

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

BEFORE THE
ILLINOIS COMMERCE COMMISSION
REGULAR OPEN MEETING
PUBLIC UTILITY
Tuesday, August 9, 2016
Chicago, Illinois

Met, pursuant to notice, at 10:30 A.M.,
at 160 North La Salle Street, Chicago, Illinois.

- PRESENT:
- BRIEN J. SHEAHAN, Chairman
 - ANN MCCABE, Commissioner
 - SHERINA E. MAYE EDWARDS, Commissioner
 - MIGUEL DEL VALLE, Commissioner
 - JOHN R. ROSALES, Commissioner

SULLIVAN REPORTING COMPANY, by
PATRICIA WESLEY
CSR NO. 084-002170

1 CHAIRMAN SHEAHAN: Good morning. Are we ready to
2 proceed in Springfield?

3 CHIEF CLERK: Yes, we are.

4 CHAIRMAN SHEAHAN: Pursuant to the Open Meetings
5 Act, I call the August 9, 2016 Regular Open Meeting
6 to order.

7 Commissioners McCabe, del Valle,
8 Edwards, and Rosales are present with me in Chicago.
9 We have a quorum.

10 We have no requests to speak and will,
11 therefore, move into our Regular Public Utility
12 Agenda.

13 There are no edits to the Minutes of
14 the June 29, 2016 Regular Open Meeting. There are
15 edits to the Minutes to the July 19, 2016 Policy
16 Session and July 20, 2016 Regular Open Meeting.

17 Are there any objections to approving
18 the Minutes?

19 (No response.)

20 Hearing none, the Minutes are
21 approved.

22 Item E-1 concerns MidAmerican Energy's

1 filing to Modify its QF Rate.

2 Are there any objections to not
3 suspending the filing?

4 (No response.)

5 Hearing none, the filing is not
6 suspended.

7 Item E-2 concerns ComEd's filing to
8 modify its RESS and GAP Rates.

9 Are there any objections to not
10 suspending the filing?

11 (No response.)

12 Hearing none, the filing is not
13 suspended.

14 Item E-3 concerns Alpha Gas and
15 Electric's Application for a Certificate of Service
16 Authority to Operate as a Alternative Retail
17 Electric Supplier.

18 Are there any objections to approving
19 the proposed Order?

20 (No response.)

21 Hearing none, the Order is approved.

22 Items E-4 and 5 concern Applications

1 for Certification as Installers of Distributed
2 Generation Facilities.

3 Are there any objections to
4 considering these items together and approving the
5 proposed Orders?

6 (No response.)

7 Hearing none, the Orders are approved.

8 Item E-6 concerns Ameren
9 Transmission's Petition for use of Eminent Domain.

10 Are there any objections to approving
11 the proposed Order?

12 (No response.)

13 Hearing none, the Order is approved.

14 Items G-1 through 4 concern
15 Reconciliation of Revenues collected under Nicor Gas
16 Adjustment Charges with actual costs prudently
17 incurred.

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

21 (No response.)

22 Hearing none, the Orders are approved.

1 Item G-5 concerns NuStar Pipeline's
2 Application for Issuance of a Certificate in Good
3 Standing to Operate an Anhydrous Ammonia Pipeline as
4 a Common Carrier Pipeline.

5 Are there any objections to approving
6 the proposed Order?

7 (No response.)

8 Hearing none, the Order is approved.

9 Item G-6 concerns a customer complaint
10 against Peoples Gas.

11 Are there any objections to approving the
12 proposed Order?

13 (No response.)

14 Hearing none, the Order is approved.

15 Item G-7 concerns Alpha Gas and
16 Electric's Application for a Certificate of Service
17 Authority to Operate as an Alternative Gas Supplier.

18 Are there any objections to approving the
19 proposed Order?

20 (No response.)

21 Hearing none, the Order is approved.

22 Item G-8 concerns RAP Energy's Petition to

1 Renew its Application to operate as an Alternative
2 Gas Supplier.

3 Are there any objections to approving the
4 proposed Order?

5 COMMISSIONER ROSALES: Commissioner.

6 CHAIRMAN SHEAHAN: Commissioner.

7 COMMISSIONER ROSALES: Sorry, Chairman.

8 Chairman, can I get a clarification on the RPA.

9 CHAIRMAN SHEAHAN: Sure. Do you have a question?

10 COMMISSIONER ROSALES: No. It's RPA Energy.

11 CHAIRMAN SHEAHAN: Correct.

12 COMMISSIONER ROSALES: Thank you.

13 CHAIRMAN SHEAHAN: Are there any objections to
14 approving the proposed Order?

15 (No response.)

