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BEFORE THE
ILLINOIS COMMERCE COMMISSION
BENCH SESSION
(PUBLIC UTILITY)
Chicago, Illinois
Wednesday, January 9, 2013

Met, pursuant to notice, at 10:30 a.m.
in the Main Conference Room, 160 North LaSalle
Street, Chicago, Illinois.

PRESENT:

- MR. DOUGLAS P. SCOTT, Chairman
- MS. LULA M. FORD, Commissioner
- MS. ERIN M. O'CONNELL-DIAZ, Commissioner
- MR. JOHN T. COLGAN, Commissioner
- MS. ANN McCABE, Commissioner

L.A. COURT REPORTERS by
Kari Wiedenhaupt, Reporter CSR# 084-004725

1 CHAIRMAN SCOTT: Is everything ready in
2 Springfield.

3 Pursuant to the provisions of the Open
4 Meetings Act, I now convene a regularly scheduled
5 Bench Session of the Illinois Commerce Commission.
6 With me in Chicago are Commissioner Ford,
7 Commissioner O'Connell-Diaz and Commissioner McCabe.
8 With us in Springfield is Commissioner Colgan. I am
9 Chairman Scott. We have a quorum.

10 Before moving into the agenda,
11 according to Section 1700.10 of Title 2 of the
12 Administrative Code, this is the time we allow
13 members of the public to address the Commission.
14 Members of the public wishing to address the
15 Commission must notify the Chief Clerk's office at
16 least 24 hours prior to Commission meetings.
17 According to the Chief Clerk's office, we have no
18 public requests to speak at today's Bench Session.

19 Pursuant to Condition No. 34 of our
20 Order in Docket No. 11-0046, the AGL/Nicor merger
21 matter, we are also due to receive an annual update
22 from AGL's CEO regarding the status of the merged

1 company's compliance with the terms of that Order.
2 We have AGL's CEO, John Somerhalder, here today to
3 give us that update and to answer any questions that
4 we might have.

5 Mr. Somerhalder, thank you very much
6 for being here, and we rescheduled you one time, and
7 we really appreciate your accommodation of us as
8 well. So if you would like to move up to one of the
9 microphones -- I think you will have to hit the
10 button on the bottom there -- you can go ahead and
11 give your report, and we will ask you some questions
12 when you are finished. Thank you.

13 MR. SOMERHALDER: Thank you, Chairman, and good
14 morning, Commissioners. It's a pleasure to be here
15 this morning to talk to you about our merger and the
16 status of our merger integration. With me I have
17 Beth Reese. Beth is the President of Nicor Gas. She
18 has been in that role since the middle of last year.
19 We have a very good team, and we have strong
20 confidence that Beth and the team will continue to
21 produce the very good results and the very good
22 performance that they have so far since we have moved

1 through this merger.

2 In the compliance report we filed in
3 December, we provided details showing our compliance
4 with the merger conditions required of the company in
5 your Order approving our merger with Nicor Gas. What
6 I want to do today is focus on three of those
7 commissions, and those are the three commissions
8 specifically added to the stipulation by the
9 Commissioners. And those are community and
10 charitable involvement, board representation by
11 Illinois residents, and then this, my appearance here
12 to report to the Commissioners on the status of the
13 merger.

14 And I am pleased to report that we are
15 on track to fully meet our charitable contribution
16 goals and achieve planned volunteerism and community
17 support events. That's been a core value of our
18 company all along, and Nicor had a strong culture
19 around that, and we wanted to make sure and you
20 wanted to make sure that continued. We have been
21 very involved; everything from United Way to food
22 banks around our service territory, the local

1 community colleges around our service territories.
2 Aurora University STEM Initiative, things like the
3 Brookfield Zoo, the City Committee, Community
4 Resource Network, Salvation Army, we have been
5 involved in those. Many of those are initiatives
6 that were important and Nicor strongly supported,
7 like Brookfield Zoo. Many things like United Way
8 were initiatives we are very strong supporters of in
9 Atlanta and Nicor was a very strong supporter here.
10 It was very natural for us to continue to support
11 that.

12 And many of these initiatives will
13 work well for us in the future. As an example, the
14 involvement with local community colleges and with
15 Aurora University STEM Initiative helps us with
16 workforce development and will help us with our
17 involvement moving forward making sure we have the
18 right workforce moving forward. And it's not just
19 been on the dollar contribution or being involved in
20 boards. Our entire employee group has been very
21 involved in United Way rallies and volunteering to
22 these organizations as well.

1 The second thing I would like to talk
2 about is representation on our board by Illinois
3 residents. We -- the requirement was one Illinois
4 resident. We have three residents of Illinois on our
5 board; Norm Bobins, Brenda Gaines and John Rau. Norm
6 Bobins is on our audit and compensation committee.
7 He is the retired Chairman and CEO of LaSalle Bank.
8 He is now Chairman of Transco and PrivateBank and
9 Trust. Brenda Gaines is on our audit committee and
10 also on our nominating, governance and corporate
11 responsibility, and she is the Past President and CEO
12 of Diners Club Group, and she is a member of the
13 board of other organizations and Fannie Mae and
14 Office Depot. And John Rau is on our finance and
15 risk management committee and our nominating,
16 corporate governance, responsibility committee. He
17 is the CEO of Miami Corporation here in Chicago.

18 These board members are not only very
19 active and strongly support our board and support the
20 entire management team, but all three of those
21 individuals have worked directly with Beth and been
22 very involved in helping us here in the community.

1 We are very appreciative for what they have done to
2 support the company as we move through this.

3 The next thing I would like to talk
4 about is my report here today. We consider this not
5 only a responsibility that's important to come here
6 and talk to you and understand the conditions, what's
7 important to you and explain what we have done, but
8 it's a great opportunity for us to understand the
9 best way to move forward on a number of things,
10 things that I will talk about in a minute like
11 economic development and how we can be involved in
12 that.

13 As I said, we think we have the right
14 team in place, and that team focuses on everything
15 from customer service, importantly, pipeline safety,
16 employee safety, customer service levels, but also
17 things like workforce development and economic
18 development. And I am pleased that we have
19 maintained or enhanced Nicor Gas' historic
20 performance in most every part of the business that
21 we measure from an operations, safety and customer
22 service perspective, and I would like to highlight a

1 few of those.

