





1 Chief Clerk's office at least 24 hours prior to the  
2 bench session. According to the Chief Clerk's  
3 office, there are 12 requests to speak. The speakers  
4 are permitted three minutes to address the  
5 Commission.

6 Now, before we further begin, I do  
7 want, because we have one of our commissioners not  
8 with us presently, we do need a motion to have her be  
9 part of this. Do I hear a motion?

10 COMMISSIONER FORD: So move.

11 COMMISSIONER COLGAN: Second.

12 CHAIRMAN FLORES: Thank you. Please be advised  
13 this is very important, something that I take very  
14 seriously because I believe it is important that we  
15 inform the general public -- and we need to vote on  
16 the motion. So are we voting?

17 COMMISSIONERS: Aye.

18 CHAIRMAN FLORES: So the ayes have it.

19 As I was indicating, though, in terms  
20 of public comment, it is very important, that I take  
21 very seriously and I know the Commissioners do, to  
22 have the opportunity to hear from the general public.

1 According, however, to ex parte laws and other  
2 procedural matters, we will be unable to respond.

3 My understanding is that first with us  
4 today that we have Representative Robert Flider who  
5 represents the 101st District. Representative  
6 Flider, good morning, Representative.

7 REPRESENTATIVE FLIDER: Thank you. Thank you,  
8 Mr. Chairman and members of the committee. I  
9 actually come today accompanied by two individuals  
10 from my area Decatur, Illinois. I wonder if they  
11 might join me up here and we might be able to present  
12 together. I will definitely remain within the time  
13 slot.

14 CHAIRMAN FLORES: Definitely.

15 REPRESENTATIVE FLIDER: So I would like to  
16 introduce to you, and you have them on your list as  
17 well, Diane Drew, and Diane is the executive director  
18 of CHELP In Decatur. Diane works very closely with  
19 senior citizens in the central Illinois region and  
20 she has some comments she would like to provide.

21 And then I have Dave Freyling. Dave  
22 is chairman of the Macon County Veterans Assistance

1 Commission. He is also past commander of the  
2 American Legion and is also a member of the Macon  
3 County Honor Guard and very involved in our  
4 community.

5 And they have some thoughts that they  
6 would like to share. Then when they are finished, I  
7 would like to share some final thoughts with you, if  
8 that's okay.

9 CHAIRMAN FLORES: Thank you. Ms. Drew.

10 MS. DREW: Is that okay? I am kind of short.

11 Good morning and thank you for this  
12 opportunity to speak to you about this request today.  
13 My name is Diane Drew and I am the executive director  
14 of the Community Home Environmental Learning Project  
15 which is known as CHELP. CHELP is a social service  
16 agency in Macon County providing services to seniors  
17 and disabled citizens of Macon County. On a monthly  
18 basis we provide service to approximately 400 seniors  
19 and disabled citizens. With our outreach program we  
20 make contact with over 1400 seniors annually.

21 I am here today to address the Ameren  
22 rate increase and to encourage you to reject this

1 request. I would like to address the Commission on  
2 behalf of my agency, the elderly and the low income  
3 individuals who will have to deal with this rate  
4 increase from the power company. Please take into  
5 consideration a population that has no control over  
6 how much money they make. They live in small homes,  
7 large high rises, old houses, mobile homes and  
8 apartments, and they struggle with heating those  
9 homes.

10 Now compact that challenge with ever  
11 rising costs of heating those homes on a fixed  
12 income, and you can see where the problems are  
13 beginning. They end quite often with our agency and  
14 requests for assistance.

15 Our agency takes calls from all over  
16 Macon County regarding the elderly and low income  
17 disabled who have high power bills due to the high  
18 ceilings in their homes, the need for space heaters,  
19 the need for assistance paying their high power  
20 bills, or worse, the need for a nutrition basket, as  
21 they have no food due to the fact they paid those  
22 high power bills.

1                   There are several agencies in Macon  
2 County that provide food baskets to families who  
3 cannot afford food at different times during the  
4 month. Those same agencies are stating now that they  
5 are seeing a rise in their request for food baskets  
6 and are showing that these rises are often coming  
7 from people who have no history of ever asking for  
8 assistance before. This also causes a strain on  
9 those agencies.

10                   A fixed income is just that, set.  
11 Increases in bills and the high costs of every day  
12 living means something has to give somewhere, and it  
13 is bound to be in the things that they need most,  
14 food and heat during the winter months. A rate  
15 increase at this point in time is dangerous for this  
16 population as they will have to try to do without, as  
17 they did many years ago during the depression, only  
18 at this point in time it is less do-able for them.  
19 They take medication they can barely afford, many of  
20 which are to be adjusted with food which they may or  
21 may not have, due to the fact they pay a high power  
22 bill.

1                   This population prides itself on  
2     paying for what they have, as they grew up during the  
3     depression and they know the value of a dollar, only  
4     their dollars are handed out in many cases by Social  
5     Security from the government, and as we all know they  
6     did not get an increase this year.

7                   So when your income does not rise but  
8     your cost of heating your home does and that rises  
9     drastic for most folks in this category, you can  
10    begin to see where the problems impact this  
11    population, and our agency tries to answer the needs  
12    as often as we can.

13                  Now even more so, the people who are  
14    elderly and disabled or low income must tighten their  
15    belts and will do without food, medication and even  
16    heat at times to survive these cold winter months. A  
17    rise at this time is very deplorable and it means  
18    that more individuals will need our assistance to  
19    survive these cold wintery days, and even our bank  
20    account has its limitations.

21                  We just got our power bill at CHELP  
22    yesterday. It was \$650. Last month it was 397. If



1 our power bill jumped that much, think what this is  
2 doing to our seniors and our low income disabled  
3 people.

4 So we please ask you today to say no  
5 to Ameren's increase -- sorry, say no to the Ameren  
6 rate increase at this time.

7 CHAIRMAN FLORES: Thank you, Ms. Drew.

8 MR. FREYLING: Thank you. I would like to  
9 thank you for allowing me to be here today. My name  
10 is Dave Freyling and I am 71 years old. My wife is  
11 78. We are on a fixed income, and as Diane is  
12 talking about, fixed income means exactly like what  
13 that is, fixed. We are not going to get a raise this  
14 year through Social Security, nor are we going to get  
15 one next year.

16 My power bill jumped up \$365. Now,  
17 what that amounts to, I looked at the bill the other  
18 day and I couldn't believe it. One-third of that  
19 went to delivery fees, taxes and other things. And,  
20 ladies and gentlemen, to be honest with you, I can't  
21 afford that any more.

22 We are in the situation right now

1 where we have our heat set at 62 degrees. Now, you  
2 know, the last couple of weeks it's been down 13, 14  
3 below. It was cold, but we survived. We can't  
4 continue this. Everything that we try to do, we cut  
5 back on the heat, we cut back on everything else  
6 because we have such an outrageous power bill, that  
7 gives us the opportunity we can't go and do the  
8 things we used to do. I love to volunteer. I cannot  
9 go there any more to volunteer because I can't afford  
10 the gas in my car. My wife and I can't go out to eat  
11 because we don't have the money. We have to set  
12 aside so much because we don't know what it is going  
13 to be.

14 What happens right now is my wife will  
15 get up and will get on the computer and we will  
16 figure out two or three days ahead of time exactly  
17 what that power bill is going to be. Then we will  
18 figure out how we are going to pay this money. This  
19 guy is going to get some this week; this guy is going  
20 to get some this week. But the end result is we have  
21 got to pay the power bill because we have to keep  
22 warm.

1                   In the summer time we keep our  
2 thermostat at 82. It gets warm. We keep the  
3 humidity out of the air and it's okay. This is not  
4 just one family. This is me, my wife and I. Thank  
5 God our house is paid for. Can you imagine what it  
6 is like for somebody with two and three children to  
7 do that, to keep a house warm, plus they have to buy  
8 the food and all this stuff?

9                   It is ridiculous what they are trying  
10 to do, this rate. You know, they are going to have  
11 to learn to cut back just like we do. We have got to  
12 have some accountability some place. Now, I know it  
13 is difficult in this day and age to cut corners, but  
14 they are going to have to because we have to do that.