16 Hearing none, the Order is approved.

17 We have no Telecommunications, Water
18 and Sewer, and one Miscellaneous Petitions for
19 Rehearing.

20 PR-1 concerns ComEd's Petition for
21 Rehearing to provide Reconciliation of Revenues
22 Associated with Energy Efficiency and Demand

1 Response Programs.

2 Is there a motion to deny the
3 Application for Rehearing?

4 COMMISSIONER McCABE: So moved.

5 CHAIRMAN SHEAHAN: Is there a second?

6 COMMISSIONER ROSALES: Seconded.

7 CHAIRMAN SHEAHAN: Is there any discussion?

8 COMMISSIONER del VALLE: Mr. Chairman.

9 CHAIRMAN SHEAHAN: Commissioner del Valle.

10 COMMISSIONER del VALLE: Thank you, Mr. Chairman.
11 I have a very brief statement.

12 In this case, ComEd was owed money
13 from an insolvent vendor pursuant to a
14 "pay-for-performance" contract, which ComEd
15 identified as the "industry standard." The
16 Commission, I believe, correctly disallowed recovery
17 of those monies from ratepayers.

18 ComEd says that this case's example is
19 the only insolvency from its Energy Efficiency
20 Programs and reflects a miniscule amount of
21 the \$670 million spent so far on Energy Efficiency,
22 Nevertheless, ComEd warns in its

1 Petition for Rehearing that this decision's effect
2 will "force" it "to withhold payment from vendors",
3 which will "effectively terminate IPA Third-Party
4 Energy Efficiency Programs."

5 This Order must not be used as an
6 excuse for the company to diminish the ability of
7 small vendors, particularly minority vendors, to
8 participate in helping to grow these programs across
9 the State of Illinois.

10 I'm glad that this is an issue which
11 will be addressed by SAG to adequately protect
12 against risk while increasing the vibrancy of the
13 Energy Efficiency Market. Thank you.

14 CHAIRMAN SHEAHAN: Thank you.

15 And other discussion?

16 (No response.)

17 All those in favor of denying the
18 petition, say aye.

19 (Chorus of ayes.)

20 Those opposed, say nay.

21 (No response.)

22 The ayes have it and the Application

1 for Rehearing is denied.

2 Last item on our agenda is a report
3 from Liberty Energy Midstates' Annual Reorganization
4 Report.

5 Mr. Beatty, are you on the phone?

6 MR. BEATTY: Yes, I am, Chairman.

7 I'm the President of Liberty Utilities
8 Midstates and I appreciate the opportunity to be in
9 front of you today to bring you up to speed on the
10 acquisition of the Village of Pittsburgh. I hope
11 you have the presentation in front of you and I'll
12 go page by page.

13 Page 2 is just a little introduction
14 of what we will talk about today and bring you up to
15 speed on Liberty Utilities and what we have been
16 doing with the Village of Pittsburgh.

17 Page 3. With me today I have
18 Jill Schwartz, Chief Manager of Liberty Utility
19 Rates, and Art Bresnahan, who is outside counsel.

20 Page 4. As you may know, Liberty
21 Utilities bought the assets from Atmos Energy. We
22 took over those assets on August 1st of 2012.

1 Liberty Utilities is a subsidiary of a
2 publicly-traded company called Algonquin Power &
3 Utilities Corp.

4 Liberty Midstates serves three states.
5 We are in Illinois, Iowa, and Missouri. We have
6 about 85,000 gas customers in those three states.
7 There are about 22,000 in the State of Illinois
8 throughout the areas of Virden, Illinois; Vandalia,
9 Illinois; Harrisburg, Illinois, and Metropolis, and
10 small towns around those areas.

11 Page 5. This page really summarizes
12 what really our utility is all about. We are -- our
13 associates are local, responsive, and we care. We
14 take walk-ins. Operating in these small towns, we
15 have opened our offices to walk-in customers in
16 Virden, Vandalia, and Harrisburg. We are really
17 active in the communities in these areas and we are
18 proud of what we have done there.

19 We have got a proven track record with
20 safe and reliable service to-date -- knock on
21 wood -- and we have held this real close to our
22 hearts. We have not had a notice of proposed

1 violations from the ICC's Pipeline Safety Group for
2 over two years.

