGUE KINGSLEY: Yes, I am.

11                  CHAIRMAN ZALEWSKI: Okay, great.

12                  Under the Open Meetings Act and in  
13 accordance with the Governor's Executive Orders, I  
14 call the July 29, 2020, Regular Open Meeting to  
15 Order.

16                  Before we proceed and for clarity of  
17 the record, I would ask that everyone who speaks  
18 today state their name before speaking and to speak  
19 slowly and clearly so that the court reporter can  
20 capture everything that is said.

21                  And with that, we're going to  
22 proceed. We have a quorum, as I have already noted.

1 I want to thank everybody who is both  
2 here today and who is listening virtually. This is  
3 obviously a very important meeting, and I know  
4 there's a lot of interest in what we'll be talking  
5 about today. And thank you for everyone working with  
6 us in cooperation in light of the COVID  
7 considerations.

8 We have a robust agenda to get  
9 through today, but, also, a very important objective:  
10 To make sure that consumers do not pay for ComEd's  
11 admitted wrongdoings.

12 ComEd's revealed actions are both  
13 deeply troubling and a violation of public trust.  
14 The Deferred Prosecution Agreement discusses a series  
15 of incidents from 2011 to 2019. This is an ongoing  
16 investigation. We're going to respect the U.S.  
17 Attorney's process.

18 But our role at the ICC is to protect  
19 the ratepayers of Illinois, and we are going to use  
20 all of the authority that we have under the Public  
21 Utilities Act to make ratepayers whole.

22 So we've asked ComEd to come here

1 today and present their plan going forward to ensure  
2 that ratepayers are not responsible for paying the  
3 \$200 million fine either directly or indirectly.

4 We've also asked ComEd to share their  
5 ethics plan they have negotiated with federal law  
6 enforcement.

7 We are going to begin with public  
8 comments first, we're going to move on to our regular  
9 Agenda, and then we're going to hear from ComEd. The  
10 Commissioners will have the ability to ask questions,  
11 but there will not be a vote on anything related to  
12 ComEd's presentation.

13 This is not the only or last time we  
14 will have this conversation. We are going to make  
15 sure that there are transparent opportunities for  
16 public participation in future meetings. Public  
17 participation is a cornerstone of this Commission.

18 And just for logistic purposes, we  
19 plan to go straight through. We may potentially  
20 break around 1:00 o'clock.

21 So I'm going to move on to our public  
22 comments session. We have four requests to speak,

1 and I'm going to go in the order in which we received  
2 the requests. First, Steven Blandin, and then Jesus  
3 Solorio, Abraham Scarr, and then Jeff Scott. The  
4 last two, Jeff Scott and Abe Scarr, will be  
5 participating remotely.

6 Under 2 Illinois Administrative Code,  
7 Section 1700.10, any person desiring to address the  
8 Commission shall be allowed up to three minutes.  
9 Only one person can speak on behalf of the  
10 organization. Please note that the Commission will  
11 not respond directly to comments.

12 Mr. Blandin, you can go ahead and  
13 step up to the mic. I will indicate when your time  
14 is up. Tonya is going to be helping here to keep  
15 track of time, and if you could state and spell your  
16 name for the record, and then Tonya will let you know  
17 when the clock starts.

18 (Indiscernible audio.)

19 THE REPORTER: I'm sorry, but I'm not able  
20 to hear Mr. Blandin.

21 CHAIRMAN ZALEWSKI: Mr. Blandin, are you  
22 okay with starting over?

1                   MR. BLANDIN: For the record, I said I was  
2 here in two capacities, one on behalf of ratepayers  
3 in the class action lawsuit we brought against  
4 Commonwealth Edison as a result of the admitted  
5 bribery that is outlined in the Deferred Prosecution  
6 Agreement.

7                   THE REPORTER: I can't hear you, sir.

8                   CHAIRMAN ZALEWSKI: Is there a different  
9 mic, perhaps, that we can move?

10                  MR. BLANDIN: Miss Reporter, is that any  
11 better?

12                  THE REPORTER: That's much better, sir.

13                  MR. BLANDIN: Okay, great. Thank you.

14                         So again, I'm here in two individual  
15 capacities, one on behalf of the Zulauf family, and  
16 the other on behalf of ratepayers in a class action  
17 lawsuit that was brought against Commonwealth Edison.

18                         The ratepayer lawsuit is a result of  
19 the admissions that Commonwealth Edison made ten days  
20 ago in the Deferred Prosecution Agreement where they  
21 admitted to bribing individuals in exchange for in  
22 excess of \$150 million of benefits, which I will note

1 that as of yesterday they have denied in their public  
2 relations comments, which is a violation of the  
3 Deferred Prosecution Agreement, and it's my request  
4 that the Commission get to the bottom of that,  
5 because we have Commonwealth Edison talking out of  
6 both sides of their mouth in front of the federal  
7 government and then in their PR efforts on the media.

8           The second capacity that I'm here is  
9 on behalf of Jeanette Zulauf, whose husband, Robert,  
10 was electrocuted and was burned alive four years ago  
11 as a result of systemic violations that Commonwealth  
12 Edison has finally admitted to. We filed a lawsuit  
13 in which they denied all the material allegations of  
14 our case.

15           This past spring at the beginning of  
16 COVID, they finally came around to admitting them  
17 after we received the documents from the ICC where  
18 they admitted to these allegations before the ICC.

19           The reason I'm here in front of you  
20 today -- and we have prepared a document that I  
21 submitted that outlines the case, because I can't  
22 summarize it in a minute and seven seconds.

1                   But what we have found out is that  
2                   Commonwealth Edison -- there's a double standard that  
3                   has taken place in Illinois. Their downstate  
4                   competitor, Ameren, was found to have in excess of  
5                   35,000 guy wire safety violations. The Commission  
6                   asked them how many they had, Ameren truthfully  
7                   answered, and they repaired them within a two-year  
8                   time period.

9                   When they got to Commonwealth Edison,  
10                  the ICC asked the same question, and Commonwealth  
11                  Edison made a series of annual misrepresentations,  
12                  misstatements, and out-and-out lies, never telling  
13                  the Commission that before the inquiry, they never  
14                  looked for these safety violations.

15                 And anybody looking at the material  
16                 that we submitted that's public record from the  
17                 Commission would see that these repairs were not  
18                 being made, that the numbers were being  
19                 underestimated. Year after year after year, Edison  
20                 told the Commission that they would have them  
21                 repaired within two years, and after ten years,  
22                 there's still over 10,000 of these safety violations



1 that killed my client.

2 Thank you.

3 CHAIRMAN ZALEWSKI: So now we have Jesus  
4 Solorio, and, Mr. Solorio, you're going to have three  
5 minutes as well, and we're going to have Tonya set  
6 the timer.

7 If you could just please state and  
8 spell your name for the record? And then you can  
9 start.

10 MR. SOLORIO: Yes. Good morning. Can you  
11 hear me?

12 Jesus Solorio, J-e-s-u-s,  
13 S-o-l-o-r-i-o.

14 Thank you for the opportunity to  
15 address the Commission this morning. I'm here as a  
16 community leader, a ratepayer, and a concerned  
17 Illinoisan.

18 The admissions contained in the  
19 Deferred Prosecution are very troubling and require a  
20 strong response. They also require the Commission to  
21 retain public confidence. Excuse me.

22 The admissions contained in the

1 Deferred Prosecution are very troubling and require a  
2 strong response. Illinois law requires that  
3 Commissioners uphold high standards of honesty,  
4 integrity, impartiality, and personal conduct. It  
5 also requires that every Commissioner be completely  
6 above suspicion and avoid situations involving even  
7 apparent conflicts of interest.

8 Today, we have a Chairman of the  
9 Commission, Carrie Zalewski, from one of the most  
10 politically-connected families in Illinois. Her  
11 husband is a State Representative, and her  
12 father-in-law is a former Chicago Alderman. They are  
13 both among Speaker Mike Madigan's closet allies.

14 Miss Zalewski's husband has received  
15 thousands of dollars in campaign contributions from  
16 Commonwealth Edison and has voted for the legislation  
17 that we now know involved a criminal conspiracy  
18 orchestrated by Mr. Madigan and his friends.

19 We also know that Commonwealth Edison  
20 gave Ms. Zalewski's father-in-law a \$5,000-a-month  
21 contract around the same time Mr. Madigan recommended  
22 Ms. Zalewski to be Commonwealth Edison's regulator.

1                   At the very least, the Chairman has  
2                   an apparent conflict of interest. But it is likely  
3                   that she is not just a bystander, but personally  
4                   subject to the investigation.

5                   How can it be that  
6                   Ms. Zalewski, who may be personally involved in the  
7                   federal investigation of a crime involving  
8                   Commonwealth Edison, and Michael Madigan, who  
9                   recommended her to the ICC, and a close family member  
10                  who receives payments from the utility regularly, can  
11                  continue to be on the ICC? This is not just a  
12                  conflict, it's an actual conflict of interest.

13                  Each of you swore an oath to uphold  
14                  the law, and you have a legal and ethical obligation  
15                  to publicly demand that Ms. Zalewski recuse herself  
16                  from matters involving Commonwealth Edison. The  
17                  four of you cannot sit there and pretend that this  
18                  cloud over the Commission's integrity is not your  
19                  problem. Given what is at stake, utility rates for  
20                  millions of Illinoisans, we need more than empty  
21                  assurances.

22                  The public deserves to know the

1 following: The full extent of the Zalewski's family  
2 involvement in this criminal conspiracy to defraud  
3 Illinois utility customers out of hundreds or even  
4 millions of dollars.

5 The U.S. Attorney raided her  
6 father-in-law's house and subpoenaed employment  
7 records involving her husband and possibly herself.  
8 We need answers to the following questions -- and I  
9 just have a few more seconds. Has she been  
10 interviewed by federal authorities, and the public  
11 deserves to know --

12 CHAIRMAN ZALEWSKI: Sir, that's time.  
13 Thank you.

14 MR. SOLORIO: Finally, I think to maintain  
15 the integrity of the Commission, it requires the  
16 immediate resignation of the Chairman and an  
17 independent investigation.

18 Thank you.

19 CHAIRMAN ZALEWSKI: Thank you.

20 Okay. Next we have Mr. Scarr, who is  
21 going to be participating remotely. Mr. Scarr, are  
22 there?

1 MR. SCARR: I am. Can you hear me?

2 CHAIRMAN ZALEWSKI: Yes, we can.

3 If you could state and spell your  
4 name, please, for the record? And then you can  
5 begin.

6 MR. SCARR: My name is Abe Scarr, A-b-e,  
7 S-c-a-r-r.

8 Good morning, and thank you for the  
9 opportunity to provide comment today. I also want to  
10 thank the Commission leadership for your commitment  
11 to operate with increased transparency.

12 We're here today because of the  
13 recent revelations of ComEd's corrupt and illegal  
14 schemes, but at any rate, this corruption is not  
15 news. It's been plain to see to anyone willing to  
16 look. ComEd and Exelon have used political power to  
17 corrupt utility regulation in Illinois.

18 The state constructed a system to  
19 regulate utilities to ensure public good by creating  
20 opportunity for private profit. ComEd flipped this  
21 on its head, guaranteeing private profit while  
22 leaving regulators without the tools to hold it

1       accountable to the public.

2                               The Energy Infrastructure  
3       Modernization Act, IEMA, was crafted such that ComEd  
4       could quickly and automatically convert massive  
5       spending into profits. ComEd's profits have  
6       increased by 47 percent between 2011 and 2019. Its  
7       authorized profits were over \$739 million in 2019.

8                               EIMA has severely limited Commission  
9       authority while shouldering it with an overwhelming  
10      number of proceedings and not enough time or the  
11      proper tools to analyze utility filings.

12                              To provide one example of how ComEd  
13      has undermined the Commission, after passing EIMA,  
14      ComEd did not get its desired outcome in several  
15      accounting decisions made by the Commission. Having  
16      lost in the fact-based administrative process, ComEd  
17      moved to the General Assembly, where it could win  
18      with political power. Through resolutions in 2012  
19      and a trailer bill in 2013, ComEd gained almost  
20      \$400 million in additional profits through 2019.  
21      These were accounting changes that added no new  
22      service or benefits to ratepayers.

1                   Many benefits that ComEd promised  
2                   when championing EIMA have not arrived. For example:  
3                   Green Button Connect is a failure; that ComEd  
4                   customers won't broadly be able to opt in to  
5                   time-of-use rates until 2024 or 2025 is a failure;  
6                   many more of the uses of smart meters are not  
7                   currently available to ComEd customers or are  
8                   embarrassingly underutilized. Even for a no-brainer  
9                   capital investment like Voltage Optimization, ComEd  
10                  used FEJA to take money that should be used to  
11                  incentivize energy efficiency.

12                  CHAIRMAN ZALEWSKI: One minute left.

13                  MR. SCARR: While customers and the public  
14                  have seen some benefits from EIMA and FEJA, without  
15                  proper examination, we have no way of knowing if  
16                  customers are getting real value from the 40 percent  
17                  increase in delivery rates they have paid since 2011,  
18                  or if alternative investments would have brought more  
19                  value at lower cost.