2 From the standpoint of pipeline safety
3 and safe operations, first Nicor had a very good
4 program to replace cast iron pipe. We have enhanced
5 that, and we are replacing more miles than Nicor had
6 historically replaced. Nicor had a program to
7 replace copper services. We have enhanced that and
8 are replacing more of those copper services because
9 of the importance we place on that program. We have
10 seen on-the-job injuries and the seriousness of those
11 injuries year over year in this first year we have
12 operated drop by about 40 percent. We have focused
13 on that historically, and we have seen very good
14 performance in that area.

15 Nicor had a very good performance from
16 the standpoint of motor vehicle incidents. We have
17 seen that stay flat. I guess, a few less incidents,
18 but the rate of -- per number of miles is pretty
19 flat. So it's a good performance to start out with,
20 and we have seen that stay relatively flat.

21 From the standpoint of customer
22 satisfaction, JD Power's Customer Satisfaction Index

1 did increase year over year, and importantly, we have
2 seen formal and informal complaints handled by the
3 ICC Staff down by almost 50 percent. Now, we know
4 things like gas costs being down and those other
5 things help in that area, but we still believe we are
6 making progress and doing the right things in that
7 area.

8 As far as staffing and management, the
9 total number of positions that -- that we have
10 available to be filled in Illinois exceed the minimum
11 employment level requirement by the Commission.
12 That -- we had 2,088 available to be filled compared
13 to the 2,070 requirement. We are right now actively
14 filling some of those remaining positions because of
15 recent -- and the retirements over this last time
16 period or attrition in that time period.

17 We have eight officers based here in
18 Illinois in addition to Beth, and most of those
19 officers other than Beth, one other individual, the
20 other seven individuals were from the Nicor
21 organization, and we run a number of services that
22 not only support this operation, but support our

1 entire distribution operations across our entire
2 system from Naperville; things like energy efficiency
3 training, resource management and system operations.

4 Just to use the final minutes to talk
5 about a couple of things that we see are important as
6 we move forward, and the first is always from a
7 standpoint of safety. That's both pipeline safety
8 and employee safety. We plan to continue to invest
9 in those programs and continue to have that as our
10 highest priority. Customer service is important, and
11 we plan to keep the focus there. And that's not only
12 on answering phones and doing that more efficiently,
13 and those things are very important, but just making
14 sure in all areas we provide reliable service and
15 make sure we have invested in the system to do that.

16 I mentioned it earlier, but workforce
17 development is remarkably important. In this area
18 where jobs are needed and in this area where we
19 see -- as I just mentioned, we do see retirements
20 right now. People have been retiring. In fact, the
21 rate is a little higher right now than it was a year
22 ago. It's very important for us to have very skilled

1 employees ready to fill those positions. So we
2 focused on that, and Beth and others have spent a lot
3 of time working with the community colleges and other
4 organizations to make sure we are prepared for that
5 to make sure we have the right workforce moving
6 forward.

7 From the standpoint of economic
8 development, the real good news story with natural
9 gas, with low abundant natural gas prices, it not
10 only can provide the services our customers need at
11 lower costs, it can help with economic development,
12 and we have seen that across the country. And we
13 want to partner and be a good partner in this area
14 and make sure that we can put in place the programs
15 to make sure natural gas can provide services to
16 businesses in a low cost, efficient way to make sure
17 that it will help with economic development.

18 And there are a number of programs we
19 can put in place as partners with state leaders and
20 regulators to achieve those goals, and that will
21 require greater transparency and some innovation in
22 those programs. The programs can be developed

1 through both laws and regulations that will allow
2 service to be extended to more communities on an
3 affordable, pay-as-you-go type basis. And we do want
4 to be a leader in this and work with all our partners
5 here to make sure that we do extend our services, and
6 that's good for us. It's good for our customers.
7 It's good for the economy in Illinois.

8 We are very committed to continuing to
9 modernize our system. We talked about investment in
10 things like pipeline replacement of cast iron, copper
11 services and those things. We also want to make sure
12 we are using the latest technology.

13 So, in summary, we are committed to
14 continuing to invest in our system here. We are very
15 pleased with the merger and the integration. It's
16 great to be a partner in Illinois, and we plan to
17 continue to find ways to enhance that moving forward.
18 With that, I look forward to your questions on these
19 or other issues.

20 CHAIRMAN SCOTT: Thank you, Mr. Somerhalder.
21 Are there questions? Commissioner O'Connell-Diaz?

22 COMMISSIONER O'CONNELL-DIAZ: I just have a

1 question. You stated with regard to the safety
2 improvement, a figure of 40 percent drop in safety
3 issues. You may not have this information at your
4 fingertips, and you also stated that it was not
5 vehicular situations. That's a significant change.
6 Have you instituted a new program, or achieving that
7 40 percent amount, what area is that in, and is it
8 due to a special program or programs that you brought
9 into the operations?

10 MR. SOMERHALDER: And that relates to the
11 overall operations. So it's not just in any one
12 area. Now, a lot of that relates to the field
13 operations. Since you are -- with the hard work that
14 has to be done out in the field, you are concerned
15 about that, but what we have seen -- and it's not any
16 one program. What we have done is focused on that.
17 That's everything from -- in most operations;
18 meaning, devoting a time period to talk about safety
19 and what's important to safety, to having safety
20 meetings before you start jobs and making sure there
21 is a clear understanding of the work that needs to be
22 done, to being willing to shut things down if you do

1 see some -- and it's not just an incident, but you
2 see some at risk behavior. It's all of those things
3 that we have historically done and continue to do.

4 And Nicor did a good job on those
5 things as well, but we put that focus in place and
6 continued to enhance it, and those are the type of
7 initiatives that have helped. And it's been a
8 40 percent reduction in total for the entire group
9 year over year, and that's really on -- that's per
10 work hours. So that normalizes for anything else,
11 and if you want to add anything to that, Beth, you
12 are more than welcome.

13 MS. REESE: Well, I think it's a focus. It's
14 making sure that it is top of mind all the time, but
15 I have to be frank as well. I think the weather
16 helped us a little bit. The OJIs do happen when
17 there is a lot of slipping on ice and snow, and we
18 didn't have quite as much of that last year, but
19 clearly it's something -- you heard it in John's
20 comments where we start every meeting where we think
21 about safety, and we make sure it's part of the
22 conversation. So it is a focus from our leadership,

1 and that's where it has to start.