3 Again, safety of our most important
4 assets, right, are our customers and our people. So
5 there's a picture on that page of the new Vandalia
6 office at the top right and in the bottom picture is
7 one of our CSRs in one of our local offices.

8 As you may recall, the Village of
9 Pittsburgh acquisition happened under Docket
10 15-0155. The Village of Pittsburgh was a small gas
11 utility with about 150 customers. They were located
12 within 20 miles of our Harrisburg office. We have
13 been able to pick up those customers and serve them
14 out of the Harrisburg office. We have enhanced the
15 safety and operational focus in that area.

16 To-date, we have changed out all of
17 the meters. We now have AMR in the Village of
18 Pittsburgh with all new meters. That was one of the
19 items that was on the docket. We have also started
20 a replacement program.

21 As you may recall, the Village of
22 Pittsburgh was totally a PVC System, so we have

1 started a PVC Replacement System. It's about 40,000
2 feet. To-date, we are 9,000 feet remaining on that
3 project. We are also going in to replacing the
4 interconnect in the frontline and we are replacing
5 risers. We are bringing that system up to safe
6 reliability. We want to be able to work on our
7 system. PVC has its operational challenges, so we
8 are addressing those and moving forward.

9 The last one is customer service. I
10 want to really say something about customer service.
11 This year in July we were awarded the first place
12 award by the CCW, which is Customer Care Weekly.
13 It's a national association. We won this award for
14 being a call center under 99 customers. We won this
15 award because of the way that we have our CSRs set
16 up in the local offices.

17 Throughout Midstates, we have 13
18 offices in all three states. Eleven of those
19 offices are actually open to the public and have
20 customer service reps there at the office willing to
21 take any walk-in customers, and they also answer the
22 phone, and it was that reason, on top of our very

1 low customers, our CSR turnover rate, that were
2 really drivers that allowed us to win this award, so
3 I want to bring that to your attention.

4 On Page 7, I just want to comment on
5 our track record and what we have been able to do so
6 far, and we filed accounting entries by October
7 31st, and the 15th we met that. We retired five
8 vacant risers by November 30th. That was on the
9 docket. We replaced all meters, as I said, and we
10 have added AMRs to that area. We are replacing all
11 active risers.

12 Page 8. We feel this is really a
13 successful acquisition. We have been able to
14 integrate it into the company very well. In fact,
15 when we look at it as a model, because we were
16 actively looking for utilities out there, we
17 currently -- looked over all of Illinois, Missouri,
18 and Iowa for these, and we are using this
19 acquisition as our model, because it fits into our
20 overall track record of safety and reliable service.

21 We talked about reopening the customer
22 service walk-in centers. We talked about our record

1 with the national association with successful
2 pipeline safety inspections and our continued
3 capital re-investment replacing bare steel and PCV
4 pipe. The Village of Pittsburgh is all PCs. We are
5 well on our way to replacing that system.

6 On Page 9 there's my contact
7 information, and if you have additional questions
8 that you do not want to ask today or something comes
9 up, you are welcome to contact us any time. So with
10 that, I will open it up to questions from the
11 Commission.

12 CHAIRMAN SHEAHAN: Thank you, sir.

13 Any quick questions from the
14 Commissioners?

15 COMMISSIONER MAYE EDWARDS: I have a quick
16 question, Chairman.

17 Thank you, Mr. Beatty, for being here
18 today. I know that you -- congratulations on your
19 work with the CCW.

20 I was concerned or curious to know if
21 you had generally any customer service issues, just
22 in general, and, if so, what the amount would be.

1 It sounds like you're doing a lot of customer
2 service. If any, do you have any concerns at all?

3 MR. BEATTY: I have no concerns, Ma'am.

4 COMMISSIONER MAYE EDWARDS: Okay.

5 CHAIRMAN SHEAHAN: Any other questions?

6 (No response.)

7 Thank you, sir. Thank you for being
8 here.

9 MR. BEATTY: Thank you.

10 CHAIRMAN SHEAHAN: Thank you for your time.

11 Judge Kimbrel, do we have any other
12 matters to bring before the Commission this morning?

13 JUDGE KIMBREL: No, Chairman.

14 CHAIRMAN SHEAHAN: Commissioners, do you have any
15 other business to raise before the Commission?

16 COMMISSIONER ROSALES: Nothing.

17 CHAIRMAN SHEAHAN: Hearing none, we stand
18 adjourned.

19 (Whereupon, the above.

20 Matter was adjourned.)

21

22