20                  Many of the needed reforms will take  
21                  place in the Illinois General Assembly, and we have a  
22                  broader agenda we will be taking there, but we have

1 recommendations for the Court to take action:

2 First, the Commission should subject  
3 ComEd to a comprehensive audit. The entire grid and  
4 its costs should be analyzed. ComEd has lost our  
5 trust.

6 Second, the Commission must demand  
7 and receive usable and useful data. Documents must  
8 be machine readable and available in workable  
9 formats. If a utility uses a different methodology  
10 from year to year, they must explain the difference  
11 and allow for apple-to-apple comparison.

12 Finally, the Commission should  
13 reevaluate the relationship between ComEd and Exelon  
14 Business Services and affiliated companies. The  
15 conflicts of interests in Exelon's ownership of ComEd  
16 drive many of our current problems.

17 Again, thank you for the opportunity  
18 to provide comment today.

19 CHAIRMAN ZALEWSKI: Thank you. We  
20 appreciate it.

21 And finally, we have Jeff Scott.  
22 Mr. Scott, are you there?



1 MR. SCOTT: Yes. Can you hear me?

2 CHAIRMAN ZALEWSKI: We can hear you.

3 Same thing. Three minutes. I'm  
4 going -- I'll give you when -- I'll indicate when you  
5 have one minute left, but if you can state and spell  
6 your name, and then we'll start the clock here.

7 MR. SCOTT: Thank you. My name is Jeff  
8 Scott, J-e-f-f, S-c-o-t-t.

9 Again, good morning and greetings,  
10 Chairwoman Zalewski and Commission members. Thank  
11 you for this opportunity to speak in front of you  
12 today.

13 Again, my name is Jeff Scott. I'm  
14 Associate State Director from AARP Illinois. I'm  
15 here on behalf of our 1.7 million, 50-plus members  
16 and their loved ones, many of whom are ComEd  
17 customers.

18 AARP Illinois has advocated for fair  
19 and affordable rates for residential customers. AARP  
20 Illinois remains deeply concerned about the energy  
21 policies, all of which we advocated against, that  
22 were allowed to be enacted by questionable statutes

1 that led to the Deferred Prosecution Agreement.

2 As a result, older adults, many of  
3 whom are on fixed or low incomes, and other  
4 hard-working citizens of Illinois have unknowingly  
5 been forced to pay more than they should, in many  
6 cases, more than they can afford on their electricity  
7 bills.

8 The policymaking that allowed this to  
9 occur must end. Reforms must happen to ensure  
10 ratepayer affordability, service reliability,  
11 transparency, and accountability.

12 We are no strangers to this issue  
13 before you today. AARP has been a consistent leader  
14 in fighting for consumers. Accordingly, AARP opposed  
15 the 2011 and 2016 formula rate bills. The laws in  
16 our view have caused residential distribution rates  
17 to spike by limiting the opportunities for normal ICC  
18 regulatory review, the legislation delivering limits  
19 to the Commission's ability to disallow imprudent  
20 expenditures.

21 While we applaud the improvement of  
22 ComEd's reliability, a new regulatory system was not

1 needed to accomplish this.

2 AARP supports sustainable energy  
3 policies, but we also ask about the impact on rates,  
4 especially in this environment. Rather than creating  
5 new, complicated capacity procurement mechanisms on  
6 top of the already complicated PJM, Illinois should  
7 instead end restructuring altogether and deregulation  
8 and again allow the utilities to own generation fully  
9 regulated by the ICC with a transparent and honest  
10 planning process.

11 CHAIRMAN ZALEWSKI: One minute.

12 MR. SCOTT: Without the power of formula  
13 rates, rate formulation must return to the hands of  
14 the ICC, and the ICC must ensure accountability.  
15 Ethics reforms must pass to ensure that this never  
16 happens again. A regulatory commission should have  
17 oversight that does not have its hands tied by the  
18 legislature.

19 Rate hikes must no longer be  
20 guaranteed through an automatic process.  
21 Accountability must no longer be allowed to sit on  
22 the back burner. We urge a constructive and honest

1 debate about power plan revenue requirement funding  
2 rather than painting the issue with a green brush.  
3 Allowing ComEd to own power plants and other  
4 regulated rate of returns might be the solution.

5 AARP, in closing, urges that we deal  
6 with the \$230 million a year (indiscernible audio)  
7 legislation setting the formula rates law without  
8 reauthorization and allowing the ICC the unfettered  
9 ability to, again, do its job before we regulate  
10 utilities.

11 Thank you for your time.

12 CHAIRMAN ZALEWSKI: Thank you, Mr. Scott.

13 Okay, that concludes our public  
14 comments section of the Agenda, and so we are going  
15 to move on to our Public Utility Agenda.

16 There are edits to the June 30, 2020,  
17 Regular Open Meeting Minutes.

18 Are there any objections to approving  
19 the Minutes as edited?

20 (No response.)

21 CHAIRMAN ZALEWSKI: Hearing none, the  
22 Minutes are approved.

1 Under Electric Items.

2 Item E-1 concerns Docket 19-0855,  
3 which is a complaint against ComEd regarding net  
4 metering. We are holding this for later disposition.

5 Item E-2 concerns Docket 20-0499,  
6 which is a complaint by the Environmental Law and  
7 Policy Center or ELPC against CleanChoice Energy for  
8 alleged violations of Part 412 of Commission Rules,  
9 the Public Utilities Act, and the Consumer Fraud and  
10 Deceptive Business Practices Act.

11 ELPC filed a Petition for  
12 Interlocutory Review, arguing that the Administrative  
13 Law Judge or the ALJ in the case erred in not making  
14 a determination under Section 200.180 of the  
15 Commission's Rules, but the complaint provides a  
16 clear statement on the subject matter, scope of the  
17 complaint, and basis thereof. In addition, ELPC is  
18 arguing that the ALJ gave CleanChoice too much time  
19 to file its Motion to Dismiss and that the stay of  
20 discovery until September 10, 2020, is an  
21 unreasonable delay in the schedule of this docket.

22 The Commission disagrees with the

1 ELPC that the ALJ erred in its decision to not make  
2 the Section 200.180 determination before a prehearing  
3 conference and requiring CleanChoice to file a Motion  
4 to Dismiss rather than an answer. The Commission,  
5 thus, is going to deny the Request for Interlocutory  
6 Review.

7 The Commission, however, agrees with  
8 ELPC that prompt adjudication of this docket is  
9 critical and that a delay in the proceeding by a  
10 prolonged motion schedule is unnecessary.

11 Accordingly, under the discretion  
12 provided the Commission in shaping proceedings before  
13 us, we direct the Respondent to file their motion  
14 within 21 days from today's decision with responses  
15 and replies to follow under the Commission's Rules of  
16 Practice, Section 200.190. We will not lift the stay  
17 on discovery until resolution of Respondent's Motion  
18 to Dismiss. However, we strongly encourage the  
19 parties to move expeditiously in addressing the  
20 issues raised in this docket and not engage in  
21 unnecessary procedural delays.

22 But first, for clarity of the record,

1 I am going to call roll on denying the Petition for  
2 Interlocutory Review. So when your name is called,  
3 if you are in favor of denying the Petition, say aye,  
4 and if you are opposed and want to grant the  
5 Petition, say nay.

6 Commissioner Bocanegra?

7 COMMISSIONER BOCANEGRA: Aye.

8 CHAIRMAN ZALEWSKI: Commission Carrigan?

9 COMMISSIONER CARRIGAN: Aye.

10 CHAIRMAN ZALEWSKI: Commissioner Kimbrel?

11 COMMISSIONER KIMBREL: Aye.

12 CHAIRMAN ZALEWSKI: Commissioner Oliva?

13 COMMISSIONER OLIVA: Aye.

14 CHAIRMAN ZALEWSKI: And I am an aye.

15 There are five ayes, and the Petition  
16 is denied.

17 The next vote I'm calling is a call  
18 to revise the motion schedule to expedite it as we  
19 just noted. So when your name is called, if you are  
20 in favor of revising the schedule, say aye, and if  
21 you are opposed, say nay.

22 Commissioner Bocanegra?

1 COMMISSIONER BOCANEGRA: Aye.

2 CHAIRMAN ZALEWSKI: Commissioner Carrigan?

3 COMMISSIONER CARRIGAN: No.

4 CHAIRMAN ZALEWSKI: Commissioner Kimbrel?

5 COMMISSIONER KIMBREL: Nay.

6 CHAIRMAN ZALEWSKI: Commissioner Oliva?

7 COMMISSIONER OLIVA: Aye.

8 CHAIRMAN ZALEWSKI: I vote aye.

9 The ayes have it, and the motion  
10 schedule is revised.

11 The Respondent is directed to file  
12 its Motion to Dismiss within 21 days of today's  
13 decision. The responses and replies shall be filed  
14 as required under Section 200.190 of the Commission's  
15 Rules of Practice. The stay on discovery remains  
16 until the resolution of the Respondent's Motion to  
17 Dismiss.

18 COMMISSIONER KIMBREL: Madam Chair, I'd  
19 like to add, the ALJ -- in my opinion, the ALJs are  
20 better situated to make the determinations regarding  
21 scheduling.

22 THE REPORTER: Commissioner, I'm sorry. I



1 can't hear you.

2 COMMISSIONER KIMBREL: That's okay.

3 CHAIRMAN ZALEWSKI: Are you sure?

4 COMMISSIONER KIMBREL: It's not worth the  
5 interruption. Let's keep it moving.

6 CHAIRMAN ZALEWSKI: Okay. Item E-3  
7 concerns an Application for a License to Operate as  
8 Retail Electric Agent, Broker, and Consultant in  
9 Illinois. The Order denies the Application finding  
10 that the applicant failed to provide proof of  
11 compliance with Section 454 of the Commission's  
12 Rules. The applicant has not filed any response or  
13 errata to address the deficiencies in its  
14 Application.

15 Are there any objections to approving  
16 the Order?

17 (No response.)

18 CHAIRMAN ZALEWSKI: Hearing none, the Order  
19 is approved.

20 Item E-4 concerns Ameren's Request to  
21 Reconcile Uncollectible Costs Under Its Utility  
22 Consolidated Billing or UCB and Purchase of

1 Receivables or POR Program for the 2019 calendar  
2 year. Commission Staff recommends approving the  
3 reconciliation. The Order approves the  
4 reconciliation as set in the Appendix to the Order,  
5 finding that the costs during the reconciliation  
6 period were prudently incurred.

7 Are there any objections to approving  
8 the Order?

9 (No response.)

10 CHAIRMAN ZALEWSKI: Hearing none, the Order  
11 is approved.

12 Item E-5 concerns Wegman Electric's  
13 Petition for Withdrawal of Its Certificates of  
14 Service Authority to Install Energy Efficiency and  
15 Distributed Generation Facilities in Illinois. The  
16 Order cancels the Certificates finding that the  
17 service discontinuance will not deprive Illinois  
18 customers of any necessary services.

19 Are there any objections to approving  
20 the Order?

21 (No response.)

22 CHAIRMAN ZALEWSKI: Hearing none, the Order

1 is approved.

2 Item E-6 through E-9 concern  
3 applications for authority to install distributed  
4 generation facilities in Illinois. The Orders grant  
5 the licenses, finding that the applicants meet the  
6 licensing requirements.

7 Are there any objections to  
8 considering these items together and approving the  
9 Orders?

10 (No response.)

11 CHAIRMAN ZALEWSKI: Hearing none, the  
12 Orders are approved.

13 Item E-10 concerns an Application for  
14 Certification to Install, Maintain, or Repair  
15 Electric Vehicle Charging Station Facilities. The  
16 Order grants the Certificate, finding that the  
17 Applicant meets the certification requirements.

18 Are there any objections to approving  
19 the Order?

20 (No response.)

21 CHAIRMAN ZALEWSKI: Hearing none, the Order  
22 is approved.

1                   Item E-11 concerns an Application for  
2 Authority to Install -- excuse me -- to Operate as an  
3 Alternative Retail Electric Supplier in Illinois.  
4 The Order grants the Certificate, finding that the  
5 Applicant meets the certification requirements.

6                   Are there any objections to approving  
7 the Order?

8   (No response.)

9                   CHAIRMAN ZALEWSKI: Hearing none, the Order  
10 is approved.

11                   Item E-12 through E-17 concern  
12 Applications for Authority to Install Energy  
13 Efficiency Measures in Illinois. The Orders grant  
14 the Certificates, finding that the Applicants meet  
15 the certification requirements.

16                   Are there any objections to  
17 considering these items together and approving the  
18 Order?

19   (No response.)