15                   And I am at the point now where,  
16 ladies and gentlemen, I can't cut any more. I am on  
17 a fixed income, and the only thing I can do is  
18 realistically go out and try to find a part time job.  
19 I have had three heart attacks, two open heart  
20 surgeries, and survived prostate cancer. And who is  
21 going to hire a guy like me? I feel good. I can  
22 walk and talk. Like Bob coming over here, Bob got

1 out of breath because he is dealing with COPD. I can  
2 do some of the things I used to do when I was a kid,  
3 but I can't go out and find a job to do that. So  
4 something has got to stop somewhere, and we are at  
5 the point where our living, you know, our quality of  
6 life is not being what it should be.

7 I had a nice little -- had a good job  
8 all my life. My wife had a good job all her life.  
9 We put money in the bank. We saved our 401K plan.  
10 Now our 401K plan is 000K because there is nothing  
11 left in it. What they didn't take away with a few  
12 other things, we had to use to spend to buy the power  
13 bill, the groceries and the things that we need.  
14 That's all gone. We have nothing less except our  
15 dignity. There is nothing left.

16 So this rate can't go through. They  
17 have got to find some other way to do it. And I  
18 don't know how you are going to do it. I can  
19 appreciate the fact -- the situation you are in, the  
20 whole situation, too. And I am not by myself. There  
21 are thousands and thousands of people that are -- you  
22 know, they are in bad shape. They can't get anything

1 to eat when they pay their bills.

2                    Luckily, I get my medication through  
3 the VA. Being in the service, I get that. That's  
4 \$1200 a month. It doesn't cost me. I get it for \$8.  
5 I get it for a cheaper rate. But if I were to have  
6 to pay that, that's \$1200 a month. Social Security,  
7 I get 12, 13. That would take everything out, even  
8 then. And then when we get a raise -- like I said  
9 earlier, we didn't get a raise for that. We are not  
10 going to get it on medicine. And yet my rates are  
11 going to keep going up, my insurance rates are going  
12 to go up, my Medicare is going to go up, the price of  
13 gasoline is going to go up. All these things are  
14 going to go up. We have got to figure out a way to  
15 pay for it. And raising their rates is not going to  
16 help me or anybody else.

17                    I think I probably went over my three  
18 minutes, but -- I am sorry, but I am quite adamant  
19 about this.

20                    CHAIRMAN FLORES: Let me also thank you for  
21 your service to our country, sir.

22                    MR. FREYLING: That's what we have to do.

1           CHAIRMAN FLORES: Representative Flider.

2           REPRESENTATIVE FLIDER: Yes, thank you, Mr.  
3 Chairman and Members of the Commission. First, I  
4 want to thank AARP. They came up with the idea of  
5 allowing us to address you personally so that we  
6 could in a very real life way let you know about some  
7 of the concerns of our community and the kind of  
8 people that are out there who have views that they  
9 would like to share with you.

10                           It is no secret we are in the midst of  
11 a recession, and I have brought with me some copies  
12 of the news release issued last December from the  
13 Department of Employment Security headlined National  
14 Recession Rips Illinois Communities. In my community  
15 in Decatur we have unemployment of 12.6 percent.  
16 Throughout Illinois we have unemployment of 10.5  
17 percent. In Decatur compared to a year ago, 2300  
18 fewer people were working than a year before. And  
19 the question is, could these people afford an  
20 increase in their utility rates and can their  
21 families, in addition to those who are on fixed  
22 incomes?

1                   We are not accountants, we are not  
2 lawyers, we are not engineers, we are not expert  
3 consultants. We are just folks representing our  
4 community. But the rate hike we believe would add to  
5 the recession that's going on today, and it will cost  
6 jobs. Because people who can't pay their power  
7 bills, who are going to be forced to find a way to  
8 pay those bills, will have less to support other  
9 businesses and that is going to have a detrimental  
10 impact on jobs, not to mention the fact that  
11 organizations like CHELP and others will see their  
12 power bills go up.

13                   So I am urging you not only to reject  
14 the rate increase, but also to consider rolling back  
15 the rates from their current levels, existing levels.

16                   Back in November I did ask the  
17 Commission, and we are grateful that you allowed us  
18 to do this, to have a hearing in Decatur to allow  
19 citizens to testify concerning their perspectives on  
20 the Ameren rate case. Over 100 people showed up. I  
21 presented some testimony there. I hope you would  
22 consider taking a look at some of that, so I won't

1 repeat that here. But the next day there was a  
2 meeting in Wall Street with Wall Street executives  
3 and one of the Ameren executives said, oh, we are not  
4 hearing much push back, we are not hearing much  
5 opposition to our rate case, and it was in total  
6 contrast to the meeting that we had the night before  
7 in Decatur where over 100 people showed up to express  
8 their opposition. So I think there is a little bit  
9 of disconnect between Ameren and the community and  
10 their citizens.

11 And there are a lot of people who say,  
12 when we talk about the rate increase, they say, well,  
13 why bother fighting, why would we even go forward,  
14 they are not going to listen to us, you know, they  
15 always get the rate increase. I, however, continue  
16 to believe that, you know, we must continue to press  
17 the case for doing everything we can to minimize the  
18 effect on consumers, and in my case I am suggesting a  
19 rate reduction. And I hope that you will consider  
20 the views of the people. I think that they can win.  
21 I think that we can win.

22 I would like to leave with you copies



1 of this news release, however you would allow me to  
2 do that, whether it is just for the record or I could  
3 pass those out to you today. I will just leave these  
4 here. You can do with them what you wish, but this  
5 is a real life example of what many are facing.

6 Once again, thank you for the  
7 opportunity to allow us to testify today. Please  
8 consider these views as you vote on the case in the  
9 future.

10 CHAIRMAN FLORES: Representative, thank you so  
11 much for taking the time to be here on behalf of your  
12 constituents and thank you to the witnesses for  
13 taking time. We really appreciate the information  
14 and testimony you have shared with us this morning.

15 Next we have Ms. Jessica Bauer.  
16 Ms. Bauer, would you please -- is Ms. Bauer here?  
17 Ms. Bauer, do you hear us?

18 CHICAGO SPEAKER: Yes, she is coming to the  
19 mic.

20 MS. BAUER: Good morning, Commissioners.

21 CHAIRMAN FLORES: Good morning.

22 MS. BAUER: My name is Jessica Bauer and I am a

1 native Chicagoan. I have been a Peoples Gas customer  
2 for three years and I am not going anywhere soon. I  
3 am starting school here to become a certified nursery  
4 school teacher. I work as a nanny and babysitter and  
5 my roommate is a full time paralegal.

6 We are fortunate to have income, but  
7 are both paying off student loans and in winter we  
8 can barely afford to keep our home at a bearable  
9 temperature. So we wear our coats and scarves  
10 indoors. We are two single people. What about those  
11 paralegals and nannies with families to support?  
12 What about the unemployed? What about service  
13 workers and other low income workers? It is no  
14 wonder thousands of Chicagoans are daily forced to  
15 choose between food and heat, and that some families  
16 opt for less expensive but more dangerous ways of  
17 staying warm, like using electric heaters which cause  
18 house fires with tragic frequency.

19 Which brings me to the proposed  
20 Peoples Gas rate increase. In the March 2009  
21 Customer Connection insert I received in my bill, the  
22 president of Peoples Gas said a bill rate increase is

1 necessary for infrastructure work to, quote, to  
2 maintain the high level of safety and reliability our  
3 customers expect, unquote. But claims Chicago  
4 Business, pointed out in their June 22 issue of that  
5 year, that Integrys, parent company of Peoples Gas,  
6 at that very moment was paying out an eye popping  
7 dividend yield of 9.5 percent and, quote, that rich  
8 payout is vulnerable unless Peoples can persuade  
9 state utility regulators to give it a hefty rate hike  
10 in January, unquote.

11 This rate hike is nothing but a scam,  
12 a profit grab. Integrys paid out revenue as  
13 dividends, rather than investing in infrastructure,  
14 and now says that we have to pay for it. Peoples Gas  
15 uses safety as a justification for raising their  
16 rates while they already profit off of rates that  
17 force tens of thousands of families to make life  
18 threatening choices.

19 You know and I know that there is no  
20 justification for this rate increase. The outgoing  
21 chairman of this body, Charles Box, said at the last  
22 Commission meeting on January 12 that your job is

1 difficult because your opponents are multi-million  
2 dollar law firms with nearly unlimited resources.  
3 Clearly, since the utility companies have nearly  
4 unlimited resources to try to influence you, they do  
5 not need more of our hard-earned money.

