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BEFORE THE
ILLINOIS COMMERCE COMMISSION
BENCH SESSION
(PUBLIC UTILITY)

Wednesday, January 21, 2015
Chicago, Illinois

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

PRESENT:
BRIEN J. SHEAHAN, Acting Chairman
ANN McCABE, Commissioner
SHERINA E. MAYE, Commissioner
MIGUEL DEL VALLE, Commissioner

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

1 JUDGE WALLACE: Mr. Chairman --

2 ACTING CHAIRMAN SHEAHAN: Yes.

3 JUDGE WALLACE: -- this is Judge Wallace in
4 Springfield. Can you hear us?

5 ACTING CHAIRMAN SHEAHAN: We can. Thank you.

6 JUDGE WALLACE: Your microphone may not be on
7 yet.

8 ACTING CHAIRMAN SHEAHAN: Okay. How's that?

9 JUDGE WALLACE: That's much better, sir. We
10 moved Commissioner Maye out of our picture.

11 COMMISSIONER MAYE: Should I move over?

12 ACTING CHAIRMAN SHEAHAN: Scratch her in a bit.

13 JUDGE WALLACE: There you go.

14 COMMISSIONER MAYE: You don't want to cut me out.

15 ACTING CHAIRMAN SHEAHAN: We will call our
16 meeting to Order. Pursuant to the provisions of the
17 Open Meetings Act, I now convene a regularly
18 scheduled Bench Session of the Illinois Commerce
19 Commission. With me in Chicago are Commissioners
20 McCabe, del Valle, and Maye. I am Chairman Sheahan.
21 We have a quorum.

22 Before moving into the agenda,

1 according to Section 1700.10 of Title 2 of the
2 Administrative Code, this is the time that we allow
3 members of the public to address the Commission.
4 Members of the public wishing to address the
5 Commission must notify the Chief Clerk's office at
6 least 24 hours prior to Commission meetings.

7 According to the Chief Clerk's office,
8 we have nine timely-received requests to speak at
9 today's meeting. Each speaker will have three
10 minutes. I would ask that the speakers keep their
11 comments respectful and please remember that the
12 Commission doesn't do Q & A at this time.

13 Mr. Green is our first speaker.

14 Mr. Green.

15 PRESENTATION

16 BY

17 MR. GREEN:

18 Good morning. My name is Raul Green.
19 I'm a Chicago native. I'm seeing the difference
20 between justice and injustice. I figured out why we
21 have no power in our homes, with nothing to do but
22 waiting to see when the power would be turned back

1 on.

2 The reason why these problems keep
3 continuing on and on because the money is not going
4 where it needs to go. What's important that people
5 have light and gas in their homes in the winter
6 without the use of a space heater. That's a
7 disaster just waiting to happen.

8 If having a space heater means two
9 things, it would either be used right or a fire in
10 the wrong place causing people to be homeless. It
11 should never come to all that.

12 Yes, we have to pay light and gas
13 bills, but in Bill Gates and Donald Trump's
14 territory, think about what you're doing to us
15 people who are just barely holding on to a job that
16 only pays less when we should be receiving more for
17 ourselves, and we can't even support even our
18 families.

19 Why are our people being homeless,
20 food being taken off our tables at home, small
21 businesses going by the way side. Giving more money
22 to ComEd, Nicor, Direct Energy, Peoples Gas does not

1 give you the right to deny jobs, medical care, food,
2 rent and utilities.

3 Chicago neighborhoods and surrounding
4 areas are transforming to poverty. When you are
5 getting more rate hike after rate hike, that's
6 sickening. It's like I mentioned, I've witnessed
7 being the victim with no power either our house or
8 apartment. Before moving to the south suburbs,
9 being in a cold, dark house with nothing for me was
10 very unacceptable and disgusting as well.

11 Now, being a resident in Chicago
12 Heights, it continues to be more hell for me. My
13 bill was so high it reached Oprah Winfrey status.
14 Every ridiculous thing you've done you've shot
15 yourself in the foot.

16 How can I be using more lights than
17 any of my neighbors? How do you know that? Most of
18 the time nothing is either plugged or lightened.

19 ACTING CHAIRMAN SHEAHAN: Thirty seconds left,
20 Mr. Green.

21 MR. GREEN: Thirty seconds left?

22 ACTING CHAIRMAN SHEAHAN: Each person will have

1 30 minutes.

2 MR. GREEN: With no meter reader --

3 A VOICE: Peoples Gas has had 11 months. Can he
4 have another minute?

5 ACTING CHAIRMAN SHEAHAN: Please, if we have --

6 MR. GREEN: No lights or nothing plugged up, and
7 now you are charging me for that. Every time you
8 see more money for companies, you are receiving
9 money by billions and trillions of dollars, that's
10 more in your pockets than for low income families or
11 small businesses combined. Just a few months --

12 ACTING CHAIRMAN SHEAHAN: Mr. Green, that's time.
13 If you want to wrap up very quickly, that will be
14 okay.

15 MR. GREEN: Well, as I was saying, money should
16 not be going to all these corporations. It should
17 go into schools, farming, housing, health care, and
18 small businesses, too, from Moo 'n Oink and
19 Evergreen Plaza, that's been a fixture in Chicago
20 for years.