2 COMMISSIONER O'CONNELL-DIAZ: My only other
3 comment is thank you for the workforce development.
4 I think that is such a key issue, the key issue for
5 the citizens in the State of Illinois to know that
6 there is opportunities for the young people and that
7 you are going out to the community colleges and
8 partnering with them to ensure that folks understand
9 that there is these great jobs that are out there,
10 and also we are going to need these young people
11 coming into these important and essential jobs as we
12 move forward and we lose many of our senior people.

13 And I would just suggest that you
14 should really be starting in the grade schools,
15 because we are talking about math programs and
16 direction. We are probably -- Commissioner Ford can
17 better speak to this, but --

18 COMMISSIONER FORD: She stole my speech.

19 COMMISSIONER O'CONNELL-DIAZ: This is one of my
20 pet things is the -- this is the positive thing. We
21 always hear such bad things that people have to say
22 unfortunately about utilities, but this is a very

1 positive thing, and it's also -- these are jobs that
2 are going to stay here, and we need these young
3 people to be coming into these jobs. So I really
4 appreciate the focus that you have shown in that
5 area.

6 COMMISSIONER FORD: Thank you, and welcome
7 again to Chicago, and we have some good weather for
8 you. I am -- as Erin said, education is certainly
9 near and dear to me. I just left a New Schools for
10 Chicago meeting where I am on the board, and we were
11 talking about the City Committee, and I am glad you
12 are collaborating with them, and especially with the
13 STEM program and your colleges. I just want you to
14 come to Chicago and work with our City Colleges also.

15 The pipeline safety is another one
16 that's dear to me. I'm glad to know that you are
17 replacing those cast iron pipes and those copper
18 services. So keep on doing the good work. I am
19 leaving here, but my coworkers will make sure that
20 you stay -- they are going to hold your feet to the
21 fire. And it's always nice to see Weaver and his
22 company here. So thank you for coming, and, Beth,

1 you exploded the glass ceiling.

2 MS. REESE: Thank you, Commissioner Ford.

3 COMMISSIONER MCCABE: Thank you. I appreciate
4 your priorities, especially the pipeline safety,
5 customer focus and reliability, and I look forward to
6 hearing more in the next year or few years on the
7 internal audit of the services agreement and the
8 tri-annual cost study.

9 CHAIRMAN SCOTT: I just wanted to ask a couple
10 questions following up on one of the areas that you
11 talked about, and my colleagues have touched on that,
12 too.

13 Can you explain a little bit about the
14 workforce development and working with the community
15 colleges and also what the eye is towards diversity
16 in that when you are doing that work with the
17 different colleges that are out there, and with the
18 other groups you mentioned, too, could you just
19 elaborate on that a little bit?

20 MS. REESE: I would say that we are fairly
21 early on in our conversations around where we are
22 going with that, but one of the things that I heard

1 loudly from both our employees and from our community
2 leaders is the need for workforce development. I've
3 heard it from our own employees, because as I went
4 out and about and met with our employees and met with
5 community leaders, most people I met told me how many
6 years they had until they retired, which really
7 worried me.

8 And as a good steward of the company,
9 who are my successors going to see as really doing
10 this work? And so we started internally really
11 talking about, well, what are we doing for workforce
12 development? And we started meeting with different
13 community colleges and understanding the programs
14 they currently have in place that would be great
15 places for us to attract talent. So what we really
16 want is mechanical abilities. We clearly have office
17 jobs, too, but our retirement is really happening in
18 the field. So we want to attract people who show the
19 propensity to have the mechanical ability and are
20 willing to learn to be a welder or be a fleet
21 mechanic or be an HVAC technician, and there are a
22 number of community colleges around our service

1 territory that currently have those programs.

2 So we have been out meeting with those
3 presidents. Some of our community investment dollars
4 went towards scholarship programs for them. We are
5 starting to meet a little bit more about how do we
6 really tell our story? Right now our entry level
7 positions with our union -- and our collective
8 bargaining agreement is coming up for renegotiation.
9 We will be working on that this year, but our entry
10 level job is a meter reader, and so making a
11 connection to these students that joining the company
12 as a meter reader is really just the opportunity.
13 You are not going to be stuck reading meters for the
14 rest of your life unless you want to, which we have
15 people who want to do that for their whole careers,
16 but really partnering with them. I visited with Will
17 Peoples -- Will Evans who is the President of Peoples
18 Gas, as you guys know. We went down to City
19 Colleges. We supported them a little bit year end.
20 They have a great program that they have put together
21 with partnering with both their union and City
22 Colleges, and that's certainly something we are

1 trying to figure out. Can we leverage that program?
2 They have a lot of people coming through that program
3 who don't necessarily live in the City of Chicago.
4 They might actually live in our territory.

5 So, you know, there is a lot of things
6 that we are starting to have those conversations on.
7 We are early on, but it's a real focus of ours about
8 making sure that we attract good talent who are --
9 you know, my mantra is we are not hiring meter
10 readers. We are hiring future leaders, and how do we
11 really target that? And Commissioner O'Connell-Diaz,
12 I couldn't agree with you more about it starts with
13 actually elementary. If we don't have children who
14 are literate by the time they are in third grade,
15 they can't be in our trucks when they are 18 being
16 able to read the orders. So it's also making sure
17 that we are focusing on the elementary schools.

18 Our energy efficiency program has a
19 program where we go into the elementary schools in
20 fifth grade. We have a program that Nicor started
21 several years ago called Adventures in Reading where
22 they go and work with some of the local schools; one

1 in Cicero, one in Aurora, and there is a third one
2 that we work with, but actually we just give out
3 books and we read. We would like to expand that
4 program, tweak it a little bit and use that
5 opportunity to talk about energy a little bit more.

6 So you can see that I am passionate
7 about it, but I think it's a really important thing
8 that we can do, and it's important for our customers
9 to have a competent workforce and know that we can
10 deliver our product safely and reliably every day,
11 whether it's tomorrow or 20 years from now.

12 CHAIRMAN SCOTT: Mr. Somerhalder, you mentioned
13 also the low natural gas prices now give some good
14 opportunities in terms of economic development. With
15 the prospect that trend is going to continue at least
16 for the near future, could you maybe talk about what
17 some of those programs are that you briefly
18 mentioned? You know, just to talk about what are
19 some of those things that you can offer to businesses
20 and some of the other customers from that standpoint?