6                   Commissioners, it is your duty as a  
7 state regulatory agency for utilities to reject this  
8 profiteering request. I demand you fulfil your  
9 duties and reject the Peoples Gas rate increase.

10                   Thank you.

11                   CHAIRMAN FLORES: Thank you, Ms. Bauer, for  
12 taking the time to give your comments.

13                   The next individual that we have is  
14 Mr. Doug Nicodemus.

15                   MR. NICODEMUS: Good morning. Can you hear me?

16                   CHAIRMAN FLORES: Yes.

17                   MR. NICODEMUS: I am here to ask the Commission  
18 to reject Ameren's request for a fee or a rate hike,  
19 whichever it happens to be. I would like to thank  
20 AARP for helping to arrange this meeting. They asked  
21 me to come and speak.

22                   So I think that there is two issues

1 here. One, as far as Ameren goes, they requested a  
2 fee increase or a rate increase last year and the  
3 year before and received a relatively hefty increase.  
4 So precedence-wise what's beginning to happen here is  
5 that in years past Ameren would every three or four  
6 years ask for a rate increase. They would come in  
7 with evidence, and usually they would get that  
8 increase. But now what's beginning to happen is  
9 every year they are coming in and beginning to ask  
10 for rate increases, and the precedence is beginning  
11 to be set that those rate increases are allowed on a  
12 yearly basis. I don't think that's a good idea. The  
13 justification just simply isn't there. So that's  
14 sort of the regulatory issue from my perspective.

15 But the larger issue is the economy.  
16 We all know what we have been through, six million  
17 lost jobs, unemployment rate of, you know, depending  
18 on whose numbers you believe, some people say 9 to 16  
19 percent. Illinois in particular has been hard hit in  
20 the manufacturing sector. And I agree with  
21 Representative Flider. I think that actually what's  
22 required here would be a rate reduction. There is no

1 economic sense in the real world that would allow for  
2 any sort of increase. And, quite frankly, from a  
3 public relations standpoint, I think that it would  
4 benefit Ameren to actually ask for some small rate  
5 reductions to show that they, you know, have some  
6 interest in the community. For them to simply come  
7 back to the well every year and ask for more and more  
8 money from communities that can't afford it, it is  
9 not good for their image and it most certainly isn't  
10 good for Illinois and it is not that good for the  
11 Commerce Commission.

12 So at any rate, I hope that you will  
13 take into consideration the idea of rejecting this  
14 fee increase and possibly asking them to roll their  
15 increases back.

16 Thank you.

17 CHAIRMAN FLORES: Next we have Mr. Jose  
18 Valenzuela.

19 MR. VALENZUELA: (Spoken in Spanish; no  
20 translation available.)

21 CHAIRMAN FLORES: Muchas gracias.

22 MR. VALENZUELA: My name is Jose Valenzuela.

1 And I here have been a Chicago resident for -- okay,  
2 and I here have been a Chicago resident and Peoples  
3 Gas payer for over 35 years. I worked as a  
4 mechanic at a company in Bedford Park for 26 years  
5 until they shut down in 2006. I am here today to  
6 tell you on behalf of myself, my family, my  
7 neighbors, my community and all working people of  
8 Chicago, to not approve rate increase for Peoples  
9 Gas.

10 The first reason you should reject the  
11 rate increase is that we, the customers, cannot  
12 afford it. Many people like myself do not have a job  
13 or have a job that doesn't pay enough to afford all  
14 the basics. I understand it is your job under the  
15 Public Utilities Act of 2001 to make sure utilities  
16 are affordable and available to all of us. Right now  
17 thousands of families in Chicago, including people on  
18 my block, cannot afford heating gas, and that number  
19 will grow if you approve rate increase for Peoples  
20 Gas.

21 The second reason you should reject a  
22 rate increase for Peoples Gas is that they do not

1 need it. The parent company of Peoples Gas increased  
2 probably a hundred million in 2000 to 2008. Right  
3 now they are paying their CEOs millions of dollars  
4 and giving their shareholders huge dividends. A rate  
5 increase will only line up their pockets which are  
6 already full.

7 In short, you, this ICC, have no legal  
8 right to make all of us, the people of this state,  
9 ratepayers, to spend more money that we do not have  
10 to keep our record paid up. Also there are very few  
11 people who would benefit. It is not a fair balance.

12 Commissioner Flores, (spoken in  
13 Spanish; no translation available).

14 I ask you, Commissioners, to do your  
15 duty and reject the Peoples Gas rate increase.

16 Thank you.

17 CHAIRMAN FLORES: Thank you very much,  
18 Mr. Valenzuela. The next individual that we have  
19 signed up is Reverend Errol Narrain, also in Chicago.

20 REVEREND NARRAIN: Good morning.

21 CHAIRMAN FLORES: Good morning.

22 REVEREND NARRAIN: Sawubon. It is a word that



1 is taken from the South African people where I come  
2 from. It means I see you, I recognize you, I know  
3 what's going down deep in your heart.

4 I thank you for this opportunity to  
5 speak against any hike in the price of energy. I  
6 have a deep respect for you as humans. Ordinary  
7 humans call on the people and trust that the men of  
8 the council represent the people's interest of  
9 keeping the basic necessities of living affordable  
10 and within reach in this great state.

11 We applaud the Commission for its  
12 courage. Your past chairperson last week summarized  
13 his tenure and work on the Commission in these words,  
14 taking on the huge corporate giants by choosing the  
15 side of the people. I believe that the chairperson  
16 was not just speaking for himself but for the  
17 Commission as a whole. I am sure that keeping such a  
18 successful record depends on team work and a relative  
19 and just and fair Commission as a whole. We the  
20 people always applaud the just and fair work of the  
21 Commission.

22 I am Errol Narrain, rector of

1 Community Church on the south side of this fair city.  
2 We who work in the city know what poverty is and who  
3 the poor are. I came to this wonderful country 22  
4 years ago from South Africa, having suffered for 37  
5 years of salveshing (sic) to a single small and  
6 powerful group and have personal experience of how a  
7 small group can reek devastating havoc in the lives  
8 of people because of greed and profiteering. For 400  
9 years native South Africans were kept poor because a  
10 small group were bent on making a profit. Thank God  
11 because of the will of the people they are no longer  
12 around.

13 Now we have sat quietly listening to  
14 the real stories of a room filled with people of the  
15 city, humans who are poor, humans who cannot afford  
16 food, medicine, let alone energy to heat their homes  
17 in a winter that is only proving to be long and cold.  
18 Now, keeping quiet is not a virtue of preachers. We  
19 are born to speak. I admit it took great discipline  
20 last week; they say you can never keep a preacher  
21 down. I am a preacher, but my prayer is yet today  
22 that I may not just speak words for the sake of

1 speaking. My prayer is to pray for you as a  
2 Commission that you may have the grace to do your  
3 courageous work of being David against the colossal  
4 Goliath of corporate interest. My prayer is that you  
5 will be true to your mission of this Commission to  
6 keep the trust of the people you serve, and they can  
7 keep the basic commodity of energy affordable to all.

8           The voices of the poor are the voices  
9 of God in their hearts and you have already heard  
10 them last week and you have heard some today. Some  
11 of them will be following me. Their voices are one.  
12 No price hike. May you listen to the cries of the  
13 poor. May you say with God that speaks consistently  
14 like Hebrew and Greek scriptures, I have heard the  
15 cries of the poor. No doubt God speaks the same way  
16 in the rest of scriptures of other traditions. God's  
17 voice of radical love and radical compassion is also  
18 one.

19           As a custodian of the church of God,  
20 we barely can afford to heat our churches. I have a  
21 large church. We have tightened our belts to the  
22 fullest just to keep warm. Worst of all, we are

1 scaling back our response of radical love and  
2 compassion to those who are waiting and hoping in our  
3 neighborhoods. Those who are waiting and hoping just  
4 happen to be the poor who do not have much in the way  
5 of basic necessities. Raising the cost of energy  
6 will increase the already large number of those who  
7 cannot afford the necessities, let alone the last  
8 straw on the camel's back.

9           The church, the mosque, the temple,  
10 the synagogue and other spiritual creative moves of  
11 God need buildings for their work, depends on it.  
12 These buildings continue -- for these buildings  
13 continue the work of these institutions. These  
14 institutions or movements are a beacon of light in  
15 civilized societies, and raising the cost of energy  
16 threatens the survival of those institutions.