21 ACTING CHAIRMAN SHEAHAN: Thank you, Mr. Green.

22 Thank you.

1 The next speaker is Ms. Lefley.

2 Ms. Lefley.

3 MS. LEFLEY: Take the same seat?

4 ACTING CHAIRMAN SHEAHAN: Please. You have three
5 minutes, Ms. Lefley.

6 MS. LEFLEY: I'll do my best.

7 ACTING CHAIRMAN SHEAHAN: Thank you.

8 PRESENTATION

9 BY

10 MS. LEFLEY:

11 Hi, my name is Doris Lefley and I have
12 lived in Wilmette for the past 30 years. I worked
13 as a nurse for 40-plus years in the Chicago area and
14 the suburbs. I'm here to speak against the proposed
15 rate hike for utilities by Peoples Gas and North
16 Shore Gas.

17 I worked at the U of I, University of
18 Chicago Hospital, when I first arrived in Chicago.
19 I was surprised to find the contrast between
20 neighborhoods in the Woodlawn and Cottage Grove
21 areas, big houses, rich people, poor people, poor
22 houses, ghettos, dirty, some homeless. I was

1 appalled, but it seemed to be acceptable to many at
2 the time.

3 I continue to work as a psychiatric
4 nurse in the Westside Medical Center where again
5 the neighborhood was in great contrast.

6 I became involved in political
7 activities to try and understand and change the
8 situation I found unacceptable. Many of the
9 patients' families I work with have multiple
10 problems, low income, disability, and I found them
11 living in poor circumstances, and whether they were
12 in Chicago, different neighborhoods, or suburbs, the
13 proposed rate hike will impact more on the people
14 who have the least resources.

15 All people should have the basic human
16 rights for shelter, health, food, clothing, and
17 medical. I spent ten years as a nurse, visiting as
18 a psychiatric nurse, making home visits in various
19 neighbors in Chicago and suburban areas.

20 After retiring, I got involved in the
21 peace and human rights movement around the state and
22 city, as well as other parts of the world. Through

1 my work in the peace movement, I met a group
2 organization in Englewood who are working to achieve
3 basic human rights for all people, especially
4 working poor who are under-employed, to support and
5 organize, help people survive when working for
6 change, a change that I passionately believe is
7 needed if we can live in a fair and equitable
8 society.

9 Many of these people are living on a
10 small income, some retired, some not able to find
11 work. It's unacceptable. To believe that some
12 people in our society purport to believe that being
13 poor is easy, I know it's not.

14 In the wintertime in substandard
15 housing, the idea of turning off heat for heat or
16 cooking seems unthinkable and unacceptable, a
17 violation of your own mandate.

18 And I would like to remind you at this
19 time of Public Utilities Act 2001. The Illinois
20 Commerce Commission is mandated to make public
21 utility services affordable and available to all
22 people who are citizens, and I thank you for

1 listening.

2 ACTING CHAIRMAN SHEAHAN: Thank you, ma'am.

3 Mr. Cerny.

4 MR. CERNY: Good morning.

5 ACTING CHAIRMAN SHEAHAN: You have three minutes.

6 PRESENTATION

7 BY

8 MR. CERNY:

9 Thank you. My name is Clay Cerny. I run
10 a small business in Andersonville and I go to
11 Edgewater. Many of my clients over the last five
12 years have seen minimal to no raises. At the same
13 time, there's been some growth in small businesses,
14 but if you go around the city, there are many open
15 storefronts in upscale neighborhoods like
16 Andersonville, Lincoln Park and Lakeview.

17 Many of my neighbors are seniors on
18 fixed incomes. A small increase here for health
19 care or there for utilities can be devastating to
20 the elderly residents. I understand that a business
21 needs to be profitable. I run one.

22 According to the recent data from

1 Crane's and other business publications, Peoples Gas
2 profits have increased by 18 percent and its parent
3 company Integrys earned 24 percent in profits.
4 Peoples claims that it's requesting this rate
5 increase for infrastructure.

6 Given these profits, why is a rate
7 increase needed? Moreover, given the current price
8 for natural gas, which has declined greatly, that's
9 even less of a reason to approve a rate increase.

10 I ask the ICC not to grant Peoples
11 Gas' request for a rate increase. It will hurt
12 small businesss and their customers, especially
13 senior citizens. Peoples is a profitable company.
14 Let it use those profits to fund projects like the
15 one proposed.

16 Please don't make everyday people and
17 small businesses fund projects that will make a
18 highly profitable company and its shareholders even
19 richer. Thank you.

20 ACTING CHAIRMAN SHEAHAN: Thank you sir.

21 Mr. Gu.

22 MR. GU: Mr. Gu.

1 ACTING CHAIRMAN SHEAHAN: Mr. Gu.

2 PRESENTATION

3 By

4 MR. GU:

5 Thank you. May I use my phone to keep
6 track of time, sir --

7 ACTING CHAIRMAN SHEAHAN: We have someone keeping
8 time. I will give you a 30-second notice.

9 MR. GU: -- just as a visual?

10 Good morning, Members of the
11 Commission. My name is Harris Gu and I am presently
12 a student at the University of Chicago.

13 ACTING CHAIRMAN SHEAHAN: Sir, can you speak into
14 the microphone.

15 MR. GU: I currently am a student attending
16 University of Chicago, having lived in Chicago for
17 12 months.

18 I'm here today not because I want to
19 attack utility companies in particular. I'm here
20 today because I would like to see the Illinois
21 Commerce Commission work better with the utility
22 companies and the people of Illinois to combat more

1 effectively.