20                   CHAIRMAN ZALEWSKI: Hearing none, the Order  
21 is approved.

22   Under the Gas Items.

1                   Item G-1 concerns GRM 20-194, which  
2                   is Nicor Gas' filing of a revenue-neutral tariff to  
3                   address issues arising from its storage study  
4                   presented in its general rate increase in Docket  
5                   Number 18-1775. The Commission Staff recommends  
6                   suspending the tariff filing to hold a hearing and  
7                   develop a record in order to determine if the filing  
8                   adequately addresses the storage study. The Order  
9                   suspends the filing.

10                   Are there any objections to approving  
11                   the Order?

12   (No response.)

13                   CHAIRMAN ZALEWSKI: Hearing none, the Order  
14                   is approved.

15                   Item G-2 concerns Docket 20-0394,  
16                   which is a complaint against Spark Energy Gas for not  
17                   terminating service when requested. The parties  
18                   filed a Stipulation and Joint Motion to Dismiss the  
19                   matter with prejudice stipulating that all matters  
20                   have been resolved.

21                   Are there any objections to granting  
22                   the Joint Motion to Dismiss?

1 (No response.)

2 CHAIRMAN ZALEWSKI: Hearing none, the  
3 Motion is granted.

4 Under Telecommunications Items.

5 Items T-1 and T-2 concern requests  
6 for proprietary treatment of information in the  
7 Petitioners' reports. The Orders grant the  
8 protections, finding that the information is highly  
9 proprietary and confidential.

10 Are there any objections to  
11 considering these items together and approving the  
12 Orders?

13 (No response.)

14 CHAIRMAN ZALEWSKI: Hearing none, the  
15 Orders are approved.

16 Under our Water and Sewer Items.

17 Item W-1 concerns Utility Services'  
18 filing of a revenue-neutral rate design for its sewer  
19 services. The Commission Staff recommends suspending  
20 the tariff to conduct a hearing and establish a  
21 record to decide whether the redesign is proper. The  
22 Order suspends the tariff.

1                   Are there any objections to approving  
2     the Order?

3                                   (No response.)

4                   CHAIRMAN ZALEWSKI:   Hearing none, the Order  
5     is approved.

6                                   Under Miscellaneous Items.

7                                   Item M-1 concerns initiation of a  
8     Notice of Inquiry proceeding regarding Electric  
9     Service Safety and Reliability as well as gas  
10    pipeline safety.

11                                  There have and continue to be  
12    accidents related to public utilities property that  
13    result in the loss of life or injury to person or  
14    property as well as outages and other reliability  
15    issues that impact customers.

16                                  Safe and reliable electricity and  
17    natural gas services are essential to the health and  
18    welfare of Illinois citizens and are a priority to  
19    this Commission.  Therefore, it is important that the  
20    Commission ensure that its rules and regulations and  
21    practices and procedures for public utilities provide  
22    for safe and reliable electricity and natural gas

1 services.

2 We are still in the process of  
3 finalizing the NOI, so we're going to hold this  
4 again, but please watch for this NOI on future  
5 Agendas.

6 Under the Petitions for Rehearing.

7 Item PR-1 concerns Docket 19-0194,  
8 which is complaint against Peoples Gas regarding  
9 improper billing. The Commission denied the  
10 complaint because Peoples Gas corrected the billing  
11 error in December 2018. The Complainant failed to  
12 produce evidence challenging the corrected billing or  
13 proving that Peoples Gas violated any Commission  
14 rules or regulations.

15 The Complainant now requests  
16 rehearing on this matter, asking to change the scope  
17 of his complaint. The Complainant stated that he was  
18 overcharged from 2018 to 2019 and alleges that  
19 Peoples Gas trespassed on to his property by entering  
20 his basement multiple times for meter reading.

21 The Administrative Law Judge  
22 recommends denying the rehearing because the



1 Complainant introduced no new evidence or arguments  
2 that warrant rehearing and because allowing change of  
3 the scope of the complaint at this late stage is  
4 prejudicial to the other party.

5 Are there any objections to denying  
6 the Application for Rehearing?

7 (No response.)

8 CHAIRMAN ZALEWSKI: Hearing none, the  
9 rehearing is denied.

10 Item PR-2 concerns Docket 20-0521,  
11 which is a Petition by several Local Exchange  
12 Carriers for relief from the requirements to deliver  
13 to customers printed paper telephone directories.  
14 The parties are now seeking a rehearing to add two  
15 additional local exchange carriers to its Petition  
16 because they seek the same relief. The  
17 Administrative Law Judge in this matter recommends  
18 granting the Application for Rehearing.

19 Are there any objections to granting  
20 the Application for Rehearing?

21 (No response.)

22 CHAIRMAN ZALEWSKI: Hearing none, the

1 Rehearing is granted.

2 Under Other Business.

3 Item 0-1 concerns approval of  
4 Batches, Contracts, and Confirmations under the  
5 Illinois Adjustable Block Program.

6 Are there any objections to approving  
7 the Program Administrator's Submissions?

8 (No response.)

9 CHAIRMAN ZALEWSKI: Hearing none, the  
10 Submissions are approved.

11 Before we move on to our final item,  
12 I just want to take this opportunity to thank Jim  
13 Weging, who is retiring from the ICC after 43 years  
14 of service.

15 Thank you, Jim, for your invaluable  
16 contributions to the Commission and for your  
17 dedication. We'll miss you dearly, but hope that you  
18 really enjoy your retirement.

19 Okay. So now we're going to move on  
20 to our final portion, and if ComEd can go ahead and  
21 come up.

22 I understand that Commissioners

1 Bocanegra and Oliva would like to make a statement.  
2 So Commissioner Bocanegra can start.

3 COMMISSIONER BOCANEGRA: Thank you, Chair  
4 Zalewski.

5 Before we begin, I want to make  
6 sure -- Commissioner Kimbrel has stepped away. Would  
7 you like us to wait?

8 CHAIRMAN ZALEWSKI: Yes.

9 (Brief pause.)

10 COMMISSIONER BOCANEGRA: Thank you, Chair  
11 Zalewski.

12 Madam Court Reporter, this is  
13 Commissioner Bocanegra. If at any time you need me  
14 to stop or slow down, just let me know. Thank you.

15 Often in public service, we are  
16 called upon to make tough decisions and have  
17 difficult discussions. Today is no exception.

18 Before we begin, I felt it was  
19 necessary to address two very key and interrelated  
20 issues: Protecting our ratepayers from unwanted  
21 expenditures and protecting the integrity and  
22 transparency of our Commission.

1                   To be very clear, the following  
2                   remarks and observations are my views and my opinions  
3                   alone. They should in no way be construed or imputed  
4                   to any one of my colleagues or the ICC.

5                   First, we, as Commissioners, must  
6                   ensure that our ratepayers are not saddled with any  
7                   past, current, or future costs associated with  
8                   ComEd's ethical violations, ethics reform, and/or  
9                   implementation thereof. Regardless of the planned  
10                  reforms by ComEd, we, the ICC, must hold ComEd  
11                  accountable under the Public Utilities Act and all  
12                  relevant regulatory mechanisms for any and all  
13                  improper payments by our ratepayers whether past,  
14                  present, or future.

15                  I am not interested in debating or  
16                  discussing any external investigations by any  
17                  governmental entity, and I'm not interested in  
18                  receiving assurances that our ratepayers will not be  
19                  saddled with any financial settlements related  
20                  thereto, because I can ensure you that that answer is  
21                  a foregone conclusion in my book.

22                  Second, we need to safeguard and

1 maintain only the highest standards of honesty,  
2 integrity, impartiality, and conduct. I want to  
3 assure the Commission, those we regulate, and our  
4 public that I am committed to ensuring my office and  
5 our Commission remains open, transparent, and above  
6 all else, free from influence, whether actual or  
7 perceived.

8 With that said, many of you may know  
9 I tend to ask a lot of questions, so I do have quite  
10 a few questions, and I look forward to this  
11 conversation. Thank you.

12 CHAIRMAN ZALEWSKI: Thank you.

13 Commissioner Oliva?

14 COMMISSIONER OLIVA: Thank you. Can you  
15 hear me?

16 Court Reporter, I just want to make  
17 sure you can hear me.

18 THE REPORTER: Yes, Commissioner, I can  
19 hear you. Thank you.

20 COMMISSIONER OLIVA: Okay, great.

21 For the record, my name is  
22 Commissioner Sadzi Oliva. My job as a utility

1 regulator is to ensure adequate, reliable, efficient,  
2 and safe utility services at the least possible cost  
3 to Illinois citizens. I took an oath of office to  
4 uphold the laws of this state and safely discharge  
5 the duties of this Commission to maintain public  
6 confidence.

7                   When I accepted this position, I  
8 never imagined I would be sitting here addressing a  
9 bribery scheme involving one of our biggest  
10 investor-owned utilities. The definition of  
11 corruption is dishonest or fraudulent conduct by  
12 those in power, typically involving bribery.

13                   I'm very concerned about the news we  
14 learned on July 17, 2020. My first concern is the  
15 complete breakdown of ratepayers' trust in ComEd.  
16 This Commission must investigate the specifics of the  
17 impact this conduct has had on ratepayers.  
18 Ratepayers deserve an explanation and proof that this  
19 will not happen again.

20                   While today is a start in getting  
21 answers, today we will not be rubber-stamping ComEd's  
22 ethics policies or be satisfied with assurances that

1 ratepayers will not pay for ComEd's \$200 million  
2 criminal penalty.

3 I expect ComEd to demonstrate at a  
4 minimum how their ethics policies prevent and  
5 prohibit corruption going forward. Companies have  
6 been monitoring and reporting compliance with their  
7 ethics policies and whether it's even sufficient to  
8 expect them to self-police.

9 As ComEd's regulator, ratepayers are  
10 looking to the Commission to have effective and  
11 transparent oversight over ComEd, and this brings me  
12 to my second concern, which is the optics of this  
13 hearing.

14 I believe allegations surrounding the  
15 bribery scheme may conflict with Chairman Zalewski's  
16 ability to do her job effectively by adversely  
17 affecting the confidence of the public. Holding this  
18 hearing in this matter is not good for the integrity  
19 of the Commission while attempting to restore the  
20 trust of ratepayers.

21 I fear that not raising my concern to  
22 the public and on the record makes me complicit in

1 failing to restore the public's trust. Therefore, to  
2 preserve as best I can the credibility of this  
3 proceeding, and in the best interests of the public  
4 to ensure the veracity of statements made, I'd ask  
5 that any witness appearing from ComEd be sworn in  
6 before giving statements today.

7 Thank you.

8 COMMISSIONER BOCANEGRA: This is  
9 Commissioner Bocanegra.

10 I just want to echo Commissioner  
11 Oliva's last statement. Again, in that spirit of  
12 transparency and openness, I would second that  
13 request to have the witnesses sworn.

14 CHAIRMAN ZALEWSKI: Okay. First, I'd like  
15 to respond to Commissioner Oliva.

16 (Indiscernible audio.)

17 THE REPORTER: Madam Chair, I cannot hear  
18 you.

19 CHAIRMAN ZALEWSKI: (Indiscernible audio)  
20 disingenuous and irresponsible.

21 I perform my duties ethically,  
22 honestly, with integrity. I came from the Pollution



1 Control Board where I earned that reputation for nine  
2 years. Never been questioned. I took an oath there.  
3 I was continuously under an oath there and under an  
4 oath here.

5 I come to this job every single day  
6 with that same integrity, so I take umbrage with just  
7 even the assumption, but I don't want to get  
8 distracted by this side topic. The reason we're here  
9 is about ComEd. Everybody is listening and waiting  
10 and wondering to hear from ComEd.

11 So I hope we can go forward and  
12 proceed and conduct ourselves respectfully, and then  
13 we'll move on to Mr. Dominguez.

14 Mr. Dominguez, would you swear  
15 yourself in? Excuse me. The court reporter will  
16 swear you in.

17 I guess I should tee this off by  
18 saying this is Item O-2. So just for the record, we  
19 have Joe Dominguez, who is the CEO of ComEd; David  
20 Glockner, who is the Executive Vice President of  
21 Compliance and Audit, and then, also, Veronica Gomez,  
22 who is General Counsel, here as well.

1                   Madam Court Reporter, if you can  
2 swear in Mr. Dominguez and Mr. Glockner.

3                   (Mr. Joseph Dominguez and  
4                   Mr. David Glockner sworn.)

5                   CHAIRMAN ZALEWSKI: Can you also swear in  
6 Veronica Gomez, Madam Court Reporter?

7                   (Ms. Veronica Gomez sworn.)

8                   CHAIRMAN ZALEWSKI: Would you like to  
9 start, Mr. Dominguez?

10                  MR. DOMINGUEZ: Thank you, Chair, I would.

11                  Just again, sound check for the  
12 court reporter. Is this fine? This is Joe  
13 Dominguez.

14                  THE REPORTER: Yes, sir.

15                  MR. DOMINGUEZ: Okay. Thank you very much.

16                  Chair Zalewski, Commissioner Oliva,  
17 Commissioner Kimbrel, Commissioner Bocanegra, and  
18 Commissioner Carrigan, good morning.