17           These institutions are not just  
18 buildings alone. They are people. Raising the cost  
19 of energy is a large contributing factor to the  
20 demise of these institutions and the people that  
21 attend these institutions. Society depends on these  
22 institutions for healing and wellness.

1                   Mr. Chairman and members of the  
2 Commission, the people are hungry, thirsty, naked and  
3 in trouble. Can we be God to them and give them  
4 food, water, clothes and now timely help in the way  
5 of energy? If we do this, we will be serving God, we  
6 as the hungry, the naked, the thirsty, the troubled  
7 and the one now who cannot and will not be able to  
8 afford energy. Stand up against the giant. Be the  
9 David in the story. Be the Commission that makes  
10 energy affordable to its people. Perform a Godly  
11 service.

12                   Sawubon. I see you, I know who you  
13 are, I know what's going down deep in your heart.  
14 May God bless you, and may I recommend seeing the  
15 movie "Avatar."

16                   CHAIRMAN FLORES: Thank you very much,  
17 Reverend.

18                   Next we have Ms. Rebecca Montalvo.  
19 Ms. Montalvo, would you please approach?

20                   MS. MONTALVO: Hello. Good morning to everyone  
21 in Springfield and good morning to everyone here. My  
22 name is Rebecca Montalvo and I am a concerned citizen

1 of the city of Chicago. I am appalled that the  
2 Illinois Commerce Commission is even considering a  
3 \$161 million hike increase for Peoples Gas. Not only  
4 are we in the middle of winter, we are also in the  
5 middle of a recession, and unemployment rates are  
6 only getting worse.

7                   Integrays, the parent company, as you  
8 all know, of Peoples Gas has been leading dividends  
9 for its shareholders in the industry. Peoples Gas  
10 President Will Evans, Jr., claims that this rate  
11 increase is necessary to maintain the high level of  
12 safety and reliability our customers expect. That  
13 may very well be true, but as we all know we are in  
14 the middle of a recession and we all must make  
15 sacrifices. So why not lower the dividends of the  
16 shareholders during a recession year and allocate the  
17 money toward needed improvement and maintenance and  
18 safety while maintaining the integrity of Chicago  
19 land families.

20                   Richard Douglas once said it is easier  
21 to build strong children than to repair broken men.  
22 I believe the same goes for families. We all know

1 there are severe differences and unbalanced  
2 differences between the north side of Chicago and the  
3 south side. For a family in the north side, a 12 to  
4 20 dollar hike on their monthly Peoples Gas bill  
5 might not have them sacrifice their weekly trip to  
6 Starbucks. While for a struggling family on the  
7 south side, it could be the difference between  
8 putting food on the table and keeping the family  
9 warm. And based on minimum wage, trying to get those  
10 extra hours, which doesn't look like it is going to  
11 be likely, they wouldn't be able to and that would be  
12 extra hours having to spend away from your family.

13 No, preventing the \$161 million hike  
14 increase won't fix or prevent the many problems  
15 facing families in poverty, though it definitely  
16 won't add any more. But problems with the working  
17 class and poverty stricken families are problems that  
18 need to be worked on every single day.

19 So Chairman Flores and Commissioners,  
20 I am asking you to please put yourself in the shoes  
21 of families and citizens that will be severely  
22 affected by this and the ones that won't be severely

1 affected by this and then decide who will truly make  
2 the greatest sacrifice.

3 Thank you.

4 CHAIRMAN FLORES: Thank you, Ms. Montalvo.

5 Next we have Mr. Jesse Brown.

6 Mr. Brown, would you please approach?

7 MR. BROWN: Good morning, Commissioners, and  
8 welcome, Chairman Flores.

9 CHAIRMAN FLORES: Thank you.

10 MR. BROWN: My name is Jesse Brown and I was  
11 born and raised in Chicago and I am disabled from my  
12 work at Century Steel. I am here today to speak on  
13 behalf of the disabled as well as the fixed income  
14 Chicagoans. I also am a member of the Cook County  
15 Workers Benefit Council.

16 I demand that you, the ICC, do your  
17 duty and deny any rate increase to Peoples Gas. This  
18 is a simple matter of fulfilling your responsibility  
19 to the people of Illinois. The Illinois General  
20 Assembly Public Utility Act of 2001 states that it is  
21 your duty, and I quote, to insure the rate for the  
22 utility services are affordable and therefore the



1 availability of such services to all citizens.

2 Heat and gas is a not affordable and  
3 available to all in our city right now. Almost 3,000  
4 households in Chicago began last winter without heat.  
5 Last April Peoples Gas sent out disconnection notice  
6 to over 80,000 families. This fall Peoples Gas  
7 disconnected services in our neighborhood for back  
8 bills as low as \$60. This sky high utility rate for  
9 Peoples Gas hit low income workers, family and the  
10 disabled and people that's on fixed income the  
11 hardest. We are forced to choose between food, heat  
12 or short our landlord on rent or even cutting back on  
13 medication.

14 When Peoples Gas shuts off our  
15 services, we suffer through subfreezing temperatures  
16 and we get sick or we turn to other means of staying  
17 warm. There have been fires almost daily this winter  
18 in the poor areas of Chicago as the lower income  
19 families resort to using electrical space heaters  
20 because we cannot afford our bills or our gas bill.  
21 I am sure you remember the three children who died in  
22 the house fire in December 2008. Peoples Gas shut

1 off their heating gas.

2 This rate increase request is clearly  
3 a profit grab. The parent company of Peoples Gas,  
4 Integrys, increased profits of 61.3 percent in 2008  
5 after you, the ICC, granted Peoples Gas a \$71 million  
6 rate hike. The chairman, the president, the CEO of  
7 Integrys Energy Group received a compensation over \$5  
8 million in 2008. Peoples Gas does not need or  
9 deserve another rate hike, rate increase.

10 ICC, do your duty. Fulfill the  
11 mandate of the Public Utility Act of 2001 to insure  
12 utility services is affordable and available to all.  
13 Freeze the rate, not the ratepayers, and reject any  
14 rate increase for Peoples Gas.

15 Thank you.

16 CHAIRMAN FLORES: Thank you.

17 Next we have Ms. Lisa Pack. Ms. Pack,  
18 would you please approach?

19 MS. PACK: Good morning. My name is Lisa Pack  
20 and I am a small business owner in Chicago. I am  
21 here on behalf of myself, my business, my employees,  
22 their families and my customers. I am here to oppose

1 the Peoples Gas 160 million rate increase.

2 I can use these three minutes of my  
3 time to tell you heartbreaking stories about the high  
4 prices of gas and the way they have affected the  
5 people that I have just mentioned, but I am here to  
6 tell you how they have affected me and my business  
7 and the businesses of my community.

8 I have been a customer of Peoples Gas  
9 for 31 years in the community of Bridgeport. Along  
10 with my peers, we have been paying gas bills over the  
11 years, hence contributing to the success of the gas  
12 company.

13 It is my understanding it is the  
14 objective of the ICC to strike a fair balance of  
15 profit between shareholders and the customers. Fair  
16 is a gray and very undefined definition. I have done  
17 some research and in contrast have found it to be  
18 anything but fair, borderline racketeering at best.

19 Peoples Gas and its parent company,  
20 Integrys Group, increased their annual profit by 61.3  
21 percent, over 251 million in 2008. Do you know  
22 anyone that has made that kind of profit? I don't.

1 My business profit went down by 45 percent. My gas  
2 bill has always been an issue to the profitability of  
3 my business, but now in this economic crisis it is  
4 crucial. I have seen five businesses close down  
5 within a four-block radius of mine just in the past  
6 few months. And how many more are on their way out,  
7 businesses that have helped Peoples Gas build their  
8 company by paying their bills.

9 In the winter of 2008, 56,000  
10 families' households in the Chicago area were without  
11 gas, thousands of shut-offs for unpaid bills just  
12 under \$200. Does that sound fair? I think not.

13 In closing, I demand the ICC board not  
14 to abandon their obligation per the State of Illinois  
15 Public Act of 2001 to insure the rates for utility  
16 services be affordable and available to all citizens.

17 Thank you.

18 CHAIRMAN FLORES: Thank you, Ms. Pack.

19 Next we have Mr. Allen Graham.

20 Mr. Graham, could you please approach?

21 (Pause.)