2 I doubt anyone in this group would
3 deny the fact that availability of heating has the
4 potential to save lives. Heating is a great and
5 necessary service, and I'm here today because I
6 believe it is in the interest of the vast majority
7 of people who live and do business in the State of
8 Illinois to take steps to increase the availability
9 of the service.

10 If I may be permitted to make a
11 generalization, there are two types of people who
12 consume utilities, those for whom the full rate is
13 too high and those for whom the full rate is too
14 low. Those for whom the full rate is too high will
15 not pay it. They lose the essential service fees
16 and the company loses the opportunity to extract any
17 revenue from it.

18 Both consumer and producer will lose
19 those gains. Those groups the full rate is too low
20 would actually be willing and able to pay a higher
21 price. The company obviously loses the opportunity
22 to extract the revenues from these consumers.

1 A rate increase does not resolve as an
2 inefficiency. A rate increase produces the number
3 of people from whom the rate is too low while
4 increasing the number of people for whom the rate is
5 too high. All consumers are certainly worse off by
6 this arrangement and in this arrangement the utility
7 company is not even doing as well as it could do.

8 A real solution would be to activate
9 it for each consumer whether the price of the
10 utility is too high or too low and then try to
11 charge them appropriately. Such a solution would
12 maximize both the number of people who have access
13 to the utilities and the amount of revenue the
14 company generates for its services.

15 In fact, the solution I am describing
16 reflects the theory behind the utility assistance
17 program. It is a fine theory, but there's practical
18 costs associated with using bureaucracy to convey
19 utility services.

20 I appreciate the motivation behind
21 these programs but these programs alone still cause
22 inefficiencies in that not as many people as could

1 be receiving utilities actually do and not as much
2 revenue as could be generated actually is.

3 Illinois law requires that utilities
4 be made affordable. The proposed rate increases
5 today are not affordable neither for the people that
6 consume heat nor for the companies that provide it.
7 Excuse me. In a rational analysis you must accept
8 these costs are borne by both the people and by the
9 company.

10 Increasing these utility rates will
11 increase the costs for everyone, and it's not in our
12 interests, not the interest of the consumers or
13 producers to increase prices until policies and
14 systems are in place to insure that utilities are
15 available. You'll hear more today about how
16 utilities are not available.

17 ACTING CHAIRMAN SHEAHAN: Thirty seconds left.

18 MR. GU: Thank you. You will hear about how this
19 lack of availability reeks havoc on peoples' lives
20 in the greater community and on the economy that
21 these companies depend on.

22 I ask you to consider these factors as

1 you work towards a solution. I hope these solutions
2 do not include another rate increase. Thank you.

3 ACTING CHAIRMAN SHEAHAN: Thank you.

4 Mr. Hunter. Good morning.

5 MR. HUNTER:

6 PRESENTATION

7 BY

8 MR. HUNTER:

9 Good morning. My name is Anthony
10 Hunter and I am a lifelong Chicago resident. I'm
11 here to speak on behalf of the Cook County Workers'
12 Benefit Council, a delegate body that represents the
13 needs and interests of service workers and other low
14 paid workers in Cook County.

15 I know there's a new commissioner with
16 us today, so I want you to hear what we, as low
17 income workers, have to say about the Peoples Gas,
18 North Shore Gas rate increase before you today.

19 The Illinois General Public Utilities
20 Act of 2001 states that the ICC is an agency that
21 regulates the utilities, that the goals and
22 objectives of such regulations --

1 ACTING CHAIRMAN SHEAHAN: Take your time.

2 MR. HUNTER: -- shall be insured, that the rates
3 of utility services are affordable and, therefore,
4 to preserve the availability for such services to
5 all citizens.

6 We demand that you, the ICC, do your
7 duty and deny any rate increase for the Peoples Gas.
8 We further demand that you stop the shutoffs and
9 take a ways-and-means approach to make utilities
10 affordable and available to all.

11 Per your mandate, last week a Workers'
12 Benefit Council delegate gave you over a thousand
13 signatures. Here are a few more.

14 (Document(s) tendered.)

15 Heating gas are not affordable and
16 available to all in our state right now. By your
17 own numbers, as of December of 2013, over 80,000
18 families in the state have been disconnected from
19 heating gas services in the previous year alone.

20 Every fall Peoples Gas sends trucks
21 throughout low income neighborhoods to disconnect
22 households that cannot keep up with increasing rates

1 even as many of them were work longer hours for less
2 pay.

3 Members of our council have further
4 reports that families being disconnected from back
5 bills of less than \$100. The rate increase granted
6 Peoples Gas will hit low income families the
7 hardest. We are forced to choose between food and
8 gas and short our landlords on rent and cut back on
9 medications. Families who have their gas services
10 shut off suffer through sub-freezing temperatures
11 and get sick --

12 ACTING CHAIRMAN SHEAHAN: Thirty seconds left,
13 sir.

14 MR. HUNTER: -- or they turn to other means of
15 staying warm.

16 According to the Chicago Tribune this
17 month, over 30 people died from the cold last
18 winter. Ten people died already this winter because
19 of the cold, and the first week in January last year
20 one of our members who spoke at this body in 2012
21 and demand then that you stop the shutoff had to run
22 out of a burning building on the coldest day of the

1 year and lost everything because of her downstairs
2 neighbor knocked over a space heater he was using to
3 stay warm because he could not afford gas.