21 MR. SOMERHALDER: Yeah. I'd just first point
22 out that we do believe based upon the success

1 aaaaaaaaaaaaand the technology that's been developed
2 related to programs like horizontal drilling and the
3 hydraulic fracturing and how efficient those rigs
4 have become in places like Pennsylvania and Marcellus
5 and other places in south Texas and so forth, we do
6 think we have a longer term opportunity to have
7 lower, more stable natural gas prices.

8 And that allows us to do everything
9 from -- you know, as an example, there are places
10 where a big paper pulp facility is burning oil at oil
11 prices, and gas prices are today about one-fourth of
12 what oil prices are. It allows us to extend a line
13 out to that area, convert the boilers and other
14 equipment to gas, but that not only helps them. By
15 extending out to another part of the county, there
16 are other smaller businesses that you may not be able
17 to extend just for them or homes and subdivisions
18 that we can serve as well.

19 So we have seen that type of
20 opportunity around. We have seen places like the
21 poultry industry where they use quite a bit of
22 propane that we can convert to natural gas. We have

1 seen grain drying opportunities in these areas, and
2 it's really just even house by house. With the
3 franchises in New Jersey a lot of people use residual
4 fuel for their house heating, and more of those
5 people are coming.

6 So it's a little bit of everything.
7 Ultimately, it should be using more natural gas for
8 transportation. The technologies for everything from
9 trash trucks to big 18-wheelers, some of the things
10 that companies like Westport and others have
11 developed, that's moving along in a real positive
12 direction, and we want to play a role in that as
13 well. That's a little longer term. Some of these
14 other opportunities are nearer term, but those are
15 the type of things that we think will be important.
16 And that helps drive business across the board. It
17 helps lower costs, keep facilities in service,
18 attract new facilities and new opportunities like
19 refueling for transportation.

20 CHAIRMAN SCOTT: Make us more energy
21 independent as well, which is the way to go as well.

22 MS. REESE: And we have our energy efficiency

1 program that we are administering that allows us to
2 have some of these conversations around converting
3 boilers and other things. We have done that. At
4 Dominican University we did that earlier this year.
5 We are having -- we are working very closely with the
6 Chrysler plant in Belvedere right now and some other
7 really big ones to leverage that program and also
8 work with how could they leverage the natural gas in
9 a different way?

10 CHAIRMAN SCOTT: My last question is -- and
11 this may be kind of tough to answer, but just looking
12 back, you've had a year now to look back on this, but
13 any major surprises, issues? And I am sure there are
14 always surprises that happen and challenges that come
15 up, but anything that sticks out, or how smooth would
16 you characterize this process having been in the last
17 year just from your experience?

18 MR. SOMERHALDER: I think one of the surprises,
19 we did not know how nice and mild your weather was.

20 COMMISSIONER O'CONNELL-DIAZ: Stay tuned.

21 MR. SOMERHALDER: Yeah. And I don't want to
22 characterize this the wrong way. There was a

1 tremendous amount of hard work involved by all the
2 employees to get us to this point, but it went well.
3 Because of that hard work, we feel very good about
4 where we are at this point, and that has been the
5 positive. And things like we talked about, even
6 though we did not have as harsh of weather, you know,
7 having the safety statistics that much better,
8 it's -- those are all very good signs when you go
9 through a merger. So we have been pleased in total.

10 COMMISSIONER COLGAN: Mr. Chairman --

11 MS. REESE: I think --

12 CHAIRMAN SCOTT: Hang on just a second,
13 Commissioner. Ms. Reese is going to finish the
14 answer and then I will get to you.

15 MS. REESE: Nicor Gas was a well-run company,
16 and I think that's a great thing when you are going
17 through a merger, because you don't lose the ball on
18 safety and reliability and focus on other things. So
19 we have really been able to integrate very nicely and
20 continue to deliver those results, which is very nice
21 to see. It's -- you know, we have got a long way to
22 go and we will continue. We will be integrating for

1 a long time. These are two big companies.

2 CHAIRMAN SCOTT: Commissioner Colgan?

3 COMMISSIONER COLGAN: Well, I would like to
4 thank Mr. Somerhalder for being here today, and I
5 apologize for not being able to be there in person
6 with you today, but I appreciate you being here. I
7 appreciate your report, and I realize that this has
8 been a major undertaking on your part, ambitious and
9 a lot of work, and it sounds like things are
10 unfolding on schedule, and my one question was pretty
11 much the same as what the Chairman asked you with his
12 last question in terms of unexpected complications.

13 So I am sure that there are many
14 aspects of this transition that are still unfolding.
15 I guess I would follow up that question with, what's
16 next? What are your challenges that you are seeing,
17 and are there any other issues that you would like to
18 inform us about today?

19 MR. SOMERHALDER: And thank you, Commissioner.
20 But I think they are very much in line with what we
21 talked about, and that is, first of all, even though
22 we have made great progress on integration, we have

1 got to stay focused on that. That's not something
2 that you ever say, well, we are where we need to be.
3 So we need to continue to work on that.

4 I think the areas where we have got to
5 focus to be successful are, No. 1, when we talked
6 about workforce development. We have seen the number
7 of retirements -- you know, after what happened
8 several years ago, we saw not as many, and now all of
9 a sudden we are going back to a more normal or maybe
10 even a little higher level. So workforce development
11 is very important for us. So that's next. We need
12 to have even a more robust report on that when we
13 come before you next year.

14 The other thing that's important to us
15 is for this company to be the most successful, we
16 really need to extend our services and provide more
17 natural gas and where it effectively can be used to
18 more customers. So we are really going to focus on
19 that. That not only helps our company, that helps
20 the community and that helps economic development and
21 a number of other things. So you will hear a lot
22 more about our focuses in those areas; extending our

1 system, providing more services and helping our
2 customers use gas more efficiently.

3 It's important that we have aligned
4 incentives there. So those are the type things --
5 similar to what we talked about, those are the things
6 that we will focus on. And Beth, are there any other
7 things?

8 MS. REESE: Continuing to invest in safety and
9 reliability and the customer improvement; continuing
10 our cast iron program, continuing our copper
11 services. Automated meter reading is one of those
12 things out there that we've still got to solve for
13 and how do we make that work so we can continue to
14 provide even better customer service.