22 CHAIRMAN FLORES: Is everything okay?

1           COMMISSIONER O'CONNELL-DIAZ: He is approaching  
2 the bench.

3           MR. GRAHAM: Good morning.

4           CHAIRMAN FLORES: Good morning.

5           MR. GRAHAM: My name is Allen Graham, a citizen  
6 of Chicago. And we demand that you do your duty and  
7 stop the increase from going up because we cannot  
8 afford it.

9           CHAIRMAN FLORES: Thank you, Mr. Graham.

10                           Next we have Ms. Shela West.

11           MS. WEST: Good morning, everyone, and welcome,  
12 Manuel Flores.

13           CHAIRMAN FLORES: Thank you.

14           MS. WEST: My name is Shela West. I spoke last  
15 week regarding the Peoples Gas rate hike. I will  
16 reiterate my point. We cannot afford this. Please  
17 don't let this pass.

18                           I am currently unemployed and my  
19 brother has to take care of me. I am borderline  
20 homeless.

21                           Illinois has been subjected to  
22 increased sales tax, property tax, CPA sales hikes

1 and there is going to be service cuts. It goes  
2 through -- if it goes through the ICC, Peoples Gas  
3 will seem like they are punishing the state of  
4 Illinois. When will this end?

5 I will make another point I made. It  
6 is simply too expensive to live in Illinois. My  
7 brother and my cousin all left the state. I strongly  
8 suspect they are not the only ones. While other  
9 states do have their problems, Illinois seems to be  
10 in the consistent red when it comes to their  
11 finances. This will not help. In fact, it will make  
12 it worse. The morale of this state is very low and  
13 will hit rock bottom. Like my family, people will  
14 either leave or lose faith in everyone in power.  
15 That includes political leaders and unfortunately the  
16 ICC, should this pass.

17 I have one more thing to say. I  
18 realize everyone has to do their job here, and this  
19 is not an easy decision to make. But, please,  
20 Peoples Gas will have to make sacrifices of their  
21 own. They can do it without asking us to turn our  
22 pockets over.

1                   And there was an incident where my  
2 friends and I had to call 9-1-1 because a building  
3 was on fire, strongly suspected it was caused because  
4 of space heater use. No more deaths. No more hikes  
5 of any kind, whether it is Peoples Gas or Ameren.

6                   Thank you.

7                   CHAIRMAN FLORES: Thank you, Ms. West.

8                   That concludes the public announcement  
9 session.

10   (The Transportation  
11   portion of the proceedings  
12   was held at this time and  
13   is contained in a separate  
14   transcript.)

15                   We will be turning now to the Public  
16 Utility Agenda. There are minutes to approve from  
17 the December 15, 2009, pre-bench session. I  
18 understand that amendments have been forwarded. Is  
19 there a motion to amend the minutes?

20                   COMMISSIONER FORD: So moved.

21                   CHAIRMAN FLORES: Is there a second?

22                   COMMISSIONER COLGAN: Second.

1 CHAIRMAN FLORES: It's been moved and seconded.

2 All in favor say aye.

3 COMMISSIONERS: Aye.

4 CHAIRMAN FLORES: Any opposed? So the vote is

5 5-0 amending the minutes.

6 Is there a motion to approve the  
7 minutes -- as amended? Let me read that over and  
8 make sure the record is clear. Is there a motion to  
9 approve the minutes as amended?

10 COMMISSIONER ELLIOTT: So move.

11 CHAIRMAN FLORES: Is there a second?

12 COMMISSIONER COLGAN: Second.

13 CHAIRMAN FLORES: It's been moved and seconded.

14 All in favor say aye.

15 COMMISSIONERS: Aye.

16 CHAIRMAN FLORES: Any opposed? The vote is 5-0

17 approving the minutes as amended.

18 The Commission will be considering  
19 Item G-4 at the end of the session before the closed  
20 session.

21 Moving on to the electric, we will  
22 begin with the Electric Agenda. Item E-1 (10-0053)



1 is an annual reconciliation of costs associated with  
2 the AmerenIP's asbestos mitigation program. Staff  
3 recommends entering the order initiating the  
4 reconciliation proceeding. Is there a motion to  
5 enter the order?

6 COMMISSIONER ELLIOT: So move.

7 CHAIRMAN FLORES: Is there a second?

8 COMMISSIONER COLGAN: Second.

9 CHAIRMAN FLORES: It's been moved and seconded.

10 All in favor say aye.

11 COMMISSIONERS: Aye.

12 CHAIRMAN FLORES: Any opposed? The vote is  
13 5-0. The order is entered.

14 We will use this 5-0 roll call vote  
15 for the remainder of the agenda unless otherwise  
16 noted.

17 Item E-2 (10-0054) is an order to set  
18 the price index used to set the dollar amounts of any  
19 unconditional guarantee, payment bond or letter of  
20 credit pursuant to Part 451 of the Commission's  
21 regulations. Staff recommends entering the order  
22 adopting the annual price index.

1                   Is there any discussion? Any  
2 objections? Hearing none, the order is entered.

3                   Item E-3 is Docket 09-0303. This is a  
4 complaint by James R. Smith against Commonwealth  
5 Edison Company. The parties have settled and moved  
6 to dismiss. Administrative Law Judge Riley  
7 recommends dismissing this complaint without  
8 prejudice.

9                   Is there any discussion? Any  
10 objections? Hearing none, the order is entered.

11                  Item E-4 is Docket 09-0487. This is a  
12 petition for a license to operate as an agent broker  
13 or consultant, ABC. The order finds that the  
14 petitioner has not met the financial, managerial and  
15 technical requirements of an ABC license.  
16 Administrative Law Judge Yoder recommends entering  
17 the order denying the requested authority.

18                   Is there any discussion?

19                  COMMISSIONER O'CONNELL-DIAZ: Yes. Is Judge  
20 Yoder there, please?

21                  CHAIRMAN FLORES: Yes, the judge is approaching  
22 the bench.

1           JUDGE YODER:  Yes, Commissioner.

2           COMMISISONER O'CONNELL-DIAZ:  Could you just go  
3 through for my edification because it is not a normal  
4 thing that we deny applications such as this so  
5 obviously -- and I am in agreement with your result  
6 but could you just step us through your analysis and  
7 your ultimate conclusion regarding this request?

8           JUDGE YODER:  Yes.  When the application comes  
9 in, it is reviewed by myself and then also it is  
10 assigned to a party in the Engineering Division and  
11 also in the Finance Division.  Finance obviously  
12 reviews the financial parts of the application.  That  
13 memo should actually say it was, I believe, the  
14 technical qualifications, is what Mr. Mulder was  
15 found not to fit.  The Engineering Division found  
16 some deficiencies.  They wanted additional  
17 information on the managerial and technical  
18 qualifications.  They send those to me where they  
19 felt the application was deficient.

20                           An Administrative Law Judge's ruling  
21 was sent out to Mr. Mulder to have him provide  
22 additional information.  I believe we actually asked

1 for some in the past 12 months relevant details of  
2 projects that he had worked on showing his electrical  
3 industry experience to qualify him to be an ABC. The  
4 information he provided in response to that was  
5 submitted also for the Engineering Department to  
6 review. They felt that he had really not provided  
7 any much additional information showing what he had  
8 done. He had a few clients that he had worked with.

9 And based on the Engineering  
10 Department's review and my review that they had not  
11 provided additional information, the proposed order  
12 was sent out to Mr. Mulder denying the application.  
13 No brief on exceptions was received by him.  
14 Therefore, the order, final order, was presented to  
15 the Commission for its consideration.

16 COMMISSIONER O'CONNELL-DIAZ: Thank you, Judge  
17 Yoder.

18 CHAIRMAN FLORES: Thank you, Commissioner. Any  
19 other questions or further discussion? Any  
20 objections? Hearing none, the order is entered.

21 Items E-5 (09-0529) and E-6 (09-0554)  
22 will be taken together. These are joint motions to

1 dismiss complaints -- or complaint cases, rather,  
2 against Commonwealth Edison Company. Administrative  
3 Law Judge Moran recommends dismissing these  
4 complaints with prejudice.

5                   Is there any discussion in this  
6 matter? Any objections? Hearing none, these  
7 complaints are dismissed with prejudice.