4 ACTING CHAIRMAN SHEAHAN: Mr. Hunter, your time
5 is up. Thank you so much.

6 A VOICE: You gave them eleven months for Peoples
7 Gas.

8 ACTING CHAIRMAN SHEAHAN: May we have some order,
9 please. The Commission is happy to --

10 A VOICE: He only has a little bit. Let him
11 finish.

12 ACTING CHAIRMAN SHEAHAN: The Commission is happy
13 to listen to any public speakers that have
14 petitioned to speak. We have got nine of them this
15 morning. We are being very respectful to listen to
16 those voices and we ask for your respect as well.

17 Mr. Jackson.

18 MR. JACKSON: Good morning.

19 ACTING CHAIRMAN SHEAHAN: Good morning.

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21

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PRESENTATION

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BY

MR. JACKSON:

I am also a lifelong citizen of the State of Illinois. I represent the Park Manor community. I'm a deacon at the Congregational Church of Park Manor, the United Church of Christ. I am the Chair of the deacon (sic) board ministry where Reverend Dr. Terrell Murray is the senior pastor.

I want to share a scripture, if I will. "The poor will always be among us. The Lord has put his spirit in me because he appointed me to tell the good news to the poor. He has sent me to tell the captives that they are free and to tell the blind that they can see again.

God sent me to free those who have been treated unfairly and to announce the time when the Lord will show his kindness."

It is well understood that this nation on this earth is the most powerful country on earth, and, yet, we will see that we are not treating the unfortunate people of today who are suffering

1 because they cannot have heat in their houses.

2 We continue to let the greedy money
3 changers keep the poor impoverished. Here we are in
4 the 21st Century forcing people to make decisions to
5 do one of three things: Take care of their health,
6 put food on their table, or supply costs for
7 heating.

8 The mandate of the Illinois conference
9 has stated three times we must make our rates
10 affordable for all, and this is not what we are
11 doing at this particular time. Well, you will be
12 turning your backs on the Public Utility Act if you
13 do not do this.

14 We already know 85,000 families are
15 suffering and are in the mode of not having gas or
16 heat in their houses.

17 ACTING CHAIRMAN SHEAHAN: Thirty second left,
18 sir.

19 MR. JACKSON: This sort of unaffordable approach
20 of putting it all on the backs of the poor is not
21 working. Also, remember we are not thinking about
22 the seniors who have fixed incomes and circumstances

1 of even poor health coming into being. It would be
2 showing no mercy. It would be showing turning your
3 backs on all. It would be devaluating the quality
4 of life for those who cannot afford the increase.

5 I pray --

6 ACTING CHAIRMAN SHEAHAN: Thank you for being
7 here.

8 MR. JACKSON: I pray that you take the courage
9 and to vote against this particular act. Thank you.

10 ACTING CHAIRMAN SHEAHAN: Thank you, sir.

11 Good morning, Ma'am. You have three
12 minutes. Take your time, Ma'am.

13 MS. BAILEY: I'm sorry.

14 ACTING CHAIRMAN SHEAHAN: Take your time.

15 PRESENTATION

16 BY

17 MS. BAILEY:

18 Commissioners, good morning.

19 ACTING CHAIRMAN SHEAHAN: Good morning.

20 MS. BAILEY: Could you just indicate -- is this
21 for --

22 ACTING CHAIRMAN SHEAHAN: Certainly. Thank you.

1 Could you just for the record state your name.

2 MS. MIMS: My name is Kimberly Mims.

3 ACTING CHAIRMAN SHEAHAN: Thank you.

4 MS. MIMS: So I'm reading for Ms. Bailey. "My
5 name is Mary Bailey, and I have been a Peoples Gas
6 ratepayer for over 30 years, but I worked as a union
7 carpenter for 27 years. I'm now retired and on a
8 fixed income, and in June 2014 Peoples Gas shut me
9 off because I could no longer afford to keep up with
10 the rising cost of my gas and electricity.

11 Peoples Gas refused to work with me to
12 set up a budget plan. They say -- they said pay the
13 entire bill. That was the only solution they
14 offered me.

15 Well, my situation has gone from bad
16 to worse since then. After a really tough fight,
17 PG, Peoples Gas, finally allowed me to do a deferred
18 payment arrangement and restored my service
19 yesterday, but because they shut me off from heating
20 gas in the first place, they set off a chain
21 reaction, and my home has suffered enormous and
22 costly damage as a result.

1 During the extremely cold weather
2 earlier this month, the furnace, the pipes, and most
3 of the radiators burst. I have several buckets
4 around my home to catch the leaking water, and
5 yesterday the water department finally came to
6 shutoff my water service. I now have no running
7 water."

8 MS. BAILEY. Sorry about that.

9 ACTING CHAIRMAN SHEAHAN: Take your time.

10 MS. BAILEY: Yesterday Peoples Gas technician
11 came to my home -- came to my home to turn the gas
12 back on. The technician tagged my furnace, my
13 stove, my hot water tank, and pipes, and shutoff
14 valves and five radiators in my home, because all of
15 these appliances need repairs and replace -- and/or
16 replaced as a result of the shutoff.

17 Now I'm paying for heat and gas, but I
18 can't use it. The reservoir in my heating system is
19 broken and replacing my heating system and other
20 appliances will cost me thousands -- literally
21 thousands of dollars. I don't have that kind of
22 money.