19                  As you know, my name is Joe  
20 Dominguez, and I'm the CEO of ComEd.

21                  Before I go into my remarks, I just  
22 want to thank those members of the public that

1 appeared before and provided public comment. As you  
2 might well imagine, I don't agree with all of the  
3 assertions that have been made, but the comments are  
4 important and the comments are things that we need to  
5 listen and learn from, and I assure you we will.

6 I also want to recognize the action  
7 taken by the Commission this morning with regard to  
8 the NOI that is going to be issued regarding the  
9 safety issues. It's ComEd's responsibility  
10 (indiscernible audio) to make our system safe to the  
11 public.

12 I know the morning is designed to  
13 address the Deferred Prosecution Agreement that ComEd  
14 entered into with the U.S. Attorney's Office. It  
15 resolved the investigation into the company's  
16 historic lobbying practices in Springfield that have  
17 been widely reported by the media over the past year.

18 First of all, I'd like to say that a  
19 Deferred Prosecution Agreement is not a criminal  
20 conviction of ComEd. It is, as the name implies, an  
21 agreement that defers and ultimately avoids any  
22 prosecution provided that ComEd meets the conditions

1 of the agreement.

2 There are three main conditions that  
3 I'll address this morning:

4 One, that ComEd pay a fine of  
5 \$200 million borne entirely by shareholders.

6 Two, that ComEd implement enhanced  
7 controls and processes and certify its ongoing  
8 compliance with those processes to the U.S.  
9 Attorney's Office periodically.

10 Three, that ComEd continue to provide  
11 its full cooperation in the government's ongoing  
12 investigation as has already been noted this morning.  
13 We all saw U.S. Attorney Lausch talk about that  
14 investigation, indicating that it's continuing, and  
15 we will certainly cooperate as best we can.

16 As part of the Deferred Prosecution  
17 Agreement, ComEd has admitted the misconduct that is  
18 inconsistent with our values. On behalf of ComEd, I  
19 want to tell you that I am sorry for that conduct.  
20 It violated a trust with you, the families and  
21 businesses that we have the privilege to serve, and  
22 certainly in an incredibly painful way to the

1 hardworking women and men at ComEd who go about our  
2 business every day with integrity. There are no  
3 excuses for our conduct, and I will offer none  
4 today.

5 We understand that the path to  
6 rebuilding trust must be paved with continued strong  
7 and reliable service to our customers. We'll do  
8 that. We know that we must give the Commission, our  
9 customers, and all stakeholders confidence that what  
10 has occurred will never happen again, and I assure  
11 you you'll get our full cooperation to provide those  
12 needed assurances.

13 With me today is David Glockner, who  
14 the Chair referenced a moment ago. Exelon hired  
15 David in the springtime, and he is now our Executive  
16 Vice President for Compliance and Audit. I'm going  
17 to tell you a little bit about Dave.

18 He is the former Chief of the  
19 Criminal Division in the U.S. Attorney's Office in  
20 Chicago, having served in that role for approximately  
21 11 years. He is a former senior official of the  
22 Securities and Exchange Commission.

1                   David is playing an important role in  
2                   our work to close any gaps in policies, and we have  
3                   engaged in the thorough examination of our policies  
4                   to understand what gaps exist, and we will talk about  
5                   the policy enhancements that we've implemented today.  
6                   He led the development of these policies, but will  
7                   also oversee the compliance with these policies  
8                   through an organization that he will manage.

9                   Personally, I don't think there is a  
10                  person better suited to do what needs to occur at  
11                  Exelon and ComEd than Dave. He comes with an  
12                  impeccable reputation, a reputation that many of you  
13                  are no doubt aware.

14                 Together with Veronica, David and I  
15                 will answer your questions to the best of our  
16                 ability, and with your understanding, as you have  
17                 already expressed this morning, that the U.S.  
18                 Attorney's Office's investigation is continuing.  
19                 We've committed to cooperate, as I said, with the  
20                 government in that investigation, and to that end, we  
21                 will adhere to the same protocols that the U.S.  
22                 Attorney's Office is applying to its public comments

1 concerning the investigation. That is to say that we  
2 are not going to go beyond the facts in the DPA or  
3 named individuals.

4 Admitting to the wrongful conduct,  
5 answering your questions, explaining our new controls  
6 are all critical parts of today's testimony, and we  
7 look forward to your questions on those things. But,  
8 perhaps, the most difficult task for me this morning  
9 is to provide you context so that you can continue to  
10 regulate and oversee ComEd's activities.

11 Our human experience tells us that  
12 people and organizations sometimes simultaneously are  
13 capable of good and bad. That's true at ComEd where  
14 a few orchestrated the improper conduct, but where  
15 the many perform each day and deliver world-class  
16 results for customers that deserve those world-class  
17 results.

18 I have spent time talking to you  
19 about what's in the DPA, and Dave will spend time  
20 further elaborating on the reforms, but it occurs to  
21 me that it's equally important to talk about what's  
22 not in the DPA, because it does pertain to one of the

1 questions that's been raised in the press regarding  
2 customer impact.

3           If you have read it, you know that  
4 nowhere in the DPA is there any allegation or  
5 inference that the Smart Grid Law was bad policy or  
6 that ComEd investments did not produce value to  
7 customers. Nowhere in the DPA is there any  
8 allegation that the large, bipartisan group of  
9 legislators that voted on the Smart Grid Law not  
10 once, but three times, across party lines,  
11 actually voted for policy that harmed customers in  
12 any way.

13           I think the facts that you are  
14 well-aware of in terms of our metrics and performance  
15 indicate that the investments we've made and the  
16 things we've done to make our system more resilient  
17 against growing weather risks have been incredibly  
18 valuable to customers. Today, ComEd is among the  
19 best-performing utilities in America, and I know all  
20 of you sit in committees at NARUC and have had the  
21 opportunity to observe the performance of other  
22 utilities around the country. So I speak to an



1 audience that is quite informed on this.

2 In my view, ComEd is the best  
3 performing utility in America, and it's so because of  
4 the investments that we've made. Although many of  
5 you are new to the Commission, Staff at the  
6 Commission certainly will remember days where claims  
7 of great reliability could not be made. In 2011,  
8 storms hit the ComEd service territory resulting in  
9 extended outages for approximately ten million  
10 customers.

11 To give you some context for that, a  
12 hurricane, devastating hurricane, several years ago  
13 in the southeast part of the United States resulted  
14 in outages that affected several million customers.  
15 We didn't have a hurricane hit. What we have learned  
16 through the operation of the system is that we had a  
17 system that was quite fragile. Poles, cables, and  
18 many other components needed to be replaced that had  
19 not been addressed for some period of time. Our  
20 system wasn't reliable in the face of challenging  
21 weather, particularly winds.

22 ComEd engaged in a massive

1 transformation, installing smart grid devices and  
2 making massive improvements to the system. There  
3 have been claims that those investments have not been  
4 overseen appropriately, that the Commission has given  
5 short shrift to those investments.

6 But by my count, since the Smart Grid  
7 Law was enacted, we've been in proceedings where all  
8 of those issues were carefully examined with  
9 thousands of data requests and involvement of many  
10 witnesses for over five cumulative years of our time  
11 together. I simply don't agree that those  
12 investments were not carefully reviewed and were not  
13 deemed to be prudent in every measure for the  
14 customer.

15 We've done studies about the  
16 cost-benefit analyses of things like the installation  
17 of smart meters and our energy efficiency programs,  
18 things that experts weigh in on and are contested  
19 each and every year, and each and every year, there  
20 is demonstrated proof that the benefits outweigh all  
21 of the costs.

22 We continue to upgrade the system

1 every day. We're working on things to be able to  
2 integrate renewables as we face the challenges of air  
3 pollution in our area and the need to reduce that air  
4 pollution, air pollution that pays a heavy toll on  
5 the lives of our customers every single day, a toll  
6 that is made apparent when one looks at the COVID  
7 fatalities that have occurred here in this state and  
8 then overlays that with the areas of the state where  
9 we have had more air pollution.

10 Since 2011, our reliability has  
11 improved 70 percent. This is ComEd by the numbers.  
12 Since 2012, ComEd customers have been spared more  
13 than 15 million service interruptions due in part to  
14 smart grid and system improvements. As reported to  
15 the Commission, the avoided outages have resulted in  
16 \$2.4 billion in societal savings.

17 Last year was our best year in the  
18 history of the company across all of our customer and  
19 reliability metrics. And this year, despite  
20 challenges of operating in a pandemic, we're tracking  
21 to even better performance. Since 2008, ComEd's  
22 expanded Energy Efficiency Programs have empowered

1 customers to save more than \$4.7 billion, and as you  
2 know, residential customer bills today are less than  
3 they were ten years ago.

4 I want to emphasize that that is not  
5 adjusted for inflation. Oftentimes, we see a  
6 trajectory of consumer cost adjusted for inflation.  
7 The nominal cost of our monthly bill today is less  
8 than it was ten years ago, and if you were to adjust  
9 it for inflation, it's 20 percent less than it was a  
10 decade ago.

11 ComEd's rates are 19 percent lower  
12 than the average rates of the top ten metro areas.  
13 As a function of household income, ComEd has lower  
14 rates than anyplace in the country except Utah.

15 Rates continue to trend down. ComEd  
16 recently requested a delivery rate decrease that is  
17 pending before with the Commission. It's our third  
18 request to decrease rates in a row and the fifth over  
19 ten years.

20 ComEd customers have recognized the  
21 improvements in the customer value. Our customer  
22 satisfaction scores are the highest we've ever

1 reported, and in the fourth quarter of 2019, JD Power  
2 ranked ComEd as the number one midwest utility. It  
3 was the first time ever that ComEd had achieved that  
4 recognition.

5 In terms of return on equity, because  
6 the formula rate is tied to 30-year treasuries that  
7 are at near all-time lows, ComEd already earns the  
8 lowest return on equity of any major utility in  
9 America, and it's significantly lower than many other  
10 utilities that you regulate here in Illinois.

11 So that's ComEd by the numbers.  
12 Those numbers are a source of pride for us every day  
13 in spite of the announcement that was made ten days  
14 ago. We chase those metrics as we try to win every  
15 day in the operation of the system.

16 At the end of the day, what defines  
17 ComEd is not the numbers, but the character of the  
18 talented women and men who work to keep the lights on  
19 for 4 million customers.

20 In March, when the pandemic first  
21 occurred, we started to hold calls with all of our  
22 employees. We didn't know what we were facing. No

1 one did. We didn't have all the personal protection  
2 equipment that we since have acquired, and we  
3 certainly didn't have all the processes and  
4 procedures figured out for how we were going to  
5 continue to conduct our business notwithstanding the  
6 pandemic.

7                   So as you can well imagine, on the  
8 other end of that telephone line with me were 6,000  
9 ComEd folks wondering what we were getting into,  
10 (indiscernible audio), wondering about what they  
11 might bring home to their children.

12                   Our people had every reason to be  
13 afraid, but they asked one question: Where do you  
14 want me to show up tomorrow? You see, they knew  
15 something that we know and you all know as regulators  
16 of our business, that if the power were to be  
17 interrupted during the COVID crisis with everything  
18 going on, that the difference between running an  
19 orderly society and chaos would be real if those  
20 were the stakes, and they put that mission on their  
21 backs.

22                   Since then, we've had a number of

1 storms hit, and they have responded. When the city  
2 faced an unprecedented flood and the Willis Tower  
3 went dark with millions of gallons of water in the  
4 basement, we did everything we could to pump out the  
5 building. Our people climbed 104 floors --  
6 obviously, the elevators were out -- to be able to  
7 restore power.

8                   It's hard to do. I can't do it.  
9 It's hard to do normally, but they carried all of  
10 their equipment up to get it done. And that's  
11 emblematic of the things that they do every day.

12                   CHAIRMAN ZALEWSKI: Mr. Dominguez, you  
13 mentioned that, you know, we're here to talk about  
14 the DPA. Do you mind if we start asking questions?  
15 I don't know if Mr. Glockner wanted to talk more, but  
16 I know I have questions. Commissioners Bocanegra and  
17 I think others --

18                   MR. DOMINGUEZ: Sure. Can I just finish  
19 one more thing? And I'll turn it over to  
20 Mr. Glockner.

21                   CHAIRMAN ZALEWSKI: Sure.

22                   MR. DOMINGUEZ: At the beginning of my

1        comments, I said to you that I wanted to apologize on  
2        behalf of the entire company for the conduct that's  
3        described in the DPA. That's the first words I  
4        wanted you to hear out of my mouth.

5                                But the last words I want to leave  
6        you with is that I have observed the character of  
7        this company. I know what our job is in leading, and  
8        I know the reforms that we have to put in place. I  
9        know the amazing people that work at ComEd that carry  
10       out our mission every day. And I could tell you that  
11       despite everything that's occurred, I could be no  
12       prouder than I am to be part of this ComEd team, and  
13       I look forward to the privilege of leading.