8                   That concludes the electric portion of  
9 today's agenda.

10                   Turning to Natural Gas, Items G-1  
11 (GRM#375) is a filing by North Shore Gas Company to  
12 amend Rider 1 which governs recovery of municipal  
13 taxes. Staff recommends not suspending the filing.

14                   Is there any discussion? Any  
15 objections? Hearing none, the filing is not  
16 suspended.

17                   Item G-2 is Docket 09-0349. This is a  
18 complaint against Nicor Gas Company that has settled.  
19 Administrative Law Judge Hilliard recommends entering  
20 the order dismissing the complaint with prejudice.

21                   Is there any discussion? Any  
22 objections? Hearing none, the order is entered.

1                   Item G-3 is Docket 09-0568. This is a  
2 complaint against Interstate Gas Supply that has  
3 settled. Administrative Law Judge Haynes recommends  
4 dismissing the complaint with prejudice.

5                   Is there any discussion? Any  
6 objections? Hearing none, the complaint is dismissed  
7 with prejudice.

8                   As mentioned earlier, we will be  
9 taking up G-4 at the end. That concludes the natural  
10 gas portion of today's agenda.

11                   Now moving to telecommunications,  
12 starting with the Telecommunications Agenda, Items  
13 T-1 (TRM#621&#622) and T-2 (TRM#632&#2) will be taken  
14 together. Illinois Bell Telephone has filed to amend  
15 various services. Staff recommends not suspending or  
16 investigating the filings.

17                   Is there any discussion in this  
18 matter? Any objections? Hearing none, the filings  
19 will not be suspended or investigated.

20                   Items T-3 (TRM#624) and T-4 (TRM#625)  
21 will be taken together. Verizon North and Verizon  
22 South are increasing the price for additional

1 telephone directories. Staff recommends not  
2 suspending the filings.

3 Is there any discussion? Any  
4 objections? Hearing none, the filings are not  
5 suspended.

6 Items T-5 is Docket 09-0566. Illinois  
7 Bell Telephone Company has petitioned to modify its  
8 certificates to change the boundaries of its Joliet,  
9 Elwood and Lockport exchanges. Administrative Law  
10 Judge Riley recommends entering the order granting  
11 the certificates.

12 Is there any discussion? Any  
13 objections? Hearing none, the order is entered.

14 Items T-6 through T-8 (09-0469,  
15 09-0473, 09-0528) will be taken together. These are  
16 interconnection agreements or amendments to  
17 interconnection agreements. Administrative Law Judge  
18 Haloulos recommends entering the orders approving the  
19 agreements or amendments to agreements.

20 Is there any discussion? Any  
21 objections? Hearing none, the orders are entered.

22 Item T-9 (10-0055) is an order

1 requiring telecommunications companies providing  
2 local service -- or, excuse me, local servers to  
3 offer competitive data. This is done annually.  
4 Staff recommends entering the order requiring the  
5 production of data.

6                   Is there any discussion? Any  
7 objections? Hearing none, the order is entered.

8                   Item T-10 is Docket 09-0383. This is  
9 a rulemaking to delete provisions of the Commission's  
10 regulations deemed to be unnecessary and redundant.  
11 Staff recommends entering the order authorizing the  
12 first notice period.

13                   Is there any discussion? Any  
14 objections? Hearing none, the order is entered.

15                   Item T-11 is Docket 09-0551. This is  
16 a petition by Illinois Bell Telephone Company to sell  
17 a 1.73 acre parcel of land in Highland Park, Lake  
18 County. Administrative Law Judge Riley recommends  
19 entering the order approving the sale.

20                   Is there any discussion? Any  
21 objections? Hearing none, the order is entered.

22                   This concludes the telecommunications



1 portion of the agenda, and there are no water and  
2 waste water items.

3 Turning to other business, we have  
4 Liberty Consulting's 4th Quarter Verification Report  
5 on Ameren Outage Investigation. Staff recommends  
6 accepting the Liberty report and putting it on the  
7 website. Do we have someone from Staff here to  
8 briefly explain Liberty's findings?

9 Good morning, sir.

10 MR. BUXTON: Good morning.

11 CHAIRMAN FLORES: Would you please identify  
12 yourself for the record?

13 MR. BUXTON: My name is Philip Roy Buxton and I  
14 am an engineer working in the Energy Division of the  
15 Commission Staff.

16 CHAIRMAN FLORES: Thank you very much,  
17 Mr. Buxton. Would you please proceed?

18 MR. BUXTON: It's been quite some time since  
19 the Commission asked for an investigation of the  
20 Ameren outages back in the year 2006. And it's been  
21 over a year since the Liberty Consulting Company  
22 finished that audit or investigation and provided the

1 report to you. That was Part 1 of the investigation.

2 Part 2 has been going on since then,  
3 and Part 2 consists of up to three years of  
4 verification work by the same consultant in order to  
5 make sure that the, I believe it was, 157  
6 recommendations that came out of the investigation  
7 are considered and implemented by Ameren.

8 There has been one year of the  
9 verification work finished at this point and since --  
10 excuse me a second -- since you hadn't heard really  
11 from Staff or the consultant since that time, as you  
12 got the report I thought it would be a good  
13 opportunity to let you see the report that they filed  
14 at the end of the 4th quarter verification work, just  
15 so that you knew that the verification was ongoing,  
16 that Ameren seems to me is doing a good, responsible  
17 job of implementing the recommendations on a  
18 reasonable schedule, and just to kind of keep you up  
19 on what has gone on.

20 It's a very thick report. It covers  
21 all 157 recommendations. The Staff report at the  
22 front of it gives you a very summary idea of what's

1 going on, but just to summarize it from my point of  
2 view, I think it is going pretty well and I don't  
3 have any complaints.

4 CHAIRMAN FLORES: Any questions by the  
5 Commissioners?

6 COMMISSIONER O'CONNELL-DIAZ: Mr. Buxton,  
7 Commissioner O'Connell-Diaz. This investigation was  
8 prompted by the outages that unfortunately occurred  
9 in the Ameren service territories and it was upon the  
10 direction of the Commission that we have gone on this  
11 path. And as I understand your review of the report,  
12 the company has been following a plan that took  
13 awhile to get it to us, but with our Staff's help and  
14 constantly calling the company before us, we got a  
15 plan together.

16 So it is my understanding from your  
17 advising us today, as well as the report, that the  
18 company has remediated and followed the plan that has  
19 taken awhile to get done, but that we are in good  
20 shape, is that a correct assessment?

21 MR. BUXTON: Well, we are working towards  
22 getting all the recommendations implemented. Now,

1 you shouldn't think that they are all done. They are  
2 not. There is only a fraction of them are finished.  
3 But they are working on another fraction and they  
4 have plans to work on the rest in order to get them  
5 all done in a reasonable time.

6           It is my personal opinion that there  
7 is no way in the world that one entity was going to  
8 be able to finish 157 recommendations in a really  
9 short time. So it is going to take some time to get  
10 them all done. But they are making progress, and I  
11 think they are making good progress. I think they  
12 are being responsible in their reaction to the  
13 recommendations to improve the safety and reliability  
14 of their electric service. And like I said before, I  
15 am satisfied with what I am seeing.

16           COMMISSIONER O'CONNELL-DIAZ: And Staff will  
17 continue to monitor to insure that there is no  
18 slippage, and if there were to be slippage in what  
19 the Commission has been advised will be the program,  
20 you certainly would be reporting back to us with  
21 regard to that, correct?

22           MR. BUXTON: Yes, we will. We have got -- the

1 consultant is retained for two more years. I am not  
2 sure that all 157 recommendations will be completed  
3 by that time, but most of them will be. And, yes, if  
4 anything seems to come along to cause a problem that  
5 you need to know about, we will be sure and let you  
6 know.

7 COMMISSIONER O'CONNELL-DIAZ: Thank you very  
8 much and thank you to Staff for really keeping the  
9 company on track. We had kind of a rough start with  
10 regard to this investigation, but I believe we can  
11 see that we have got a plan in place, and with  
12 Staff's guidance the company is doing what they are  
13 supposed to be doing.

14 CHAIRMAN FLORES: Thank you, Commissioner. I  
15 would also like to commend the Staff for being  
16 diligent on this matter and making sure that the  
17 investigation and the implementation on the  
18 recommendations made by this Commission are being  
19 implemented.