1 Ms. Marshall. Ms. Marshall.

2 (No response.)

3 Ms. Vick.

4 MS. VICK: Yes.

5 ACTING CHAIRMAN SHEAHAN: Good morning, ma'am.

6 MS. VICK: Good morning.

7 ACTING CHAIRMAN SHEAHAN: You have three minutes.

8 PRESENTATION

9 BY

10 MS. VICK:

11 Yes. My name is Rachel Vick and I'm a
12 chef and a delivery driver and a long-life
13 Chicagoan.

14 ICC, I want to take three minutes of
15 your time, and I only have one thing to say. What
16 about us, the people? The people pay the rates.
17 The people pay your salary. Do we have a say so in
18 this? Why don't you listen to the people.

19 I also want to finish what Anthony had
20 to say. Each rate hike means we all have less money
21 to spend in our communities, local businesses have
22 fewer customers.

1 The Chicago economic (sic) can ill
2 afford another \$107 million taken out of the
3 workers' pockets. This rate increase request is
4 clearly a profit grab.

5 In 2013 after you, the ICC, granted
6 Peoples Gas a \$56 million rate increase in June, the
7 company increased profits by 18 percent. The parent
8 company of Peoples Gas, Integrys, increased profits
9 24.7 percent to over \$354 million. They don't need
10 more profit. Low income workers do need safe,
11 reliable heat we can afford in our homes.

12 ICC, we call on you to fulfill the
13 mandate of the Public Utilities Act of 201 (sic).
14 Deny any rate increase for Peoples Gas. Stop the
15 shutoff. Roll back the rates and reconnect service
16 for all. Thank you.

17 ACTING CHAIRMAN SHEAHAN: Thank you, ma'am.

18 (Appause.)

19 We would like to thank all of the
20 speakers this morning.

21 Commissioners, additional comments?

22 COMMISSIONER MAYE: Mr. Chairman, I do have the

1 comments, but I will wait.

2 ACTING CHAIRMAN SHEAHAN: Very well. We'll move
3 to our first item of business.

4 ACTING CHAIRMAN SHEAHAN: First item of business
5 on today's agenda is Docket No. 14-0651. This is
6 the Illinois Power Agency's petition for approval of
7 the IPA Supplemental Procurement Plan pursuant to
8 Section 1-56(I) of the Illinois Power Agency Act.
9 ALJ Albers recommend entry of an Order approving the
10 plan.

11 Commissioner del Valle, I believe you
12 have some edits.

13 COMMISSIONER del VALLE: Yes. Thank you
14 Mr. Chairman. First of all, welcome --

15 ACTING CHAIRMAN SHEAHAN: Thank you, sir.

16 COMMISSIONER Del VALLE: -- to the ICC.

17 I would like to propose two edits that
18 can be found on Pages 24 through 25 and 48 through
19 49 of the Order. They do not change the conclusions
20 of the Order.

21 The first edit adds changes to the
22 Orders recommended by the ALJ as proposed by the IPA

1 and brief on exceptions and modified by Sun Edison
2 and the Illinois Solar Energy Association which
3 clarify issues regarding acceptable merit. The
4 IPA's language was not contested, so I move the
5 adoption of the first edit.

6 ACTING CHAIRMAN SHEAHAN: Any questions or
7 comments?

8 COMMISSIONER McCABE: Second.

9 ACTING CHAIRMAN SHEAHAN: Second. Should we vote
10 on the first edit?

11 COMMISSIONER Del VALLE: Yes, I would be happy.

12 ACTING CHAIRMAN SHEAHAN: All those in favor, say
13 aye.

14 (Chorus of ayes.)

15 COMMISSIONER del VALLE: The second edit adds
16 changes to the Order recommended by the ALJs and
17 proposed by the IPA in brief on exceptions and
18 modified by Commonwealth Edison in the Illinois
19 Energy Association which clarified issues regarding
20 products and benchmarks for the second procurement
21 event and, again, the IPA's language was not
22 contested.

1 ACTING CHAIRMAN SHEAHAN: Is there a second?

2 COMMISSIONER MAYE: Seconded.

3 ACTING CHAIRMAN SHEAHAN: Any discussion?

4 COMMISSIONER McCABE: I'm going to vote against
5 the second edit. I agree with staff, the IPA, and
6 ComEd that the benefits of targeting this third
7 sub-market have not been shown to outweigh the
8 premium costs this product would likely have.

9 A separate product class could lead to
10 an increase in cost of compliance and possibly
11 decrease the amount of photovoltaic Renewable Energy
12 Credits (RECs) that are procured.

13 ACTING CHAIRMAN SHEAHAN: Any other edits?

14 (No response.)

15 All those in favor, say aye.

16 (Chorus of ayes.)

17 As well as those opposed, say no.

18 COMMISSIONER McCABE: No.

19 ACTING CHAIRMAN SHEAHAN: The edits are carried.

20 Now before us is a motion to enter the
21 Order as amended or edits. Is there a second?

22 COMMISSIONER MAYE: Seconded.

1 COMMISSIONER del VALLE: Seconded.

2 ACTING CHAIRMAN SHEAHAN: It's been moved and
3 seconded. All those in favor, say aye.

4 (Chorus of ayes.)

5 The vote is 4 to zero.

6 Any opposed?

7 (No response.)