15 CHAIRMAN SCOTT: Commissioner O'Connell-Diaz?

16 COMMISSIONER O'CONNELL-DIAZ: I just wanted to
17 follow up. I'm kind of beating a dead horse here
18 about the workforce issue, but honestly, when I
19 talked to all of the different utilities that I
20 regulate and that we regulate, this issue of the
21 workforce development is top of their list. And so I
22 think there -- much can be gained by a collaborative

1 effort among our utilities about, you know, how are
2 they going about going out to the schools or kind of
3 a compaction program where, you know, maybe the
4 electricians go in on Tuesday and the gas goes in on
5 Wednesday and -- because the message is the same
6 about the opportunities and telling the story
7 about -- really about how these essential services
8 are delivered and what is that workforce that's
9 needed.

10 I know in the water industry there is
11 going to be a big crunch for folks that manage the
12 water plants. And they are very concerned in that
13 industry about who is going to be onsite making sure
14 that the water is flowing in a safe, efficient
15 manner.

16 So if anything -- and I know that,
17 Beth, you talked about working with Mr. Evans over at
18 Peoples Gas and it's wonderful and great, but I
19 really think it would be great for the company
20 presidents to sit down and figure out ways that they
21 can share their best practices and also work
22 together. If they are working in a certain sector,

1 how could we do this together, and how could we do it
2 in a really efficient manner to get the message to
3 these young people with regard to these opportunities
4 that are out there, and also they are the future
5 of -- the backbone of our state with regard to
6 energy.

7 So that would be just my thought on
8 that, that we could -- more can be gained when we
9 collaborate and work together and instead of just
10 having our own programs, having collaborative
11 programs that are complementary to one another, and
12 also cherry pick from each other about what's working
13 and what's not working.

14 MS. REESE: We believe collaboration is key on
15 a number of fronts. And we will make sure that we
16 bring that into the conversations that we have today.
17 The four presidents -- at least Richard Mark and Anne
18 Pramaggiore and Will Evans and I do spend some time
19 together. So we will add that to the conversation.

20 COMMISSIONER COLGAN: One final question I had
21 was, we have heard a lot recently about cyber
22 security, and I think a lot of those questions -- a

1 lot of those issues get focused on the electric
2 industry, but it's across the board for all
3 utilities. I am wondering what it is that you -- as
4 you have come on to this new venture, what is it that
5 you see in terms of where we are at? Are we well
6 prepared? What are the challenges that you have for
7 the future, because it's an ever-changing landscape
8 as we try to adapt ourselves to these potential
9 threats.

10 MR. SOMERHALDER: That is an issue we are
11 focused on, and primarily -- and we spend a lot of
12 time with American Gas Association on this so that
13 the entire natural gas industry, local distribution
14 companies, can work on this issue together, because
15 it's a new, major, evolving issue. Even though we do
16 not have necessarily the same real-time issues you
17 have on a power distribution system where, you know,
18 second by second you need your technology to make
19 sure you are distributing electricity, we have a
20 situation where because of line pack and because of
21 our systems and technicians we have that can go out
22 and operate things manually, we have a little bit

1 more time, but it's still a serious threat for us.

2 So we have -- not only are we involved
3 in American Gas Association, but the individual who
4 is chairing the task force with American Gas
5 Association, Rob Mims, is one of our -- he works in
6 our security group, information
7 technology/information services group. So we are
8 very involved. In fact, we are chairing that to make
9 sure we put in place all the programs as a company
10 and as an industry to be prepared for that.

11 COMMISSIONER COLGAN: Thank you.

12 COMMISSIONER MCCABE: And you spoke about
13 extending services in the future and also about the
14 opportunities for boilers and other facilities to do
15 fuel switching. Where do you see the opportunities
16 for growth? How does it break down in terms of the
17 commercial, residential, industrial?

18 MS. REESE: That's a good question. We clearly
19 are -- what we see is and -- is that our residential
20 demand has continued to increase. We added about
21 5,000 net customers this year, which on 2.2 million
22 doesn't sound like a lot, but at least it's positive.

1 Our trends for industrials has been declining over
2 the time. I have a graph that goes back about
3 15 years that really shows that general decline.
4 Commercials are where we really need to be focused
5 and really creating that opportunity to work with
6 them.

7 The grain driers are one of those that
8 fit kind of in between there. They are clearly an
9 opportunity. They are a big user. They use -- we
10 have been able to convert some. There is still some
11 in our territory that are out there, that if we can
12 help them convert to natural gas, that's a good thing
13 for them, good thing for their business, and also
14 good for us and the commercial and residential
15 customers along the way, so --

16 MR. SOMERHALDER: Yes. Through the entire
17 country we see a lot of industrial demand is
18 increasing right now for petro-chem and a lot of
19 those type of facilities. That's primarily obviously
20 in the Gulf Coast and some of those areas, but even
21 some facilities in places like Pittsburgh and
22 Pennsylvania because of the Marcellus. So for the

1 country we have seen some industrial increases and we
2 would like to find ways to support as much as we can
3 in these other areas.

4 MS. REESE: And we get asked all the time to
5 participate in site selection committees and
6 questions, and we know big companies and industrial
7 companies are looking to come to Illinois, and we
8 want to be able to -- we would like to be able to be
9 more at a place where we can work with the state and
10 the local communities to say, this is the best kind
11 of site for these kind of activities.

12 That's a longer-term conversation, I
13 think, but lot of industrial customers and
14 prospective customers are looking at Illinois all the
15 time. Whether or not they actually land here is
16 another challenge, I think, and the City of Rochelle
17 has done some nice things and has grown, and Rockford
18 is trying really hard. And we have been out there
19 and met with some of those leaders.

20 COMMISSIONER O'CONNELL-DIAZ: One question with
21 regard to natural gas vehicles. You know, we have
22 had a great initiative, and we also have some new

1 legislation with regard to electric vehicles, but the
2 natural gas vehicles, given now that we have this
3 abundant supply, I know that we -- in our buses and
4 in some of our more industrial/commercial type of
5 vehicles we are utilizing that choice of fuel.

6 Do you see a future for natural gas
7 vehicles for, you know, residential use, and the
8 development of stations to supply that in our -- in
9 your service territory or across the State of
10 Illinois?

11 MR. SOMERHALDER: What would work the best is
12 if we could develop a home refueling unit that was
13 very economical, and right now there are available
14 units, but they tend to be fairly expensive, and when
15 you look at the number of miles driven by the average
16 individual, it's hard to get a payout on that plus
17 the premium for the vehicle. So we need to bring
18 that cost down significantly.