14                                I'll turn it over to Dave.

15                                CHAIRMAN ZALEWSKI: I can't hear you. Is  
16       the light on? The green light?

17                                Madam Court Reporter, you cannot  
18       hear; right?

19                                THE REPORTER: No, I cannot.

20                                MR. GLOCKNER: Is this any better?

21                                THE REPORTER: Yes, thank you.

22                                MR. GLOCKNER: Good morning and thank you



1 very much. I appreciate the opportunity to speak  
2 with you, and I look forward to answering your  
3 questions.

4 What I'd like to do at the beginning  
5 is to walk you through some of the steps that we have  
6 taken at Exelon to begin to ensure that nothing like  
7 this ever happens again.

8 So first of all, just briefly by way  
9 of my own background, I spent almost 25 years at the  
10 U.S. Attorney's Office. I spent as long as I did  
11 there in large part because I really care deeply  
12 about public integrity and public corruption issues  
13 that the state and the city have experienced for some  
14 years.

15 I made public integrity issues an  
16 important part of our mission when I was at the  
17 FCC of Chicago, and that commitment to public  
18 integrity is an important part of what brought me to  
19 Exelon.

20 My responsibility -- really, my sole  
21 responsibility as directed by Exelon's CEO and our  
22 Board is to ensure that our compliance program is

1 well-crafted, that we have the controls, the  
2 training, the guidance, the policies in place to make  
3 sure not only that problems of this type never happen  
4 again, but that we are a model going forward for  
5 regulatory and legal compliance, not just in the  
6 utility sector, but across the board.

7 We recognize, particularly in the  
8 wake of what happened, that we don't have a choice,  
9 that that's the expectation of the public and our  
10 regulators, but that's also an important value within  
11 the company.

12 So there are a number of things that  
13 we have done to reduce the risk and to prevent an  
14 recurrence of these problems.

15 When we looked at what happened,  
16 there were policies that the company had that were in  
17 place that prohibit the sort of conduct that occurred  
18 here. But in retrospect, it's clear that those  
19 policies alone weren't enough, and that the  
20 interactions with public officials are an area where  
21 we need to give our employees more detailed guidance.  
22 We need more controls and, perhaps, most importantly,

1 more eyes on decisions that are often difficult and  
2 that can be a real risk of both (indiscernible audio)  
3 and misconduct as occurred here.

4 To address these control issues, a  
5 team at Exelon worked with Jenner & Block to review  
6 policies of companies around the country, government  
7 policies. Ms. Gomez was an important part of that  
8 effort.

9 The group looked in part at what went  
10 on -- what went on, what went wrong at ComEd, what  
11 hadn't gone wrong, but could have, and developed four  
12 new policies to govern interaction with public  
13 officials going forward.

14 And at the head of this hearing, we  
15 shared with the Commission a brief summarization with  
16 respect to those four policies (indiscernible audio.)

17 COMMISSIONER BOCANEGRA: I don't think we  
18 have a copy of the summary document you're referring  
19 to. We only have copies of these four new policies  
20 that you're referring to.

21 This is Commissioner Bocanegra. I  
22 apologize to the court reporter.

1                   MR. GLOCKNER: We'll make sure you get the  
2 summary documents.

3                   The policies apply not just to ComEd,  
4 but to all Exelon companies in all jurisdictions in  
5 which we operate. And they do three key things.  
6 First, they improve the guidance that's provided.  
7 They provide much greater detail about what conduct  
8 is prohibited as well as what's permitted in our  
9 interactions with public officials.

10                  Second, they create controls that are  
11 stronger than what existed before. They create a  
12 series of controls to prevent the kinds of conduct  
13 that we found in the investigation and that the DPA  
14 details.

15                  And third, they strengthen oversight.  
16 They create, among other things, a detailed tracking  
17 system to capture information about our interaction  
18 with public officials.

19                  Going forward, beginning when these  
20 policies went into effect on July 6th, any requests,  
21 recommendation, or referral from a public official  
22 has to be reported, has to be tracked, and can only

1 be acted on with the concurrence of a series of  
2 people within the organization, including a report by  
3 the compliance function.

4 CHAIRMAN ZALEWSKI: Mr. Glockner, this is  
5 Chair Zalewski.

6 THE REPORTER: I'm sorry. Madam Chair, I  
7 can't hear you.

8 CHAIRMAN ZALEWSKI: Can you hear me now?

9 THE REPORTER: That's better.

10 CHAIRMAN ZALEWSKI: Okay. I was just  
11 asking Mr. Glockner if he could just kind of explain  
12 more about the reporting of lobbying or interaction  
13 with public officials, how you are going to monitor  
14 that.

15 You said you were going to monitor  
16 contacts. Is it based on the number of contacts, the  
17 type of interaction, and you said it will be reported  
18 to yourself or to somebody else?

19 MR. GLOCKNER: Let me kind of walk you  
20 through the process.

21 CHAIRMAN ZALEWSKI: Yes, please. Thank  
22 you.

1                   MR. GLOCKNER:  So any request, referral, or  
2                   recommendation from a public official, and that would  
3                   include an employment recommendation, a request that  
4                   we engage in some sort of activities, essentially  
5                   anything other than normal constituent service  
6                   inquiries or requests, that is required to be  
7                   reported.

8                   We created a system that sits on top  
9                   of a data base for collecting this information.  The  
10                  reports are routed depending on the nature of the  
11                  request, ordinarily to the senior business  
12                  leadership, to the general counsel, head of business,  
13                  and also, importantly, to compliance.  The request  
14                  can be approved only if everybody in that process  
15                  signs off.

16                  So if you look at the DPA, one of the  
17                  things that was, I think, a characteristic of the  
18                  conduct was that there were relatively few, although  
19                  senior eyes, on what happened.  Part of what our  
20                  objective is in creating these policies is to  
21                  increase and diversify the perspectives and functions  
22                  to look at this and to include the compliance

1 function as part of the review of any request so that  
2 we don't end up in a situation where people who may  
3 be acting improperly or who may just not sort of have  
4 the full perspective of looking at something from a  
5 legal or compliance contact, make mistakes or  
6 misjudgments about what's appropriate.

7 CHAIRMAN ZALEWSKI: That answers that  
8 question. I have more. Or do you have more that you  
9 want to talk about first?

10 MR. GLOCKNER: So let me walk you briefly  
11 through the policy process. That's a part of what  
12 we're doing, but the tracking process is not all of  
13 it. I think it may be useful to provide a brief  
14 overview of that for context before further  
15 questions.

16 So with respect to the guidance that  
17 we're providing to our employees, the group of  
18 policies includes a general policy that governs  
19 interactions and sets standards for requests,  
20 referrals, recommendations, providing any kind of  
21 assets to any public officials. It sets standards  
22 and framework.

1                   There is a more detailed policy that  
2 provides guidance and standards for working with  
3 lobbyists and political consultants.

4                   A third policy related to handling  
5 requests, recommendations, and referrals for public  
6 officials regarding employment decisions, and a  
7 policy on handling requests, recommendations, and  
8 referrals from public officials regarding the use of  
9 vendors.

10                   Collectively, these provide much more  
11 detail in terms of guidance.

12                   CHAIRMAN ZALEWSKI: This is Chair Zalewski.  
13 Just a question in followup.

14                   Will these be audited either by  
15 you -- there's a requirement to report, but will you  
16 be looking into them in an auditing fashion, or --  
17 both internally and externally?

18                   MR. GLOCKNER: The short answer to that is  
19 yes.

20                   One of the things that we did in  
21 crafting the system was to try to identify auditable  
22 points, the process to create auditable points. For



1 example, one of the requirements in the policy with  
2 respect to lobbying and political consultants is they  
3 now have to submit detailed information which sets  
4 out the work that was done, and those invoices have  
5 to be reviewed by senior business officials.

6 (Indiscernible audio.)

7 THE REPORTER: I'm sorry, sir. I'm having  
8 trouble hearing you.

9 MR. GLOCKNER: The certification of the  
10 (indiscernible audio) review is a function that we  
11 specifically put in there because it's auditable. As  
12 we collect data, are there parts of this where we are  
13 seeing fewer interaction reports from other parts of  
14 the business.

15 We have to think about how we  
16 control, how we design a data system that lets us  
17 signal that we may not be getting information that we  
18 need.

19 We also have created a series of due  
20 diligence requirements for the hiring of all  
21 lobbyists and political consultants. There is now a  
22 specific due diligence questionnaire for those

1 existing and new lobbyists and consultants are going  
2 to have to complete before they can be authorized.  
3 That's an auditable requirement.

4 They are designed to ensure that  
5 they're people who provide value, that they are  
6 people whose reputations we're comfortable with, that  
7 they're people who don't have conflicts that are  
8 problematic.

9 The same is true with respect to  
10 vendors. One of the things that we're looking for  
11 with the new policies with respect to vendors is to  
12 ensure that we are not using vendors who have public  
13 official affiliations without balance of that and  
14 there's a special process and review.

15 CHAIRMAN BOCANEGRA: Mr. Glockner, I  
16 apologize. This is Commissioner Bocanegra.

17 You know, the big thing that stands  
18 out to me, I'm most concerned, first and foremost,  
19 that it seems to be that the ethics reforms that  
20 you're talking about rely heavily on self-reporting.

21 Have you guys considered at any point  
22 in time hiring an outside, independent monitor to

1       conduct everything that you guys say you're going to  
2       do?

3                   THE REPORTER:   Excuse me.   Commissioner?  
4       Hello?

5                   COMMISSIONER BOCANEGRA:   Yes, ma'am?

6                   THE REPORTER:   Thank you.   I'm having  
7       problems interrupting, because I don't --

8                   MR. GLOCKNER:   I'm sorry.   I'll try to keep  
9       my voice up.   Is this better?

10                  THE REPORTER:   Yes, please.

11                  MR. GLOCKNER:   Okay.   Please let me know if  
12       I'm dropping off.

13                               So, Commissioner Bocanegra, your  
14       question was whether ComEd has ever considered hiring  
15       an outside, independent monitor to do essentially the  
16       functions that I have described.

17                               I can't comment on what the company  
18       may have considered prior to my arrival.   But one of  
19       the important -- one of the important functions or  
20       changes that the company made in creating my role was  
21       to create it as a semi-independent function within  
22       the company.

1                   So the audit function is one that is  
2                   required to have a degree of independence under the  
3                   Public Company Reporting Rules. The Audit  
4                   Committee -- or the Audit Committee of the Board  
5                   oversees the internal audit function. They have the  
6                   authority to hire and fire the internal auditors.  
7                   They audit -- the head of internal audit reports  
8                   directly to the Audit Committee.

9                   We've done the same with compliance  
10                  as well. And my function oversees both of these  
11                  independent functions in the company. So, yes, I am  
12                  part of the company, but my mission and my  
13                  responsibilities are to be an independent, objective  
14                  voice with a direct report not just to the CEO, but  
15                  also to the Chair of the Board's Audit Committee.

16                 COMMISSIONER OLIVA: Mr. Glockner, I have a  
17                 question. This is Commissioner Oliva. Can you hear  
18                 me?

19                 THE REPORTER: Yes, ma'am.

20                 COMMISSIONER OLIVA: These audits, are they  
21                 going to be public, or who gets to see them?

22                 MR. GLOCKNER: So what I'm talking about

1 are reviews or audits that are conducted by the  
2 internal audit function at Exelon. The U.S.  
3 Attorney's Office has required as part of the DPA  
4 annual reporting for a period of three years relating  
5 to our remediation efforts and the functioning of our  
6 compliance program.

7 The DPA does not provide a lot of  
8 detail about what that reporting consists of, but my  
9 expectation is that part of that reporting will be  
10 reports of the results of what -- our internal audit  
11 checks on the effectiveness of this program.

12 COMMISSIONER BOCANEGRA: Mr. Glockner, this  
13 is Commissioner Bocanegra.

14 Can you confirm that Exelon and/or  
15 ComEd has or will have implemented, exercised, and  
16 otherwise executed these policies to existing  
17 relationships, existing contracts, and existing  
18 third-party vendors retroactively?

19 MR. GLOCKNER: Yes.

20 CHAIRMAN ZALEWSKI: I have a question.  
21 This is Chair Zalewski.

22 I think Commissioner Bocanegra had a

1 really great question, and Mr. Glockner said that he  
2 could not speak to why there was chosen to be an  
3 internal auditor versus an external compliance  
4 officer.

5 I don't know if you can speak to  
6 that, Mr. Dominguez or Ms. Gomez. If you can't,  
7 that's fine. I just want to hear your answer.

8 MR. DOMINGUEZ: Yes, I think we looked at a  
9 number of different options. This is Joe Dominguez.

10 We did look at a variety of options.  
11 What was absolutely important is that we take this  
12 out of the business unit being able to certify its  
13 own compliance.

14 So as Dave said, the independent  
15 review of the Board and the independent review of his  
16 organization is where we landed, so that we would  
17 have set, independent eyes on all of these requests  
18 and ensure that we are acting appropriately.