8 Without objection, we will use this
9 unanimous consent throughout the next 2 through 7.

10 Is there any discussion on 2 through
11 7?

12 (No response.)

13 Without objection, then Items 2
14 through 7 are consolidated and approved. In each
15 of these cases they involve applications for
16 licensure of agents, brokers and counsel under
17 Section 16-115C of the Public utilities Act. The
18 ALJs in each case recommended granting the
19 certificate.

20 That brings us to Item No. 8 on the
21 docket. This is the North Shore Gas Company and
22 Peoples Gas, Light and Coke Company's proposed

1 general increase in gas rates. The judges in the
2 case have recommended entry of an order approving
3 the rate increase.

4 Are there any edits to the proposed
5 Order?

6 COMMISSIONER MAYE: I do have a comment if that's
7 appropriate.

8 ACTING CHAIRMAN SHEAHAN: Sure.

9 COMMISSIONER MAYE: Thank you, Chairman. I would
10 like to start by thanking the members of the public
11 who participated in the administrative ratemaking
12 process by having the courage to make comments at
13 our January 14th Bench Session last week,
14 specifically Mr. Nicholas Johnson, Mr. William
15 Hamblin, Ms. Kimberly Mims, Mr. Anthony Morgan, and
16 Mr. Curtis Hughes. Each of you, and to those who
17 spoke on behalf of others, please note that your
18 comments have not gone unheard by this Commission.
19 Thank you also to those who had the courage to speak
20 today.

21 While we are prohibited from asking
22 questions or verbally responding to many of your

1 comments, I urge you to, and I appreciate your time
2 and your courage regarding the concerns that you
3 expressed that many working class members are
4 struggling to pay their gas bills and the negative
5 role a rate increase would play in an already tough
6 situation, especially during the winter. Those
7 concerns have been heard loud and clear.

8 I'm personally committed to seeing
9 that Peoples Gas does the right thing by working
10 close with our Consumer Division to make sure your
11 concerns are addressed and acted upon.

12 The rate increase proposal submitted
13 to this Commission by Peoples Gas and North Shore
14 Gas Companies reflect changes in the market
15 conditions for natural gas, as well as updated
16 regulatory energy policies.

17 Today we are faced with the
18 challenging responsibility of deciding on the
19 acceptability of these rate proposals along with the
20 various objectives as they're assigned.

21 As regulators, we are required to
22 harmonize our regulatory objectives balancing public

1 and private interests with the investment of public
2 policy and though rates play a crucial role in
3 achieving that harmonization.

4 The ICC's mission has been, as many of
5 you know, to pursue an appropriate balance between
6 the interests of consumers and cost service
7 providers to insure the provision of adequate,
8 efficient, reliable safety at the least cost of the
9 public utility service.

10 Making tradeoffs and ratemaking
11 objectives to best serve the public interest is a
12 difficult but inevitable task for us today.

13 Although, based on our decision today,
14 some did not consider the effect of a rate increase
15 on the public, please know we consider the public
16 interest in every way possible striving along the
17 way to balance private interests, we are also
18 responsible for guidance.

19 Peoples Gas and North Shore Gas
20 requested a rate increase higher than what we were
21 granting today and we worked diligently to make sure
22 ratepayers did not bear unnecessary or frivolous

1 costs by disallowing expenses in several categories,
2 including the company's request for rate of return,
3 rate base and capital project cost recovery. I
4 believe any adjustments made or not made were
5 deferred in this case.

6 In the case of Peoples Gas, we are
7 granting a rate increase that is \$35,371 less than
8 they requested. In the case of North Shore Gas,
9 it's 1,226,000 less than the original amount they
10 requested.

11 I do look forward to working with both
12 the companies, as well as the members of the public
13 and consumer advocates, to insure that Peoples Gas
14 and North Shore customers are properly served.
15 Thank you.

16 ACTING CHAIRMAN SHEAHAN: Thank you,
17 Commissioner.

18 Any other comments?

19 COMMISSIONER McCABE: I second Commissioner Maye
20 in thanking all of you who provided comments today
21 and last week. We sincerely appreciate your input.

22 The Illinois Commerce Commission has

1 Staff prepared to help customers with questions and
2 concerns about utility services. If you have
3 questions about disconnection, payment plans, or
4 your utility bill, I encourage you to contact our
5 Consumer Service Division.

6 I also note that the Order does not
7 approve a change in rate design to increase fixed
8 customer charges. It rejects the Company's request
9 for a Straight Fixed Variable Rate. It does not
10 approve the Companies' higher requested Return on
11 Equity. It does approve the Merger, which is a
12 separate docket. Thank you.

13 COMMISSIONER del VALLE: Thank you, Mr. Chairman.

14 I would like to take this opportunity
15 to thank everyone who worked on this rate case.
16 Professionals from many different areas of expertise
17 have worked hard on this process for the better part
18 of 11 months at both last week's Commission Bench
19 Session and again today.

20 We have also heard statements from
21 passionate and engaged ratepayers who are stretched
22 to the limit by these repeated increases to their

1 gas bills.

2 In this docket there are significant
3 developments which we cannot take into consideration
4 when deciding just and reasonable rates. This
5 includes the economic conditions of our communities
6 in Chicago, for example, or the fact that the rates
7 themselves are going into effect in February in the
8 middle of winter and after an additional perusing
9 the polar vortex charges last year.