20 I would urge you, Mr. Buxton, to  
21 continue to monitor, obviously closely, these  
22 implementation recommendations, although I must

1 confess I haven't had the opportunity because I just  
2 literally started, haven't had a chance to review all  
3 these matters. But given the sensitivity and the  
4 importance of having electrical power and having  
5 outages, these are obviously very sensitive matters.  
6 So we want to insure that the implementation program  
7 goes forward as expeditiously as possible, and we  
8 will certainly be looking forward to continued  
9 progress reports from Staff.

10 Now, you indicated that something was  
11 going to be published on the website?

12 MR. BUXTON: If you will instruct us to do  
13 that, yes. It is kind of a technicality, and I am  
14 not an attorney, but as I understand it, things like  
15 this really require the Commission to instruct us to  
16 put it on the website so that we don't get in  
17 trouble.

18 CHAIRMAN FLORES: I have not had an opportunity  
19 to meet with counsel. I think it would be prudent  
20 first to meet with Commission counsel to get some  
21 type of an official report or recommendation on the  
22 publication.

1                   I will say, though, that we have to  
2 inform the public of what's going on. I think it is  
3 crucial that the general public, that the general  
4 citizenry, be informed with regards to these matters.  
5 But, again, I will reserve at this time any type of  
6 official making a motion at this time, just so that I  
7 have the opportunity to meet with counsel. I am a  
8 big supporter and proponent of using the internet for  
9 these types of matters to communicate. So we will  
10 review this matter to look at how it is that we can  
11 provide the information in an open, a very open,  
12 process and using the technology. But let us just --

13                   COMMISSIONER O'CONNELL-DIAZ: Excuse me, we do  
14 have our general counsel here who has stepped up to  
15 the bench, so she may be of some assistance.

16                   MS. STEPHENSON-SCHROEDER: Chairman Flores,  
17 this is Mary Stephenson-Schroeder. You can go ahead  
18 if you would like to proceed in approving it and we  
19 can get it placed on the website.

20                   CHAIRMAN FLORES: Very well then.

21                   MS. STEPHENSON-SCHROEDER: If that gives you  
22 some direction.

1 CHAIRMAN FLORES: Thank you. I would like to  
2 then entertain a motion to accept the report.

3 COMMISSIONER ELLIOTT: So moved.

4 CHAIRMAN FLORES: Is there a second?

5 COMMISSIONER FORD: Second.

6 CHAIRMAN FLORES: All in favor?

7 COMMISSIONERS: Aye.

8 CHAIRMAN FLORES: Any opposed? Okay. Very  
9 well.

10 COMMISSIONER O'CONNELL-DIAZ: And just,  
11 Chairman Flores, just so that you are aware that our  
12 Commission website is reflective of the reports that  
13 come before us, and they are placed on the website  
14 along with our e-Docketing system which allows the  
15 public to look at every single document that is filed  
16 in matters that are before the Commission. If people  
17 have questions with regard to navigating that  
18 website, they can contact our Clerk's office. But  
19 the information that we rule on and the records that  
20 comprise the outcomes at the Commission are on our  
21 website and are open to the public and have been for  
22 many, many years.



1           CHAIRMAN FLORES: Absolutely. And I have had a  
2 chance to peruse the website and am looking forward  
3 to working with everyone on the website and  
4 continuing on leading the charge in making sure that  
5 we are the most technologically savvy commission in  
6 the country.

7           COMMISSIONER O'CONNELL-DIAZ: Just so you know,  
8 our e-Docketing system has won national awards.

9           CHAIRMAN FLORES: That is right.

10          COMMISSIONER O'CONNELL-DIAZ: We are very proud  
11 of our IT group, as well as our Clerk's office, that  
12 has made that a reality. And, in fact, it is used as  
13 a model of other regulatory commissions across the  
14 country.

15          CHAIRMAN FLORES: And not to digress, they  
16 should be recognized for their outstanding work in  
17 that regard.

18                       We do need another motion, though, to  
19 accept -- not only for the acceptance of this report  
20 but then to move forward to actually have it posted  
21 on the website. So do I hear a motion for that  
22 matter?

1 COMMISSIONER ELLIOTT: So moved.

2 CHAIRMAN FLORES: Second?

3 COMMISSIONER FORD: Second.

4 CHAIRMAN FLORES: Well, all in favor say aye.

5 COMMISSIONERS: Aye.

6 CHAIRMAN FLORES: Any opposed? Okay. The ayes  
7 have it, 5-0. We will accept this report and,  
8 further, we will also have -- we have asked Staff to  
9 post this report on the website.

10 And, again, I do want to congratulate  
11 all who have been working on this report. Thank you  
12 to Staff and then also thank you to our IT. They do  
13 deserve a tremendous amount of credit, as  
14 Commissioner O'Connell-Diaz indicated, for their  
15 efforts in using the internet to make our records  
16 more readily available.

17 So now moving on -- thank you, Staff.  
18 Is there anything further from Staff?

19 MR. BUXTON: No, we will put this on the  
20 electric reliability page.

21 CHAIRMAN FLORES: Very well. Thank you, sir.

22 All right. Now turning now to Item

1 G-4, this is North Shore Gas Company and Peoples Gas  
2 Light and Coke Company's proposed general increase in  
3 natural gas rates. The Docket is 09-0166 and 09-0167  
4 Consolidated. Administrative Law Judges Moran and  
5 Haynes recommend entering the order.

6 I have spent the last couple of days  
7 combing through the order and the record. And while  
8 I am forming opinions on the issues, I have not had  
9 sufficient time to give the record the full  
10 examination necessary to render a reasonable  
11 decision, for this matter has been before us now  
12 quite a long time. Therefore, at this time I will be  
13 voting present on this case at this time.

14 I do believe and understand that  
15 amendments have been circulated. Commissioner  
16 O'Connell-Diaz?

17 JUDGE HAYNES: You know, before the  
18 Commissioners get to that -- Judge Haynes talking,  
19 thank you. We just need to bring up to the  
20 Commission's attention that in addition to the public  
21 comments you have heard the past couple of Commission  
22 meetings, there are also online comments that have

1     been filed.  And the last time we checked there were  
2     50 comments for North Shore and 91 comments for  
3     Peoples Gas.

4                   In addition, the Clerk's office has  
5     received written correspondence, and none from North  
6     Shore but there are 29 comments for Peoples Gas.  In  
7     order to see those, though, you would have to visit  
8     the Clerk's office.  So we just want to bring that to  
9     the Commission's attention.

10                   Thank you.

11                   COMMISSIONER O'CONNELL-DIAZ:  Thank you.

12                   CHAIRMAN FLORES:  Commissioner O'Connell-Diaz?

13                   COMMISSIONER O'CONNELL-DIAZ:  Thank you.  Yes,  
14     my office has worked with actually some of the other  
15     Commissioners actually with regard to developing some  
16     consensus language to be placed in the determinations  
17     with regard to Rider ICR.

18                   In particular, the initial concern was  
19     the baseline that we would start with.  And we have  
20     crafted changes that the baseline statement is to be  
21     submitted to the Commission by way of a meeting with  
22     Staff and the Company 60 days after the entry of this

1 order. I believe it was the AG that raised this  
2 point and it resonated with us. As we looked at the  
3 record, we saw different cites to this.

4 But we have provided in the order that  
5 it is the Commission's role to balance the needs of  
6 this program with the additional implementation costs  
7 which will be borne by customers. The Commission  
8 finds noteworthy the company's desire to be proactive  
9 in updating its infrastructure. In turn, the  
10 Commission does not want to impose an additional cost  
11 on the public beyond those that are absolutely  
12 necessary, especially during these particularly harsh  
13 economic times. The Commission must be sure that any  
14 additional line item placed on a customer's bill by  
15 way of a right of recovery will provide an edit that  
16 is certain.

17 We are sensitive to and again  
18 acknowledge the valid concerns of other parties that  
19 the Commission not finance infrastructure  
20 improvements of the company. Recovery should be  
21 limited to those specific costs that are in line with  
22 the standards previously outlined.

1                   As such, we direct the company to meet  
2 with Staff to determine the baseline for calculating  
3 the costs that can properly be recovered under the  
4 rider as modified herein. The company is to file a  
5 statement and the company-modified tariff language  
6 with the Commission 60 days following approval of  
7 this order which will outline how the company will  
8 calculate that portion of the accelerated program.