19 And progress is being made now. In
20 fact, we are part of a consortium with several other
21 utilities around the country to see if we can -- and
22 we are working with a number of different companies,

1 companies like General Electric and Whirlpool, to see
2 if we can help bring those costs down. That would be
3 the most effective. If you could just drive home and
4 have a separate meter on your house, that would be a
5 very good thing for the customer and for us, but even
6 if you used stations that are designed to refuel
7 fleets, if you make those available to the public and
8 most of -- many of those are, that also could be a
9 good way.

10 So we've got to bring the cost down.
11 It's one of those chicken and eggs. Until you get
12 the scale there, the costs are a little high, but
13 once we start getting more people adopting, we think
14 we will have success. It will probably take us five
15 or six years to get -- you know, to get the traction
16 we need, hopefully a little faster than that, but we
17 do see progress. It's more on the -- like you said,
18 buses, school buses, especially trash trucks. That's
19 where the most progress is being made right now.

20 COMMISSIONER O'CONNELL-DIAZ: Given the price
21 at the gas station when you fill up, it would be a
22 lot better to be filling it up with natural gas as

1 opposed to what we are forced to pay, as well as the
2 whole subject of energy dependence. I mean, that
3 kind of solves that issue for us hopefully.

4 MR. SOMERHALDER: Even environmentally; there
5 would be less carbon footprint, less particulates and
6 a number of the other issues as well.

7 COMMISSIONER O'CONNELL-DIAZ: Great. Thank
8 you.

9 CHAIRMAN SCOTT: Well, thank you very much. We
10 really appreciate you coming, again, and we
11 appreciate the presentation and answering the
12 questions, and we look forward to seeing you again
13 and continuing to work with you.

14 Moving on to the Public Utility
15 agenda, we will begin with the approval of the
16 minutes from our December 5th Bench Session. I
17 understand amendments have been forwarded.

18 Is there a motion to amend the
19 minutes?

20 COMMISSIONER MCCABE: So moved.

21 CHAIRMAN SCOTT: Is there a second?

22 COMMISSIONER FORD: Second.

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

2 All in favor, say aye.

3 (Chorus of ayes.)

4 CHAIRMAN SCOTT: Any opposed?

5 (No response.)

6 CHAIRMAN SCOTT: The vote is five to nothing,

7 and the amendments to the minutes are adopted.

8 Is there a motion to approve the

9 minutes as amended?

10 COMMISSIONER MCCABE: So moved.

11 CHAIRMAN SCOTT: Is there a second?

12 COMMISSIONER FORD: Second.

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

14 All in favor, say aye.

15 (Chorus of ayes.)

16 CHAIRMAN SCOTT: Any opposed?

17 (No response.)

18 CHAIRMAN SCOTT: The vote is five to nothing,

19 and the minutes to our December 5th Bench Session as

20 amended are approved.

21 Up next is the approval of minutes

22 from our December 19th Bench Session. I understand

1 the amendments have been forwarded.

2 Is there a motion to amend the
3 minutes?

4 COMMISSIONER FORD: So moved.

5 CHAIRMAN SCOTT: Is there a second?

6 COMMISSIONER O'CONNELL-DIAZ: Second.

7 CHAIRMAN SCOTT: It's been moved and seconded.

8 All in favor, say aye.

9 (Chorus of ayes.)

10 CHAIRMAN SCOTT: Any opposed?

11 (No response.)

12 CHAIRMAN SCOTT: The vote is five to nothing,
13 and the amendments to the minutes are adopted.

14 Is there a motion to approve the
15 minutes as amended?

16 COMMISSIONER O'CONNELL-DIAZ: So moved.

17 CHAIRMAN SCOTT: Is there a second?

18 COMMISSIONER FORD: Second.

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

20 All in favor, say aye.

21 (Chorus of ayes.)

22 CHAIRMAN SCOTT: Any opposed?

1 (No response.)

2 CHAIRMAN SCOTT: The vote is five to nothing,
3 and the minutes for the December 19th Bench Session
4 as amended are approved.

5 Turning to the Electric portion of our
6 agenda, Item E-1 concerns initiating reconciliation
7 proceedings for ComEd, Ameren, Nicor, Peoples Gas and
8 North Shore Gas for revenues collected under coal tar
9 remediation riders in 2012. Staff recommends entry
10 of an Order initiating the proceedings.

11 Is there any discussion?

12 (No response.)

13 CHAIRMAN SCOTT: Is there a motion to enter the
14 Order?

15 COMMISSIONER MCCABE: So moved.

16 CHAIRMAN SCOTT: Is there a second?

17 COMMISSIONER FORD: Second.

18 CHAIRMAN SCOTT: It's been moved and seconded.

19 All in favor, say aye.

20 (Chorus of ayes.)

21 CHAIRMAN SCOTT: Any opposed?

22

1 (No response.)

2 CHAIRMAN SCOTT: The vote is five to nothing,
3 and the Order is entered. We will use this five to
4 nothing vote for the remainder of the Public Utility
5 agenda unless otherwise noted.

6 Item E-2 concerns beginning a
7 proceeding for Phase 2 of the FutureGen sourcing
8 agreement approval process consistent with the
9 Commission's Order in Docket No. 12-0544. Staff
10 recommends entry of an Order initiating the
11 proceeding.

12 Is there any discussion? Commissioner
13 McCabe?

14 COMMISSIONER MCCABE: Mr. Chairman, while I did
15 not approve of FutureGen's inclusion in the IPA plan,
16 that plan was approved December 19th. Going forward
17 the Commission will address a number of important
18 aspects of this project, including the interpretation
19 of the IPA Act, the capital costs and Commission
20 oversight of the project. So I will vote to initiate
21 this proceeding and look forward to hearing from all
22 parties as the case progresses.

1 CHAIRMAN SCOTT: Further discussion?

2 COMMISSIONER FORD: Well, I certainly thank
3 you, Commissioner McCabe, for your concurrence with
4 what we did.

5 CHAIRMAN SCOTT: Any objections?

6 (No response.)

7 CHAIRMAN SCOTT: Hearing none, the Order is
8 entered.

9 Items E-3 through E-12 can be taken
10 together. These items concern initiating citation
11 proceedings under Title 83, Section 454.110 of the
12 Administrative Code over the failure of licensed
13 agents, brokers and consultants to file compliance
14 recertification reports. In each case, Staff
15 recommends entry of an Order initiating the citation
16 proceeding.