19 The main gap that we're trying to  
20 fill, as I said, is not having this exclusively  
21 reside at ComEd or any one of the other Exelon  
22 families of companies, but have an independent

1 organization looking at it, and once we develop the  
2 plan to have the more robust internal function  
3 through Dave and his direct reporting requirement to  
4 the Board, that's the structure we landed on.

5 As Dave said, there are additional  
6 reporting requirements to the U.S. Attorney's Office  
7 on the Certification of Compliance with very severe  
8 penalties in the event that we fail to comply,  
9 including potentially being prosecuted. We certainly  
10 are aware that this Commission may have additional  
11 reporting requirements that will be required, and we  
12 will fully cooperate as needed to satisfy those  
13 interests.

14 MR. GLOCKNER: I'm sorry. This is David  
15 Glockner again. If I could add just a couple of  
16 other points?

17 So one of the things that was  
18 sometimes an issue when I was the FCC Regional  
19 Director is that we would see from time to time firms  
20 that outsourced their compliance function.

21 That did not always work so well, and  
22 part of the reason that often does not work well is

1 when you have an internal compliance function,  
2 provided that it's got sufficient independence and  
3 resources, they actually know the organization  
4 better, they form relationships, they're able to talk  
5 to people. There can be more of a forming of a  
6 partnership to get things right than when you've got  
7 an external entity that comes in, that's billing by  
8 the hour or engagement, and they're there for that  
9 limited period of time, but they're not interacting  
10 on a daily basis.

11 CHAIRMAN ZALEWSKI: This is Chair Zalewski.

12 Just to follow up, will the position  
13 of Executive Vice President of Compliance be -- will  
14 it be paid for by shareholders or ratepayers?

15 MR. GLOCKNER: I don't know how the  
16 position is paid for.

17 CHAIRMAN ZALEWSKI: Does anyone else want  
18 to anser?

19 MS. GOMEZ: So the position is one of the  
20 corporate support functions, and as such, it will be  
21 paid for the same way as similar corporate functions.  
22 That is essentially a share of those costs that



1 represent the amount of services that are provided to  
2 any one operating company or charged to that  
3 operating company and then paid as part of the  
4 overhead costs of that business.

5 Just that is -- unless for some  
6 reason excluded, that would be part of the costs of  
7 ComEd's business that would be recovered in rates.  
8 There are certain reasons that this Commission is  
9 well-familiar with that certain costs are excluded by  
10 statute. For example, costs related to political  
11 activities. Those are excluded. Those do not end up  
12 in customer rates. There are things like that that I  
13 know the Commission is aware of. You see it when we  
14 come before you with our costs every year.

15 But, for example, our accounts  
16 payable function, our IT function, our legal  
17 function, distribution that we're speaking about,  
18 those are all corporate functions that get billed to  
19 each of the operating companies. With respect to  
20 ComEd, those are part of our costs that are  
21 generally part of our costs that are in customer  
22 rates.

1                   CHAIRMAN ZALEWSKI: This is Chair Zalewski  
2                   again.

3                   Will the costs related to the federal  
4                   investigation, like legal fees, other experts, will  
5                   it be -- same question.

6                   MS. GOMEZ: Those have been and will  
7                   continue to be entirely excluded from anything that  
8                   we seek recovery for in customer rates. None of  
9                   those costs are recovered from customers.

10                  So we have -- the external costs  
11                  increase, for example, law firm expenses that have  
12                  been excluded from customer rates, and we, of course,  
13                  now will have the payment of the fine, which will be  
14                  excluded from customer rates.

15                  With respect to internal resources,  
16                  we reviewed to confirm that there are no incremental  
17                  internal costs that are attributable to this  
18                  investigation. So there are no internal costs that  
19                  would not have otherwise been incurred that are going  
20                  to be in customer rates.

21                  So we've looked at every form of  
22                  expense that results from this matter to ensure that

1 that's not in customer rates.

2 COMMISSIONER CARRIGAN: This is  
3 Commissioner Carrigan.

4 We're focusing on the internal  
5 controls, the internal process, the internal  
6 policies. Would you talk about contract employees,  
7 current employees, as you bring on new employees, the  
8 high standards that will be expected of them as part  
9 of this internal process?

10 MR. GLOCKNER: Sure. This is David  
11 Glockner again.

12 So with respect to the -- I think I  
13 want to answer that in two ways. First, one of the  
14 issues that our policies directly address is any  
15 attempt by a public official to influence our  
16 internal hiring or promotion process, so any kind of  
17 a request, recommendation, or referral. So even if  
18 we're calling a public official who may have formerly  
19 employed somebody as a reference, that's a reportable  
20 event.

21 Those all have to be put into our  
22 tracking system. Those get reviewed by the head of

1 Compliance as well as the head of HR before that  
2 application or hiring or promotion process can even  
3 proceed.

4 But I think the broader question that  
5 you asked is about how do we make sure that the  
6 standards that we are talking about are understood by  
7 employees, what are we doing about training, how  
8 do we make sure that the messages that we're  
9 talking about today stay fresh five years, 20 years  
10 from now.

11 So a couple of things. With respect  
12 to the policies, we have focused our initial wave of  
13 training -- and we're doing all this training in  
14 person. We focused our initial wave of training of  
15 the policies on those individuals most likely to  
16 interact with public officials. We are not at the  
17 moment training linemen about what to do if their  
18 state representative suggests a vendor. We will  
19 get to that more broadly in the corporation over  
20 time.

21 But what we really wanted to do,  
22 because of the urgency of addressing these issues, is

1 to make sure that we are providing detailed, live  
2 training with the opportunity for questions and  
3 answers in kind of a rolling FAQ document to those  
4 employees whose jobs involve or they bring them in  
5 contact with public officials or they have a role in  
6 the hiring and procurement processes, and  
7 particularly, those who work in our government  
8 relations teams to make sure they're all  
9 knowledgeable.

10 This can't be one-time training.  
11 These are issues that we're going to need to revisit  
12 on an annual basis.

13 The other thing I'll say is that all  
14 of our employees get annual code-of-conduct ethics  
15 training. I think with respect to people whose  
16 functions are pretty remote from these issues, that's  
17 probably good enough provided that we make some  
18 adjustments to that contact.

19 But for people who are at some risk  
20 of having interactions that are problematic, we've  
21 got to be repeatedly in contact with them. We've got  
22 to be establishing relationships with them so that

1       they understand who to go to and where when  
2       questioned.  They've got to be sensitized to  
3       recognize situations that are potentially  
4       problematic.  It's a continuing effort.

5                   CHAIRMAN ZALEWSKI:  Yes.  Go ahead.

6                   MS. GOMEZ:  Madam Court Reporter, this is  
7       Veronica Gomez.

8                   I just wanted to add one thing from  
9       where I sit in the business.  The training is focused  
10      in the way that Dave has described and sort of  
11      prioritized in the way that's described.

12                  I would just say that we know from  
13      our experience that it is unusual for the sort of --  
14      a lineman, for example, to receive requests from  
15      public officials, but it is also the case that all of  
16      our personnel are trained and do routinely take any  
17      questions they get from a public official and make  
18      sure that goes straight to our external affairs and  
19      government affairs personnel.

20                  Everyone in our company understands  
21      those are the people that interface with our public  
22      officials by and large.  So we make sure that those

1 communications end up in that same team, which is our  
2 frontline, which is where our focus has been with  
3 respect to the policies and the training.

4 So there's sort of two ways that  
5 we're ensuring that all such requests do get to the  
6 people that are trained and whose job it is to handle  
7 these requests appropriately.

8 COMMISSIONER BOCANEGRA: Miss Gomez, I want  
9 to go back to -- if you guys don't mind, back to the  
10 costs to our ratepayers about the costs to implement  
11 these ethics reforms. Chair Zalewski asked where  
12 that would be paid from.

13 Miss Gomez, you mentioned it would  
14 come from the corporate function, and you also  
15 indicated that there are no incremental costs  
16 associated with that.

17 My question for you is, can you  
18 identify at least what percentage of those costs you  
19 expect to be devoted to all of this? Because I'll be  
20 quite frank with you, I'm not comfortable with our  
21 ratepayers paying one cent of any of this even if it  
22 doesn't result in an incremental cost to our

1 ratepayers.

2 MS. GOMEZ: I would not be able to give you  
3 a percentage to answer your question directly. But I  
4 guess -- and I'll let Dave answer as well.

5 Our view is that having a strong  
6 compliance function is a given. It's an expectation  
7 of a well-operating company. We have always had  
8 compliance functions and compliance costs. Those are  
9 appropriate business costs.

10 We have always handled those costs  
11 with respect to recovery of them as we do other  
12 costs.

13 We have identified that we can do  
14 better. We are investing some more time and  
15 resources, including by creating a new position now  
16 held by Dave. Those are -- that commitment is  
17 something that is a function of us doing business at  
18 Exelon across all of its operating companies to the  
19 highest stands that we can.

20 So we've identified ways to enhance  
21 it, and we have created the new position. That's an  
22 additional expense that we will have, but that's a



1 function that is supporting the entire business  
2 across Exelon at the level that, you know, is the  
3 highest performance that we can.

4 So we haven't thought about that as  
5 driven or an expense of the investigation, per se.  
6 It is the way that we need to do business as a  
7 company and is like our other business expenses in  
8 that respect. But I hear you, and I understand your  
9 concern.

10 Dave may have a different way of  
11 thinking about that, or Joe may as well. But just to  
12 be clear, there's not work being done within our  
13 compliance function that is, this is the work of the  
14 investigation. It is, this is the work of our  
15 compliance function having learned from our  
16 experience that there are additional things we can do  
17 to be better.

18 Let me offer Dave an opportunity to  
19 speak to that.

20 COMMISSIONER BOCANEGRA: David, before you  
21 answer, I'll just add, I think that I have to say I'm  
22 a little uncomfortable with the idea that this is not

1 the result of the investigation. If anything, but  
2 for this investigation and predicament we find  
3 ourselves in, we probably wouldn't be revising or  
4 doing these policy enhancements.

5 So with all due respect, I just find  
6 it very difficult to believe that Exelon was going  
7 to enhance their policies regardless. I'll just  
8 leave that out there, but, David, feel free to  
9 answer.

10 MR. GLOCKNER: I totally understand where  
11 you're coming from with that, and just a couple of  
12 thoughts.

13 First is I think part of -- part of  
14 what I have heard listening to the reaction to what  
15 happened at ComEd and part of my own observations is  
16 these are things that -- these are things that we  
17 should be doing as a well-regulated, well-functioning  
18 utility, and I guess I worry a little bit, and maybe  
19 this is sort of thinking that -- this is your issue  
20 to think through.

21 But from a regulatory perspective, do  
22 you want to create a regime where doing better at

1 compliance ends up being a cost you can't recover or  
2 where your -- where the cost of sort of learning from  
3 mistakes is a -- the costs -- I'm not putting this  
4 very well, but the concern I have is I don't  
5 think that you want to create a disincentive for  
6 regulated entities to learn from experience and  
7 improve.

8                   This was a huge mess. We are making  
9 some correspondingly huge changes in our compliance  
10 and controls. But those are things that from our  
11 perspective are best practices.

12                   Frankly, part of our hope and one of  
13 the things that just as a citizen I would love to see  
14 come out of this is if what we're doing becomes a  
15 model for what other companies do and that we can  
16 begin to sort of change a culture with respect to how  
17 people have interacted with public officials.

18                   COMMISSIONER BOCANEGRA: Thank you. This  
19 is Commissioner Bocanegra again. I'm moving away a  
20 little bit from that topic.

21                   I read through the documents you  
22 shared with the Commissioners before today, and

1 unless I missed it, what I didn't see in there at all  
2 was anything about repercussions or anything to  
3 punish -- anything where this might fail or  
4 there's a failure to follow any of these new  
5 guidelines.

6 MR. GLOCKNER: When we draft our policies,  
7 the policies don't typically in themselves contain  
8 the penalty provisions in those policies. There  
9 are -- the punishment for any code of conduct or  
10 policy violation can be up to termination.

11 One of the things that we have made  
12 clear in our public statements with respect to this  
13 is that the individuals who orchestrated this  
14 activity are no longer with the company. But we do  
15 have a robust practice for ensuring consequences for  
16 violations.

17 One of the requirements in the DPA is  
18 that we have a process for fairly and rigorously  
19 enforcing, including through penalties, and that that  
20 process be applied without regard to the addition or  
21 influence of an individual within the company.

22 MR. DOMINGUEZ: Commissioner Bocanegra, it

1 occurs to me hearing your question that we have sent  
2 you an incomplete set of materials and that we should  
3 supplement the materials shared with the Commission  
4 to include the provisions that Dave has talked about  
5 and the other kind of overlaying requirements for all  
6 employees and the penalty provisions in the event of  
7 a violation of either these new procedures or our  
8 existing code of conduct.

9 I'm making a note of that, and we'll  
10 work with the Commission to share those materials  
11 immediately.

12 CHAIRMAN ZALEWSKI: This is Chair Zalewski.

13 I want to get into costs of unethical  
14 practices. The DPA implies costs related to  
15 unethical practices. Have you calculated these  
16 costs, and if so, how?