9                   Again, I think it is clear from the  
10 record in this matter we have 100-year-old pipes in  
11 the ground here in the city of Chicago. While we  
12 have been assured by way of testimony in this record  
13 that there is no threat that we know of, but just by  
14 the nature of pipes being 100 years old, it could  
15 have the potential of causing a catastrophic  
16 situation, which I am sure none of us want to see.  
17 So there is a great need, not just with this  
18 particular company infrastructure, I think it is a  
19 situation that we find our country facing with aging  
20 infrastructure across our country.

21                   But if confined to this record, this  
22 is what Rider ICR will do. It will be a measured

1 program that will have safeguards that our Staff will  
2 be looking at every year so that every penny that is  
3 collected by the company is deemed to be prudent and  
4 appropriate. We have a deadline of 2030, so this is  
5 going to be an ongoing project. It is not going to  
6 be something that is done in the next two years or  
7 the next even five years.

8 So also with regard to there is  
9 additional language with regard to the audit section.  
10 We propose that the independent audit occur every  
11 five years after the first reconciliation and that is  
12 when the Commission will first see the actual costs  
13 that flow through the rider. We will have the five  
14 years of costs to review when that audit is required.  
15 Additionally, I think there is some non-substantive  
16 changes that we did throughout this section.

17 So I would submit this to my fellow  
18 Commissioners for their consideration and support.

19 CHAIRMAN FLORES: Any other further discussion  
20 with regard to this amendment? Is there a motion to  
21 accept the changes proposed by Commissioner  
22 O'Connell-Diaz?

1 COMMISSIONER FORD: So moved.

2 CHAIRMAN FLORES: Is there a second?

3 COMMISSIONER ELLIOTT: Second.

4 CHAIRMAN FLORES: It's been moved and seconded.

5 All in favor say aye.

6 COMMISSIONERS: Aye.

7 CHAIRMAN FLORES: Any opposed? The vote is

8 4-0. The amendments are accepted.

9 I understand that Commissioner Ford  
10 has also proposed some amendments. Commissioner  
11 Ford?

12 COMMISSIONER FORD: I have prepared some  
13 revisions to the calculations of the utility's cost  
14 of common equity which have been distributed to my  
15 fellow Commissioners for review. These revisions  
16 specifically call for the calculation of the  
17 utility's cost of common equity by using an average  
18 of the utility's and Staff's DCF estimates using the  
19 constant growth model and an average of Staff's CAPM  
20 results, with and without the Blue Chip forecast. I  
21 believe that the constant growth is appropriate under  
22 these circumstances and supported by the record.



1                   Furthermore, using an average of the  
2    CAPM results will take into account the volatility of  
3    the market during this time Staff relied on spot  
4    data.

5                   And I submit these to my fellow  
6    Commissioners.

7           CHAIRMAN FLORES:  Is there any discussion on  
8    Commissioner Ford's amendments?

9           COMMISSIONER O'CONNELL-DIAZ:  I would just  
10   thank Commissioner Ford's office for those  
11   amendments, and I would support them.

12          CHAIRMAN FLORES:  Commissioner, is that a  
13   motion then?

14          COMMISSIONER O'CONNELL-DIAZ:  It's a motion.

15          CHAIRMAN FLORES:  To accept Commissioner Ford's  
16   amendment.  Is there a second?

17          COMMISSIONER ELLIOTT:  Second.

18          CHAIRMAN FLORES:  It's been moved and seconded.  
19   All in favor say aye.

20          COMMISSIONERS:  Aye.

21          CHAIRMAN FLORES:  Any opposed?  The vote is  
22   4-0.  The amendment is accepted.

1                   I understand that there may be some  
2 other amendments or recommendations.

3           COMMISSIONER ELLIOTT: Yes, Mr. Chairman. I  
4 made some non-financially impacting changes to the  
5 rate design area of the order. And those have been  
6 circulated and I would move those amendments as well.

7           CHAIRMAN FLORES: Is there any discussion on  
8 Commissioner Elliott's amendment?

9           COMMISSIONER COLGAN: I second the motion.

10          CHAIRMAN FLORES: It's been moved and seconded.  
11 Well, I don't know if you can technically move that.  
12 He moved it, so I am going to need a second.

13          COMMISSIONER COLGAN: Second.

14          CHAIRMAN FLORES: We need another second. You  
15 made the first move.

16          COMMISSIONER ELLIOTT: Yeah.

17          CHAIRMAN FLORES: All right. So all in favor?

18          COMMISSIONERS: Aye.

19          CHAIRMAN FLORES: Any opposed? The vote is  
20 4-0. Commissioner Elliott's amendment is also  
21 accepted.

22                   Is there any final discussion before

1 voting on the final order?

2 COMMISSIONER COLGAN: Mr. Chairman, I would  
3 just like to say that this is a really complex and  
4 exhaustive order to go through. It is the first rate  
5 case that I have had the opportunity to participate  
6 in. I have spent an immense amount of time poring  
7 through it, and I have come to the conclusion that  
8 the Commission with these amendments has done the  
9 very best that it can to come to the proper  
10 conclusion, and I will look forward to working with  
11 you and the other Commissioners to see to it that  
12 this, especially this replacement of pipe, is done  
13 and done in a proper way and in the best interests of  
14 the customers of Peoples Gas.

15 CHAIRMAN FLORES: Any other comments or further  
16 discussion before we vote? All right. I want to  
17 know, apparently there have also been some  
18 non-substantive edits that have been made to the  
19 order. Is there a motion to enter the order as  
20 amended?

21 COMMISSIONER FORD: So moved.

22 CHAIRMAN FLORES: Is there a second?

1 COMMISSIONER ELLIOTT: Second.

2 CHAIRMAN FLORES: It's been moved and seconded.

3 All in favor say aye.

4 COMMISSIONERS: Aye.

5 CHAIRMAN FLORES: Any opposed? The vote is

6 4-0. The order as amended is entered.

7 I wish to thank the Administrative Law  
8 Judges Moran and Haynes, the petitioners, Staff and  
9 all of the parties for their hard work in this case  
10 and also to the Commissioners for their hard work and  
11 analysis in this matter.

12 Moving forward, we have two FERC  
13 matters on the agenda which will require a closed  
14 session. Is there a motion to go into closed  
15 session, please?

16 COMMISSIONER O'CONNELL-DIAZ: So move.

17 CHAIRMAN FLORES: Is there a second?

18 COMMISSIONER FORD: Second.

19 CHAIRMAN FLORES: It's been moved and seconded.

20 All in favor say aye.

21 COMMISSIONERS: Aye.

22 CHAIRMAN FLORES: Any opposed? The vote is 5-0

1 to go into closed. Please let me know when the room  
2 is clear in Chicago.

3 (Whereupon at this point  
4 pages 70-118 of the  
5 proceedings are  
6 contained in a separate  
7 closed transcript.)

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CONTINUATION OF PROCEEDINGS

CHAIRMAN FLORES: Very well, thank you, everybody. In closed session the Commission discussed filing two FERC cases. First is Docket EL10-27-000. Staff proposes filing comments regarding the Christian County Generation, LLC, petition for a declaratory order. Is there a motion to file the comments with the FERC?

COMMISSIONER O'CONNELL-DIAZ: So moved.

CHAIRMAN FLORES: Thank you. Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: It's been moved and seconded. All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed? The vote is 5-0. Comments will be filed with the FERC.

The next item is FERC Docket ER09-412-010. Staff has proposed filing comments on PJM's compliance filing on the RPM capacity market. Is there a motion to file the comments with the FERC?

COMMISSIONER ELLIOTT: So moved.

1 CHAIRMAN FLORES: Is there a second?

2 COMMISSIONER COLGAN: Second.

3 CHAIRMAN FLORES: It's been moved and seconded.

4 All in favor say aye.

5 COMMISSIONERS: Aye.

6 CHAIRMAN FLORES: Any opposed? The vote is

7 5-0. The comments will be filed with FERC.

8 Judge Wallace, are there any other

9 matters to come before the Commission today?

10 JUDGE WALLACE: None, Mr. Chairman.

11 CHAIRMAN FLORES: Thank you very much, Your

12 Honor. Thank you everybody for everything,

13 outstanding job, and thank you for welcoming me here

14 to be part of your team.

15 Any other matters? Hearing none, this

16 meeting stands adjourned. Thank you.

17 ADJOURNED

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