

1 CHAIRWOMAN ZALEWSKI: Under the Open Meetings
2 Act and in accordance with the Governor's Executive
3 Order, I call the January 13, 2021 Special Open
4 Meeting to order.

5 Before we proceed, and for clarity
6 of the record, I would ask everyone to state their
7 name before speaking and to speak slowly and
8 clearly so that the court reporter can capture
9 everything that is said.

10 I already checked that we have all
11 Commissioners with us and so with five on, we have
12 a quorum. We have no requests to speak, no
13 Transportation Agenda, just two items on our Public
14 Utilities Agenda.

15 CHAIRWOMAN ZALEWSKI: Item 1 concerns the
16 December 16, 2020 Regular Open Meeting minutes.
17 There are edits to the minutes. Are there any
18 objections to approving the minutes as edited?

19 (No verbal response.)

20 CHAIRWOMAN ZALEWSKI: Hearing none, the
21 minutes are approved.

22 Item 2 concerns Docket 20-0308,

1 which is Ameren Illinois' proposed general increase
2 in rates and revisions to other terms and
3 conditions for gas services. The order approves
4 the proposed increase subject to the adjustments
5 specified in the order and its appendices.

6 There are substantive edits to the
7 order proposed by Commissioner Kimbrel's office.
8 The edits amend sections of the order that address
9 capital structure and rate of return. The edits
10 adopt a capital structure with 52 percent common
11 equity, 47.061 percent long-term debt, 0.110
12 percent short-term debt, and 0.833 percent
13 preferred stock. The edits also adopt a cost of
14 common equity of 9.67 percent to averaging party's
15 suggested calculation. Is there a motion to adopt
16 the proposed edits?

17 COMMISSIONER CARRIGAN: Commissioner Carrigan
18 moves for adoption.

19 CHAIRWOMAN ZALEWSKI: Okay. I'll take that
20 as the motion for Commissioner Carrigan. Is there
21 a second?

22 COMMISSIONER BOCANEGRA: Second.

1 CHAIRWOMAN ZALEWSKI: Okay. Commissioner
2 Bocanegra, I heard you first. Commissioner
3 Bocanegra seconds. Are there comments regarding
4 the edits?

5 I have comments. I am going to
6 vote nay on the order as edited. I disagree with
7 the majority's method in calculating the return on
8 equity, or ROE. Specifically, I believe that the
9 majority's ROE number implicitly accepts adders and
10 financial models that have been traditionally and
11 repeatedly rejected by the Commission.

12 Ameren's proposed ROE, under the
13 edits, is influenced and pushed higher by
14 floatation costs and the ECAPM and expected
15 earnings models. The record clearly shows
16 objections by Staff and IIEC, CUB, and FEA to
17 Ameren's use of the floatation cost adjustments in
18 previously rejected models.

19 While averaging can help mitigate
20 the impact of the models and adders, the Commission
21 has repeatedly rejected. The majority indirectly
22 accepts those models and adders by utilizing

1 Ameren's proposed initial ROE without considering
2 which model estimates are outliers. Therefore, I
3 believe the methodology is flawed.

4 I am worried this approach may
5 result in encouraging parties to inflate or deflate
6 their proposed ROEs in future rate cases to push
7 the simple average of ROEs in their desired
8 direction.

9 Okay. If there's no other
10 comments, I am going to call to vote on the
11 approval of the edits. If you are in favor of
12 approving the edits, please say, "aye," and if you
13 are opposed, please say, "nay." Commissioner
14 Bocanegra?

15 COMMISSIONER BOCANEGRA: Aye.

16 CHAIRWOMAN ZALEWSKI: Commissioner Carrigan?

17 COMMISSIONER CARRIGAN: Aye.

18 CHAIRWOMAN ZALEWSKI: Commissioner Kimbrel?

19 COMMISSIONER KIMBREL: Aye.

20 CHAIRWOMAN ZALEWSKI: Commissioner Oliva?

21 COMMISSIONER OLIVA: Aye.

22 CHAIRWOMAN ZALEWSKI: I vote nay, so four

1 ayes have it and the edits to the order are
2 approved.

3 I now call a vote on the approval
4 of the order as edited. If you are in favor of
5 approving the order as edited, please say, "aye,"
6 and if you are opposed say, "nay." Commissioner
7 Bocanegra?

8 COMMISSIONER BOCANEGRA: Aye.

9 CHAIRWOMAN ZALEWSKI: Commissioner Carrigan?

10 COMMISSIONER CARRIGAN: Aye.

11 CHAIRWOMAN ZALEWSKI: Commissioner Kimbrel?

12 COMMISSIONER KIMBREL: Aye.

13 CHAIRWOMAN ZALEWSKI: Commissioner Oliva?

14 COMMISSIONER OLIVA: Aye.

15 CHAIRWOMAN ZALEWSKI: I vote nay.

16 So those four ayes have it and the
17 order as edited are approved. This concludes our
18 Public Utilities Agenda.

19 Judge Teague-Kingsley, do we have
20 any other matters to come before the Commission
21 today?

22 JUDGE TEAGUE-KINGSLEY: No, Madam Chair.

1 CHAIRWOMAN ZALEWSKI: Do any of the
2 commissioners have any other business to discuss?

3 COMMISSIONER KIMBREL: Madam Chair, if I
4 could just make a comment?

5 CHAIRWOMAN ZALEWSKI: Sure.

6 COMMISSIONER KIMBREL: Respectfully, the
7 methodology adopted by the majority in this opinion
8 has survived appeal. It did include all of the
9 party's positions, as you stated. As we all know,
10 the administrative law judge who did a good job
11 here, Judge Jorgensen, she was very critical of the
12 methodology adopted last year by this Commission.
13 So there was reasoning behind changing the
14 methodology here, which I don't think I need to
15 express any further, but -- anyway, thank you.

16 CHAIRWOMAN ZALEWSKI: Okay. Any other
17 comments?

18 (No verbal response.)

19 CHAIRWOMAN ZALEWSKI: Okay. Hearing none and
20 without objection, the meeting is adjourned. Thank
21 you.

22 (Whereupon the meeting was adjourned at 1:37 p.m.)