17 MR. GLOCKNER: I want to make sure I answer  
18 your question. So tell me -- if you mind, Chair, can  
19 you ask it again?

20 CHAIRMAN ZALEWSKI: There's a reference to  
21 costs related to unethical practices in the DPA, and  
22 I'm trying to understand if this has been determined,

1 or if there's a number that has been associated with  
2 this.

3 MR. GLOCKNER: Chair, this is David  
4 Glockner.

5 The DPA puts a number at roughly  
6 1.3 million in terms of the total payments between  
7 2011 and -- I believe 2019 to the individuals who  
8 received inappropriate consulting -- lobbying  
9 consulting contracts.

10 COMMISSIONER BOCANEGRA: Let me follow up.  
11 This is Commissioner Bocanegra.

12 I think what she's probably getting  
13 at, and what I'm curious to know as well is, at least  
14 as it pertains to our jurisdictional oversight, do  
15 you know whether ComEd includes in its revenue  
16 requirement some or all of a Board member's  
17 compensation as required to be disclosed in Part 285  
18 under the rules of our administrative practice;  
19 specifically -- well, I guess including, but not  
20 limited to Schedule E21.

21 MS. GOMEZ: This is Veronica Gomez for the  
22 court reporter.

1                   Commissioner, yes, we do with respect  
2                   to Board fees -- and maybe if I can back up to what I  
3                   think was the bigger question, a part of which Dave  
4                   answered.

5                   The DPA identifies specific conduct  
6                   as to which it has been determined that there is at  
7                   least a serious question whether services were  
8                   provided in exchange for the payments made and  
9                   justified the payments made.

10                  With respect to all of those payments  
11                  that were questioned, with respect to evidence raised  
12                  that some of that -- those payments were given  
13                  notwithstanding not having received value in return,  
14                  none of those costs have been sought for recovery  
15                  within the rate case.

16                  Those, I think, do tie to the  
17                  1.3 million that Dave referenced. Those were all for  
18                  political activity that is routinely excluded anyway  
19                  unrelated to the misconduct at issue here. We just  
20                  never have those costs in the jurisdictional amounts  
21                  in the revenue requirements.

22                  With respect to the Board fees, the

1 Board services were rendered. The DPA has not  
2 concluded otherwise. The circumstances of the award  
3 of that position are the focus of that -- those  
4 facts, but there are Board fees for the Board member  
5 that is referenced in the DPA that were included with  
6 other Board fees in the costs for 2019.

7 I don't want to get too far into the  
8 pending matter, but just to answer your question  
9 directly. As well as the law firm that was  
10 referenced for which services were rendered. Those  
11 are scheduled. Those are included in costs.

12 And with respect to the payments that  
13 were identified as having been made to parties that  
14 did not -- or at least potentially did not provide  
15 service in exchange for the fees, none of those are  
16 included in rates.

17 CHAIRMAN ZALEWSKI: This is Chair Zalewski.

18 Are you planning to file detailed  
19 proof of these items with the Commission? The amount  
20 of some of the things you referenced, you referenced  
21 Board member fees.

22 MS. GOMEZ: Yes, yes, Chair. And again,



1 trying to be thoughtful about the pending case, but  
2 they're the subject of pending discovery now and  
3 they're in the schedule, but we do intend to point to  
4 it and provide further information.

5 CHAIRMAN ZALEWSKI: This is Chair Zalewski.

6 How far back do you go to ensure that  
7 you have captured all the unethical practices?

8 MS. GOMEZ: So with respect to the  
9 documentation that I just referenced that's focused  
10 on the current -- that's in the discovery that is  
11 pending in the current matter for 2019 costs.

12 With respect to the conduct that's  
13 specified in the DPA, as to which -- I don't want to  
14 recharacterize the DPA. I know you've all read it.  
15 So this is just shorthand for me. I know I'm not  
16 using the precise, exact words.

17 But as to which it's been determined  
18 that work was not performed or at least may not have  
19 been performed in exchange for those services, all  
20 of those fall within the category of political  
21 activity.

22 So they have always been excluded.

1 Not just in this year's case, not just for 2019, but  
2 they have always been excluded. And again, that's  
3 separate and apart from the matters heard in the DPA.  
4 They just categorically have never been included in  
5 customer rates.

6 COMMISSIONER BOCANEGRA: Miss Gomez, let me  
7 ask you, do you know whether ComEd includes in its  
8 revenue requirements some or all of a consultant's  
9 compensation as required to be disclosed in Part 285  
10 of our rules, including but not limited to something  
11 like schedule C-6.2?

12 This is Commissioner Bocanegra. I  
13 apologize.

14 MS. GOMEZ: I don't think I'm going to be  
15 able to make sure that I'm referencing the exact,  
16 same schedule, because I'm just not expert enough in  
17 the detail.

18 I will say that the exclusions that I  
19 referenced cover not just lobbyists, registered  
20 lobbyists, but anyone performing political activity,  
21 so that will be consultants who are not registered  
22 lobbyists but perform a service for us that relates

1 to political activity.

2 As you know, the statutory exemption  
3 is broader than lobbying costs. It includes all  
4 political and legislative activity. So all of that  
5 has been excluded, and those exclusions are noted on  
6 a schedule. I'm not positive it's the one you named,  
7 but those are noted in each of our filings, including  
8 this year and all prior years so that you can see the  
9 exclusions.

10 COMMISSIONER BOCANEGRA: Miss Gomez, this  
11 is Commissioner Bocanegra again.

12 Do you know whether ComEd includes in  
13 its revenue requirements some or all of a third-party  
14 vendor's cost as required to be disclosed in Part  
15 285, again, including but not limited to something  
16 like Schedule C-6.2?

17 MS. GOMEZ: I apologize for not having at  
18 my fingertips sort of which schedule number is which.

19 I think, Commissioner, if your  
20 question is -- we do -- within our filings, there are  
21 requirements to schedule payments that we make, costs  
22 that we incur in a variety of categories, including

1 to third-party vendors.

2 Those vendors could be vendors that  
3 provide service, for example, related to political  
4 activity. In that case, it would be excluded and  
5 show up in the schedules that we talked about. They  
6 could be providing other types of service, cleaning  
7 services in our offices, or things -- anything you  
8 can imagine; right?

9 There are requirements under the  
10 rules for what payments must be scheduled  
11 individually. So there -- I believe generally that  
12 there are thresholds that require you to break down  
13 by specific vendor if you reach a certain threshold.  
14 Otherwise, it sort of appears in the total.

15 I don't have at my fingertips  
16 precisely how those breakdowns work, but I can tell  
17 you that we do file that information. We do satisfy  
18 the requirements of the rules with respect to  
19 scheduling all payments, all costs. Every year,  
20 every dollar that ComEd has spent on behalf of  
21 ratepayers is presented in our filing consistent with  
22 the rules and reviewed by this Commission.

1                   So that also applies to third-party  
2 vendors, and they are scheduled in the appropriate  
3 schedules. There are schedules that ask us to  
4 categorize the type of service. There are schedules  
5 that refer to specific breakouts if you need  
6 thresholds. As you know, these filings are  
7 voluminous.

8                   Hopefully, that answers your  
9 question.

10                   COMMISSIONER BOCANEGRA: It does. Thank  
11 you.

12                   I do have an additional question.  
13 Commissioner Bocanegra.

14                   Do you know whether ComEd includes in  
15 its revenue requirements some or all of an intern's  
16 pay as required to be disclosed in Part 285 of our  
17 Rules?

18                   MS. GOMEZ: I believe so. I believe  
19 that's within our labor expense. They are paid  
20 internships.

21                   CHAIRMAN ZALEWSKI: This is Chair Zalewski.

22                   I want to talk a little bit about the

1       \$200 million fine. How do you plan to ensure the  
2       public that none of the 200 million will be paid by  
3       ratepayers, not just directly, but indirectly? I  
4       think one thing that would maybe clear everything  
5       up is, how will that be portrayed on the FERC 1 form?

6               MS. GOMEZ: Now you might get me there when  
7       you take it to the level of the FERC 1 form.

8               So here's what we have done. The  
9       fine will be paid from cash Exelon has on hand and  
10      will be repaid by ComEd to Exelon as its shareholder  
11      out of profits that ComEd otherwise would have  
12      earned.

13              The way that we're handling the  
14      transaction -- and I can't quite translate it to the  
15      FERC form 1. I apologize. We can certainly provide  
16      back to you all of this information in followup.

17              But the way the transaction will  
18      happen, the payment, under the terms of the DPA is  
19      made in two payments, at 30 days from the agreement  
20      date and then again at 90 days, \$100 million each.

21              So -- I think the date is August  
22      14th. We will receive -- ComEd will receive equity

1 of \$100 million dollars from Exelon. Its cash will  
2 go up by \$100 million and its equity. It will pay  
3 the fine. Those will both go back down, and the  
4 equity will balance then for the first payment. The  
5 same thing will happen again at 90 days.

6 The result is that neither the cash  
7 nor equity position of ComEd will be changed, and all  
8 of the funds will have come from the shareholder,  
9 Exelon. Our structuring it that way is a very simple  
10 transaction precisely so that it can be very easily  
11 tracked as a discrete set of transactions of sort of  
12 the minimal entries to track. I don't know precisely  
13 where that shows up on the FERC form or if it does.

14 By the time of year end, those  
15 transactions will have taken place, and there won't  
16 be a change to reflect at ComEd with respect to those  
17 payments.

18 But we've asked Dave's internal audit  
19 team to take a look in advance before we take any  
20 action, make any payments, do any transactions, at  
21 our plan to do that to ensure that we can validate  
22 it, that we've documented it, and that there aren't

1 any other ways that any of this could sort of flow  
2 through in the accounting in a way that can impact  
3 customers.

4 We've designed it to be entirely  
5 discrete, very clear. \$100 million comes in, \$100  
6 million gets paid to ComEd. That happens twice. The  
7 two payments are satisfied. Those are the only  
8 transactions, so it doesn't impact anything else  
9 within ComEd's financials that could possibly have an  
10 impact on customers. That was our main focus.

11 Do you want to add anything, Dave or  
12 Joe?

13 MR. DOMINGUEZ: The simple fact of the  
14 matter is that ComEd doesn't have the cash on hand to  
15 be able to pay \$200 million, so this money has to  
16 come from the parent, and as Veronica said, at the  
17 end of the day, we will pay it back to the parent in  
18 the form of reduced profits. It doesn't change the  
19 capital structure of the company (indiscernible  
20 audio.)

21 THE REPORTER: I'm sorry, Mr. Dominguez. I  
22 can't hear you.



1                   MR. DOMINGUEZ: I'll say the whole thing  
2                   again.

3                   The simple fact of the matter is that  
4                   on our balance sheet we don't have \$200 million of  
5                   available cash. So in order to pay the government,  
6                   Exelon, which does like other large holding companies  
7                   have a cash balance, is able to use some of that  
8                   cash. That goes down to ComEd so that ComEd meets  
9                   its obligation under the DPA to make the payment, and  
10                  then in the future when we otherwise would have  
11                  provided our profits to the shareholder, our profits  
12                  are actually going to repay that  
13                  \$200 million.

14                  At the end of the day, the capital  
15                  structure remains the same, and shareholders, not  
16                  customers, will pay all of the fine. That's the  
17                  structure.

18                  COMMISSIONER OLIVA: This is Commissioner  
19                  Oliva.

20                  I just want to go back to, you know,  
21                  restoring public trust and the idea of, you know,  
22                  transparency and, you know, learning what happened.

1                   When you were negotiating the DPA,  
2                   did you request the nonpublic nature of these  
3                   compliance reports as part of that agreement? How  
4                   does this restore trust in you?

5                   And, you know, as lawyers, we have  
6                   the ARDC, the Attorney Registration and Disciplinary  
7                   Commission. Doctors have the Illinois Department of  
8                   Financial and Professional Regulation. Utilities  
9                   have us, your public utilities commission. So to not  
10                  be surprised again with what's before us, I mean, I  
11                  expect and hope to find a way to review your  
12                  compliance reports.

13                  MR. DOMINGUEZ: And, Commissioner, we do as  
14                  well. I can't speak to what the Justice Department  
15                  guidelines are with regard to the compliance program.  
16                  I'll let Dave touch upon that.

17                  But I do want to assure you that our  
18                  objective is to restore trust in ComEd, and I'm under  
19                  no illusion, none of us are, that that happens at the  
20                  end of this hearing, and you all have said as much.

21                  So as we work to move forward here,  
22                  we understand there's an obligation to share how we

1 are complying with these protocols and provide you  
2 with all of the assurance and all the transparency  
3 necessary that may, indeed, look different than what  
4 is in the DPA. And I recognize that that's a  
5 conversation we'll continue moving forward. It's a  
6 conversation we will join. As I said at the outset,  
7 it's our goal to remove this cloud.