17 Is there any discussion?

18 (No response.)

19 CHAIRMAN SCOTT: Any objections?

20 (No response.)

21 CHAIRMAN SCOTT: Hearing none, the Orders are
22 entered.

1 Item E-13 concerns a filing by Ameren
2 seeking tariff changes to revise terms in its Reserve
3 Distribution Capacity rider. Staff recommends
4 granting the company's request by not suspending the
5 filing.

6 Is there any discussion?

7 (No response.)

8 CHAIRMAN SCOTT: Any objections?

9 (No response.)

10 CHAIRMAN SCOTT: Hearing none, the filing will
11 not be suspended.

12 Item E-14 is Docket No. 11-0603. This
13 is Ameren's reconciliation proceeding for its
14 electric and gas uncollectible riders for reporting
15 years 2008 and 2009. ALJ Albers recommends entry of
16 an Order approving the reconciliation.

17 Is there any discussion?

18 (No response.)

19 CHAIRMAN SCOTT: Are there any objections?

20 (No response.)

21 CHAIRMAN SCOTT: Hearing none, the Order is
22 entered.

1 Item E-15 is Docket No. 12-0089. This
2 is Ameren's petition seeking the approval of its
3 multi-year performance metrics under Section 16-108.5
4 of the Public Utilities Act. This item had been
5 reopened by the Commission, and ALJ Albers and Yoder
6 recommend entry of an Order on Reopening, revising
7 the date of implementation for smart grid performance
8 metrics to January 1st, 2014.

9 Is there any discussion?

10 (No response.)

11 CHAIRMAN SCOTT: Are there any objections?

12 (No response.)

13 CHAIRMAN SCOTT: Hearing none, the Order is
14 entered.

15 Items E-16 through E-18 can be taken
16 together. These items concern customer complaints
17 against ComEd. In each case, the parties have
18 apparently settled their differences and have brought
19 a Joint Motion to Dismiss, which the ALJ recommends
20 we grant.

21 Is there any discussion?

22

1 (No response.)

2 CHAIRMAN SCOTT: Any objections?

3 (No response.)

4 CHAIRMAN SCOTT: Hearing none, the Joint
5 Motions to Dismiss are granted.

6 Item E-19 is Docket No. 12-0528. This
7 is a proceeding for the approval of the statewide
8 technical reference manual for Illinois' energy
9 efficiency programs run under Sections 8-103 and
10 8-104 of the Public Utilities Act. ALJ Jorgenson
11 recommends entry of an Order approving the TRM.

12 Is there any discussion?

13 (No response.)

14 CHAIRMAN SCOTT: Any objections?

15 (No response.)

16 CHAIRMAN SCOTT: Hearing none, the Order is
17 entered.

18 Item E-20 is Docket No. 12-0629. This
19 is a joint petition for a customer release filed by
20 Ameren and Southern Illinois Electric Cooperative.
21 ALJ Jones recommends entry of an Amendatory Order
22 amending SIEC's name in the Order.

1 Is there any discussion?

2 (No response.)

3 CHAIRMAN SCOTT: Any objections?

4 (No response.)

5 CHAIRMAN SCOTT: Hearing none, the Amendatory
6 Order is entered.

7 E-21 is Docket No. 12-0622. This is
8 North Eastern States, Inc.'s application for
9 licensure to operate as an alternative retail
10 electric supplier. ALJ Yoder recommends entry of an
11 Order granting the requested certificate.

12 Is there any discussion?

13 (No response.)

14 CHAIRMAN SCOTT: Any objections?

15 (No response.)

16 CHAIRMAN SCOTT: Hearing none, the Order is
17 entered.

18 Items E-22 through E-28 can be taken
19 together. These items are applications for licensure
20 as an agent, broker and consultant under Section
21 16-115C of the Public Utilities Act. In each case,
22 ALJ Albers recommends entry of an Order granting the

1 requested certificate.

2 Is there any discussion?

3 (No response.)

4 CHAIRMAN SCOTT: Any objections?

5 (No response.)

6 CHAIRMAN SCOTT: Hearing none, the Orders are
7 entered.

8 Turning now to Natural Gas, Item G-1
9 is Docket Nos. 01-0705, 02-0067 and 02-0725, and
10 we'll be holding this item for disposition at a
11 future Commission proceeding. We're also still in
12 the process of scheduling oral argument on this
13 matter.

14 Item G-2 is Docket No. 10-0398. We'll
15 also be holding this item for disposition at a future
16 Commission proceeding.

17 Item G-3 is Docket 11-0761. This is
18 MidAmerican's reconciliation case for revenues
19 collected under gas adjustment charges in 2011. ALJ
20 Hilliard recommends entry of an Order approving the
21 reconciliation.

22 Is there any discussion?

1 (No response.)

2 CHAIRMAN SCOTT: Any objections?

3 (No response.)

4 CHAIRMAN SCOTT: Hearing none, the Order is
5 entered.

6 Item G-4 is Docket Nos. 12-0239 and
7 12-0240. These are the reconciliation dockets for
8 North Shore and Peoples Gas concerning revenues
9 collected under their volume balancing adjustment
10 riders. ALJ Riley recommends entry of an Order
11 approving the reconciliations.

12 Is there any discussion?

13 (No response.)

14 CHAIRMAN SCOTT: Any objections?

15 (No response.)

16 CHAIRMAN SCOTT: Hearing none, the Order is
17 entered.

18 Item G-5 is Docket No. 12-0381. This
19 is a petition by North Shore and Peoples Gas seeking
20 the approval of a storage service agreement between
21 the two companies. ALJ Jorgenson recommends entry of
22 an Order approving the agreement.

1 Is there any discussion?

2 (No response.)

3 CHAIRMAN SCOTT: Any objections?

4 (No response.)

5 CHAIRMAN SCOTT: Hearing none, the Order is
6 entered.

7 Items G-6 and G-7 can be taken
8 together. These items are customer complaints
9 against Nicor. In each case, the parties have
10 apparently settled their differences and have brought
11 a Joint Motion to Dismiss, which the ALJ recommends
12 we grant.

13 Is there any discussion?

14 (No response.)

15 CHAIRMAN SCOTT: Any objections?

16 (No response.)