10 We also cannot consider the effects of
11 the ongoing merger case or the accelerating main
12 replacement program audit initiated in the last rate
13 case, which cannot be considered here due to the
14 timing of the rate case before us.

15 The Commission too often is limited as
16 to what it can do. As a regulator, we were tasked
17 with implementing the laws that the General Assembly
18 have enacted. As is the case with the Qualified
19 Infrastructure Plan Program, which increases costs
20 to ratepayers, it came from the General Assembly.

21 In any case, we can only focus on the
22 evidence and the record before us, but Peoples Gas

1 and North Shore initiated five rate cases in seven
2 years, three initiated rate cases in 2007, 2009,
3 2011, 2012, and this last one in the beginning of
4 2014.

5 Taking Peoples as an example, the
6 first of these rate cases, the one in 2007 included
7 an approval revenue requirement of 466 million which
8 was increase of 18 percent over the previous rates.
9 In 2015 Peoples is asking for a revenue requirement
10 of 697 million which represents an increase of
11 roughly 47 percent.

12 Here Peoples is asking for a rate
13 increase of roughly a hundred million while the
14 company is enjoying the benefits of several riders
15 which increase revenue certainty, such as Rider PVA
16 and Rider IP that I mentioned earlier.

17 While it is expected that costs would
18 increase over time, costs do increase over time.
19 Peoples has asked for a hundred million increase in
20 what is being recommended by the ALJs is roughly a
21 75 million increase. That 75 million increase still
22 represents an increase of 12.53 percent and is too

1 much at this time. More could have been done to
2 lessen the increase and make it fair to ratepayers.
3 Thank you. And for that reason, I will have to vote
4 no.

5 ACTING CHAIRMAN SHEAHAN: Thank you,
6 Commissioner.

7 There's now before us a motion to
8 enter the proposed Order without edit. Is there a
9 second?

10 JUDGE HILLIARD: Mr. Chairman, could I interrupt
11 for just a moment?

12 ACTING CHAIRMAN SHEAHAN: Sure.

13 JUDGE HILLIARD: Part of the procedure that we
14 advise the Commission that there were comments filed
15 by the public on e-docket. There were approximately
16 six North Shore customers filed comments and 20
17 people filed comments regarding The Peoples Gas.

18
19 Also, bringing to the Commission's
20 attention, and you might be probably aware of this,
21 there was a petition filed last week which was filed
22 with our Chief Clerk in Springfield. Nine hundred

1 and seventy-five signatures attached to a petition
2 and the general import of the petition is that these
3 975 people objected to the rate increase. Thank
4 you.

5 ACTING CHAIRMAN SHEAHAN: Okay. Thank you.

6 Again, is there a second?

7 COMMISSIONER MAYE: I second, Mr. Chairman.

8 ACTING CHAIRMAN SHEAHAN: It's been moved and
9 seconded. Is there any other discussion?

10 (No response.)

11 All those in favor adopting the
12 proposed Order, say aye.

13 COMMISSIONER MAYE: Aye.

14 COMMISSIONER McCABE: Aye.

15 CHAIRMAN SHEAHAN: Aye.

16 ACTING CHAIRMAN SHEAHAN: Opposed?

17 COMMISSIONER del VALLE: No.

18 ACTING CHAIRMAN SHEAHAN: The motion carries 3 to
19 1.

20 Item No. 9 on our agenda has been
21 pulled.

22 Moving on to Item No. 10, Docket No.

1 123-0688, this is our reconciliation of revenues
2 collected under gas adjustment charges for Illinois
3 Gas Company with actual costs prudently incurred.
4 The judge recommend entry of an order approving the
5 reconciliation.

6 Is there any discussion?

7 (No response.)

8 Without objection, the Order is
9 approved.

10 Item No. 10 is Docket No. 14-0739.

11 This is our show-cause proceeding against the Ford
12 County, Emergency Telephone System Board, under
13 83 Illinois Adm. Code 729.610 for failure to file
14 required audited financial statements pursuant to
15 Section 27 of the Wireless Emergency Telephone
16 Safety Act.

17 On January 6, 2015 Staff made a motion
18 to dismiss indicating that the required report had
19 been filed. The judge recommends that we grant the
20 motion.

21 (No response.)

22 Any objections to granting the

1 motion?

2 (No response.)

3 It is, therefore, granted.

4 Item No. 12 is an update for
5 Commission on Supplier Diversity. Commissioners
6 Maye and de Valle.

7 COMMISSIONER MAYE: Thank you, Mr. Chairman. The
8 Commission is often in highly-contested litigation
9 which ultimately must balance the competing
10 interests of the private rights of the companies and
11 investors with those of the public interests. In
12 this light, it is heartening to have issues where
13 the the interest of ratepayers and the companies are
14 perfectly aligned.

15 This Commission has made improving
16 diversity a priority and we are encouraged to see
17 not only that the companies agree but also that they
18 are engaged and already starting to move forward in
19 making gains on this issue.

20 During their last session of the
21 General Assembly under the leadership of
22 Senator Sandoval and Representative Davis, Section

1 5-117 was enacted making the annual utility reports
2 on supplier diversity more robust.

3 In addition, the new law directs the
4 Commission to hold annual meetings to discuss issues
5 of supplier diversity and to review the utilities'
6 reports.

7 I would, therefore, like to announce
8 at this time that the Commission will host its
9 annual meeting on supply diversity on Thursday,
10 June 11, 2015.