8 COMMISSIONER CARRIGAN: This is  
9 Commissioner Carrigan if I can.

10 Mr. Dominguez, when you started in  
11 your opening comments, I think you talked about the  
12 Deferred Prosecution Agreement, and you broke it down  
13 into the three areas, the violation, the fine, the  
14 controls, you know, the implementation of the  
15 controls and the internal processes, and then you  
16 talked about the third item, which was full  
17 cooperation.

18 And then Mr. Glockner -- and when I  
19 arrived here today, I told myself I'm going to do  
20 more listening than talking, but you referenced a  
21 phrase or a sentence about learning. This is,  
22 unfortunately, a learning experience for all of us,

1 ComEd, Exelon, the Justice Department, the ICC, the  
2 ratepayers, you know, and under the PUA, our  
3 responsibility is to balance all of that. And so  
4 this can't just be one meeting and we're done  
5 today.

6 We've got -- Mr. Dominguez, as you  
7 identify, we've got to have your full cooperation in  
8 order to restore or repair the lack of trust or the  
9 loss of trust and to regain it. Going forward, we've  
10 got to have transparency, and just like Commissioner  
11 Oliva said, and the Chair referenced it and so did  
12 Commissioner Bocanegra, there has to be some  
13 compliance of providing additional reports and,  
14 perhaps, other visits to this ICC.

15 And so I'm going to ask the question  
16 more firmly and strongly. Are you willing to come  
17 back and engage in compliance discussions as we go  
18 forward and come out of this hole?

19 MR. DOMINGUEZ: Yes, absolutely.

20 MR. GLOCKNER: And I'll echo that. This is  
21 David Glockner.

22 I'll echo that as well, that that is

1 sort of our full expectation. We realize that there  
2 is a significant public trust deficit. There is a --  
3 and in some ways, the most important cost to us of  
4 this episode. We need to rebuild that. We are  
5 committed to doing what's required.

6 Part of that is the internal steps  
7 that I have talked about, but part of it is doing  
8 what we can to demonstrate to skeptical external  
9 observers that we are doing what we have said we're  
10 doing, that we're not doing other bad things.

11 We're absolutely happy to return to  
12 talk to you about our compliance efforts to provide  
13 reporting if you want reporting.

14 COMMISSIONER CARRIGAN: And I just want to  
15 summarize that compliance will require transparency,  
16 and that's what I have heard, your commitment to that  
17 cooperation.

18 MR. GLOCKNER: It's meaningless without  
19 transparency.

20 COMMISSIONER BOCANEGRA: This is  
21 Commissioner Bocanegra.

22 I think along that same vein, my

1 question is, has or will ComEd in implementing these  
2 procedures look at its past rate cases to ensure that  
3 none of these violations have occurred with respect  
4 to expenses to Board members, consultants,  
5 third-party vendors, law firms and legal fees,  
6 internship programs, and/or lobbying activities  
7 being improperly included in the revenue  
8 requirements?

9 MR. GLOCKNER: Commissioner, I think as  
10 Ms. Gomez has said already, we've done that, and we  
11 have looked very carefully. The lobbying and  
12 consulting activities fortunately never were a part  
13 of a rate case. They're not, because as a matter of  
14 state law, as I understand it, they're not permitted  
15 to be recovered, not by us or by any jurisdictional  
16 utility.

17 So it's the easy answer as we've  
18 looked at our cases, and we know we've never included  
19 any of those expenses in terms of setting rates,  
20 trying to recover those costs from customers in any  
21 manner whatsoever.

22 With regards to others, for example,

1 the Board member that we spoke about earlier, we've  
2 looked at it. First, we separated it into two basic  
3 categories. We've looked at it in terms of those  
4 individuals who provided documents, and there's no  
5 dispute after the investigation with the U.S.  
6 Attorney's Office that they provided full value to  
7 the extent favoring rate cases. Our position is  
8 appropriately doing work for ComEd and did that  
9 work.

10 For those where value was questioned,  
11 it happened to be the same universe of folks that  
12 were the lobbying and consulting folks that we know  
13 with absolute certainty we don't seek recovery for  
14 today and we haven't in the past. So that's the way  
15 we have kind of dissected the issue.

16 CHAIRMAN ZALEWSKI: This is Chairman  
17 Zalewski.

18 It's kind of a more specific  
19 question. As part of your ethics reform, and maybe  
20 you can speak to it generally, who makes the decision  
21 on the auditing of a lobbyist and whether they're  
22 under the line item for lobbying fees or legal fees?

1 I want to hear more about how that's been reviewed  
2 and how you're going forward.

3 MS. GOMEZ: This is Veronica Gomez.

4 I think the question, Chair, is in  
5 the determination of whether a certain service  
6 provider falls within lobbying or legal fees, because  
7 we all know that often lobbyists are also lawyers, to  
8 ensure that the costs fall into the correct category  
9 in our filings, and so that if they are political  
10 activity, they're excluded. As to legal work, to the  
11 extent not required to be excluded, which generally  
12 is not, how do we make sure it's in the right  
13 category.

14 So we have a lot of processes around  
15 getting our rate case filings together. With respect  
16 to that question, there is a determination that we  
17 basically pull all professional service expenses by  
18 provider, and then -- first our accounting team does  
19 that and sort of looks at what is this.

20 So if it's an engineering firm, then  
21 that's an engineering cost. If it's a law firm,  
22 often, there is a question whether it is legal work



1 or political or, you know, legislative activity. So  
2 that then goes to the government affairs team and the  
3 legal team, and it's shepherded through this process  
4 by our regulatory team, and each year before we file  
5 our case, we go back over all of those professional  
6 service providers, and we all check to say, that's  
7 legal work, we can document that, there's a legal  
8 matter where they have appeared in a court,  
9 et cetera, or, no, it's not. That should fall within  
10 the category of legislative activity or political  
11 activity.

12 So we review all of that each year  
13 before we finalize the schedule and then the  
14 accountants take it from there and make sure the  
15 right costs are in the right -- lined up with those  
16 determinations. So we do review that every year, and  
17 it goes through all of the personnel that are  
18 responsible to define what kind of work is being done  
19 to ensure that we've got that right and that we've  
20 got documentation that we can rely on to establish  
21 that.

22 And it is pretty common year after

1 year that we get data requests specifically asking  
2 about those types of expenses. So this is an area  
3 that tends to routinely get additional scrutiny  
4 through the discovery process in the case. So we're  
5 sort of held to, you know, kind of make sure that we  
6 come forward with that documentation and explain  
7 those decisions.

8 CHAIRMAN ZALEWSKI: This is Chair Zalewski.

9 Has that process been reviewed again?  
10 I'm just curious. When we talk about ethics reform,  
11 is it a top to bottom thing, or is it more in  
12 response to the DPA allegation or statement?

13 MS. GOMEZ: So we're sort of regularly  
14 reviewing our processes with respect to all of the  
15 work that goes into making sure that costs are  
16 appropriately categorized in our filing that's led,  
17 I would say, by the regulatory team's direction under  
18 my supervision.

19 I would say it's fair to say each  
20 year there's some costs -- they're usually quite  
21 small -- that we find in the course of -- you know,  
22 shortly after the filing is made, and we're

1 looking -- sort of digging in to answer a particular  
2 question or doing another, you know, review as part  
3 of the sort of eight-month-long process that is the  
4 rate case.

5                   We'll find some costs that we found  
6 were not properly categorized. We have consistently  
7 come forward to Staff with those and said, hey, we  
8 found this one. It should have been in a different  
9 category. Or that's an expense that got through that  
10 shouldn't have been there, and we're removing it  
11 voluntarily.

12                   So it's not uncommon. Staff is  
13 well-familiar that we will come in with those sorts  
14 of adjustments, and we identify them. We do always  
15 correct those things if we've missed something, but  
16 in addition, more to your question, every time we  
17 find something like that, we go back and reexamine  
18 our process and say, how did we miss it, why did that  
19 one end up in the wrong place.

20                   And so we do routinely re-review our  
21 process to just continuously improve them, and in  
22 addition to that, at the outset of this matter when

1 we learned about the federal investigation, we  
2 physically went back with respect to political  
3 activity separate from any, you know, error we were  
4 catching and looking back at. We specifically went  
5 back and looked at that process again and rechecked  
6 how we were categorizing things, and, you know, just  
7 again in an effort to continually improve and sort of  
8 learn from mistakes that we catch.

9                   So we are, you know, pretty thorough,  
10 I think, and it's not as a result of this  
11 investigation that we've begun doing that kind of  
12 review, that that's been done consistently. And if  
13 you look at the sort of history of rate filings over  
14 the last number of years, things we need to catch get  
15 smaller and smaller.

16                   But it is also the case that we have  
17 voluntarily, even if it's not a matter that's been  
18 identified by Staff or by an intervenor, we don't  
19 wait for someone else to tell us that they found an  
20 error. We find them and we just come forward and  
21 we, you know, ask to correct them and just move  
22 forward.

1                   COMMISSIONER BOCANEGRA:  This is  
2   Commissioner Bocanegra.

3                   I'm still a little troubled by this  
4   idea that -- and you can correct me if I maybe  
5   misheard you, but the idea that the DPA, I guess, has  
6   determined that there was value given and, therefore,  
7   these costs that are potentially included in the  
8   revenue requirement are somehow okay.

9                   Do you guys agree at all that -- I  
10   mean, whatever the DPA says, it has nothing to do  
11   with the Public Utilities Act, and I'm just concerned  
12   that it sort of strips the ICC of its authority to  
13   potentially revisit some of these costs that,  
14   perhaps, we don't think provide a value to our  
15   ratepayers, and so may be unjust and unreasonable.  
16   So I guess I'm asking if you could just speak a  
17   little bit to how ComEd or Exelon defines value.

18                  MR. DOMINGUEZ:  This is Joe Dominguez.

19                  In short, it's people who show up and  
20   do the job that they have been hired to do.  So in  
21   the case of the Board member, it's the Board member's  
22   participation in Board oversight meetings for ComEd

1 and engagement in those meetings, reviewed the  
2 materials, questioning matters that needed to be  
3 questioned. That's what we observed. That's what we  
4 observed with the other employees.

5 So that's what I mean when I say  
6 delivering value is I mean performing the work as  
7 opposed to, you know, what is commonly described as  
8 somebody that has a job and collects a paycheck, but  
9 doesn't do any work. So that's what I meant to say,  
10 Commissioner Bocanegra.

11 I don't mean to be -- I'm sorry,  
12 Veronica, for interrupting.

13 I don't mean to be evasive with  
14 that. It just means doing the job they were hired to  
15 do.

16 I guess the other point I would make,  
17 because you made the comment in the run-up to your  
18 question, is I don't know that I would -- in saying  
19 to you that the DPA's dispositive of anything with  
20 regard to the matters that you need to oversee, and I  
21 apologize if I created that inference. That's not an  
22 argument we were making.

1                   COMMISSIONER BOCANEGRA: That's okay.

2 Thank you. I appreciate that clarification.

3                   MS. GOMEZ: This is Veronica Gomez.

4                   Commissioner, I was just going to add  
5 that we have received information requests that  
6 broadly ask those questions, and the Commission has  
7 asked us to answer those questions, identify invoices  
8 for work that was performed with respect to  
9 contractors and individuals identified and sort of  
10 subject to this question. And so just to sort of  
11 flesh out, and we will answer those questions  
12 thoroughly.

13                   This goes to Joe's comment. We're  
14 not saying you shouldn't be asking or trust us, you  
15 should be asking and we will be answering those  
16 questions. We just received them.

17                   But we will provide thorough answers  
18 to those questions so that you can review and make  
19 the determination that we agree with you is yours to  
20 make under the Public Utilities Act with respect to  
21 those costs, and those are not limited to the current  
22 year, and, you know, we will provide that

1 information, and, you know, we know you will carry  
2 out your duties from there.

3 COMMISSIONER BOCANEGRA: Thank you.

4 CHAIRMAN ZALEWSKI: This is Chair Zalewski.  
5 I'm looking and seeing if Commissioners have any  
6 other questions. No?

7 Okay. I think we're done with this  
8 session.

9 Judge Teague Kingsley, are you still  
10 there?

11 JUDGE TEAGUE KINGSLEY: Yes, I'm still  
12 here.

13 CHAIRMAN ZALEWSKI: I'm just checking to  
14 make sure we have no other matters to come before the  
15 Commission.

16 JUDGE TEAGUE KINGSLEY: Madam Chairman, we  
17 don't.

18 CHAIRMAN ZALEWSKI: Thank you so much.

19 I want to thank everyone who has  
20 engaged. I want to thank my fellow Commissioners for  
21 their thoughtful questions.

22 The Commission, obviously, is going



1 to be exploring this issue for awhile and take  
2 actions in the interests of ratepayers, but we  
3 appreciate everyone's time today.

4 And without hearing objection, the  
5 meeting stands adjourned. Thank you.

6 MR. DOMINGUEZ: Thank you.

7 (WHEREUPON, the above-entitled  
8 matter was adjourned.)

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