11 In the spirit of the new law,
12 Commissioner del Valle and I have drafted a template
13 to serve as our recommendations for the format of
14 the annual report filed on April 15th. This
15 template will be featured on the Commission's
16 supplier diversity web page.

17 COMMISSIONER del VALLE: Thank you, Commissioner
18 Maye. I'm glad to be part of this process as we
19 work to help the utilities improve the diversity of
20 the supplier base.

21 As mentioned in your introduction,
22 supplier diversity is a win-win as it has a strong

1 business case and also works to strengthen our
2 communities.

3 Due to these potential benefits for
4 companies and our communities alike, we are formally
5 inviting any company under our jurisdiction, whether
6 a small water company or a large telecom
7 corporation, to submit reports just as the large
8 utilities pursuant to Section 5-117.

9 The Commission will place these
10 reports on its website. Companies will be able to
11 show the public their robust diverse supplier base
12 and showcase the gains they have made. Together we
13 can help companies explore where they have room to
14 grow as well as help contractors and companies know
15 where they can address the most value.

16 Further, the Commission will be
17 renovating its supplier diversity web page to
18 include the annual reports filed by the utilities,
19 the point of contacts from all the utilities for
20 diverse suppliers and listing of all the
21 certifications recognized by the utilities and the
22 recommended template for the supplier diversity

1 reports and the reports voluntarily filed by other
2 regulated companies.

3 These changes should help the
4 Commission meet the General Assembly's intent to
5 serve as a better resource for the general public.

6 We understand changing institutional
7 culture is difficult and it takes time, and this is
8 why the companies can gain so much from helping each
9 other.

10 We are encouraged by the progress made
11 and look forward to working with all of the
12 companies in the future to help strengthen the
13 benefits of their supplier diversity base. Thank
14 you.

15 ACTING CHAIRMAN SHEAHAN: Thank you,
16 Commissioner.

17 Any other comments?

18 (No response.)

19 I would like to thank Commissioners
20 Maye and de Valle and their advisors and Staff for
21 their continued work on this important topic, and we
22 look forward to the policy session in June.

1 Also, I think it's important that the
2 Commission lead by example, and I would like to ask
3 the two of you to take a hard look at improving the
4 Commission's own record with respect to supplier
5 diversity and employment.

6 At some point in the future I hope
7 that the two of can come back with some
8 recommendations how we, at the Commission, can
9 improve on those two topics.

10 COMMISSIONER del VALLE: I think that is an
11 excellent recommendation, and I applause you for
12 your first official action regarding the Commission.

13 ACTING CHAIRMAN SHEAHAN: Thank you, sir.

14 We will move on to Item No. 13
15 concerning Part 280 and its report filings. The
16 Commissioners would like to thank the companies for
17 their dedication to compliance with the new Part 280
18 and for their timely submission of the required
19 compliance reports.

20 We would also like to thank the Staff
21 for their hard work in reviewing copious amounts of
22 information included in these reports and working

1 with the companies to insure that the reports met
2 the Commission's standards.

3 I would like to note that in
4 accordance with Staff's recommendation, the
5 Commission's approval of a utility's compliance plan
6 does not result in a presumption of justice and
7 reasonableness as any Part 280 implication cost
8 estimates for the purpose of future rate recovery.
9 In other words, approval does not apply to cost
10 estimates included in Part 280 plans.

11 Items 14 and 15 involve FERC and
12 pending litigation, and so the Chair would like to
13 entertain a motion to consider these items in closed
14 session.

15 COMMISSIONER McCABE: So seconded.

16 ACTING CHAIRMAN SHEAHAN: It was seconded.

17 All those in favor, say aye.

18 (Chorus of ayes.)

19 (Whereupon, the Commissioners
20 adjourned to closed
21 session.)

22 We are back in open session.

1 Springfield, if you will just let us know when you
2 are ready.

3 JUDGE WALLACE: We are ready.

4 ACTING CHAIRMAN SHEAHAN: Okay. We are back in
5 open session. In closed session Randy Rismiller of
6 Commission Staff briefed us on two FERC items
7 concerning comments on PJM's capacity performance
8 filing and PJM's capacity for a release waiver
9 proposed and PJM's Supplemental Capacity Procurement
10 Proposal for 2015-16 delivery year.

11 We can handle this together or
12 separately. Is there an objection to handling them
13 together?

14 (No response.)

15 Without objection, We will consider
16 these both together. I have not had a chance really
17 to get up to speed on these two and I'm going to
18 abstain, but is there a motion to approve the
19 comments in FERC Docket ER-15623 and 15-738 and 39?

20 COMMISSIONER McCABE: So moved.

21 COMMISSIONER MAYE: Moved.

22 ACTING CHAIRMAN SHEAHAN: All those in favor, say

1 aye.

2 (Chorus of ayes.)

3 Those two items are combined and
4 approved.

5 We have no other items on our agenda.
6 Do any of the Commissioners have any other items
7 they can think of?

8 COMMISSIONER MAYE: Mr. Chairman, if I may jump
9 in, as you know, I would be remiss if I did not
10 welcome you back to the ICC. We are very excited to
11 be working with you.

12 ACTING CHAIRMAN SHEAHAN: Thank you very much.
13 It's really an honor to be here and appreciate the
14 opportunity. Thank you.

15 With that, we are adjourned.

16 (Whereupon, the above matter
17 was adjourned.)

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