17 CHAIRMAN SCOTT: Hearing none, the Joint
18 Motions to Dismiss are granted.

19 Moving on to Telecommunications. Item
20 T-1 is Docket Nos. 07-0151. This is a petition from
21 2007 by PolTel seeking certificates of local and
22 interexchange authority. Since the company went out

1 of business, ALJ Hilliard recommends taking
2 administrative notice of its defunct status and
3 dismissing the application.

4 Is there any discussion?

5 (No response.)

6 CHAIRMAN SCOTT: Are there any objections?

7 (No response.)

8 CHAIRMAN SCOTT: Hearing none, the matter is
9 dismissed.

10 Item T-2 is Docket No. 12-0585. This
11 is Computer Technologies' application for
12 certificates of service authority under Section
13 13-403, 13-404 and 13-405 of the Public Utilities
14 Act. ALJ Benn recommends entry of an Order granting
15 the certificates.

16 Is there any discussion?

17 (No response.)

18 CHAIRMAN SCOTT: Any objections?

19 (No response.)

20 CHAIRMAN SCOTT: Hearing none, the Order is
21 entered.

22 Item T-3 is Docket 12-0609. This is a
50

1 joint petition for the approval of an interconnection
2 agreement between telecommunications carriers. ALJ
3 Riley recommends entry of an Order approving the
4 amendment.

5 Is there any discussion?

6 (No response.)

7 CHAIRMAN SCOTT: Any objections?

8 (No response.)

9 CHAIRMAN SCOTT: Hearing none, the Order is
10 entered.

11 Items T-4 and T-5 can be taken
12 together. These items concern the initiation of
13 citation proceedings against Tennessee Telephone
14 Service and Airdis Telecom for a failure to maintain
15 their corporate status. In each case, Staff
16 recommends entry of an Order initiating the
17 proceeding.

18 Is there any discussion?

19 (No response.)

20 CHAIRMAN SCOTT: Any objections?

21 (No response.)

22 CHAIRMAN SCOTT: Hearing none, the Orders are

1 entered.

2 Item T-6 is Docket No. 12-0413. This
3 is Consolidated Communications' petition for a
4 declaratory ruling regarding Section 13-901 of the
5 Public Utilities Act and Title 83, Part 770 of the
6 Administrative Code. We have a request for oral
7 argument to consider from Securus Technologies and
8 ALJ Von Qualen recommends denying that oral argument
9 request.

10 Is there any discussion?

11 (No response.)

12 CHAIRMAN SCOTT: Are there any objections to
13 denying oral argument?

14 (No response.)

15 CHAIRMAN SCOTT: Hearing none, the request for
16 oral argument is denied.

17 On to Water and Sewer. Items W-1 and
18 W-2 can be taken together. These are filings by Lake
19 Marian Water Corporation and Wildwood Water Service
20 Company seeking to increase water rates pursuant to
21 the simplified rate case procedure. In each case,
22 Staff recommends granting the company's request by

1 not suspending the filing.

2 Is there any discussion? Commissioner
3 O'Connell-Diaz?

4 COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman, I
5 just have a question. Is there someone from Staff
6 that could answer a question with regard to the
7 public meeting that was held in W-1 in Lake Marian on
8 September 26th?

9 JUDGE WALLACE: Commissioner, we do not have
10 anyone from water right here. We can send for them
11 if you like.

12 COMMISSIONER O'CONNELL-DIAZ: Well, I was --

13 JUDGE WALLACE: Or we can -- Mr. Beyer says we
14 can follow up with you later if you would like that.

15 COMMISSIONER O'CONNELL-DIAZ: That's fine. I
16 am just concerned. This is a hefty increase, and I
17 just want to understand what kind of communication
18 went out to the customers. These are not large
19 service territories, and also I was interested to
20 know how many people came to the public meeting to
21 learn about this increase.

22 They can follow up. I was just

1 curious to make sure that any simplified rate
2 proceedings that these customers are, you know,
3 advised, because these are necessary but significant
4 increases, and I just want to make sure that we have
5 our I's dotted and our T's crossed with regard to
6 just that information, and I know in the Wildwood
7 situation, which is the W-2, there was no public
8 meeting held. So I was just curious as to how --

9 CHAIRMAN SCOTT: There was no formal request
10 for one.

11 COMMISSIONER O'CONNELL-DIAZ: There wasn't a
12 formal request, but just so there was something out
13 there for people to understand why these -- why the
14 bill is going up, and also, most importantly, what
15 has been done to their system to improve it, and
16 that's why the necessity for the rate increase.

17 CHAIRMAN SCOTT: Did you want to proceed with
18 this?

19 COMMISSIONER O'CONNELL-DIAZ: That's fine. We
20 can vote.

21 CHAIRMAN SCOTT: Is there any further
22 discussion?

1 (No response.)

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

4 (No response.)

5 CHAIRMAN SCOTT: Hearing none, the filings will
6 not be suspended. And, Judge, I'm assuming the
7 appropriate person will then follow-up with
8 Commissioner O'Connell-Diaz then?

9 MR. FEIPEL: Right. Chairman, this is Jonathan
10 Feipel. We'll have -- the folks from the water
11 department who have got the expertise in that will
12 follow up with all of you on those questions.

13 CHAIRMAN SCOTT: Thank you very much. I
14 appreciate that.

15 Item W-3 is Docket No. 12-0570. This
16 is our investigation of Nunda Utility Co. under
17 Section 8-102 of the Public Utilities Act. This item
18 will be held for disposition at a future Commission
19 proceeding.

20 W-4 is Docket Nos. 12-0576 and
21 12-0577. This is Illinois American Water Company's
22 petition seeking authority for entering into an

1 affiliated interest transaction with its parent
2 company. ALJ Riley recommends entry of a Amendatory
3 Order making a minor change to the second ordering
4 paragraph in the Order.

5 Is there any discussion?

6 (No response.)

7 CHAIRMAN SCOTT: Any objections?

8 (No response.)

9 CHAIRMAN SCOTT: Hearing none, the Amendatory
10 Order is entered.

11 We have two Petitions For Rehearing
12 under consideration today. Item PR-1 is Docket No.
13 11-0668. This is DexOne's petition for a variance
14 from the requirements of Title 83, Section 785.180 of
15 the Administrative Code. DexOne has filed a Petition
16 For Rehearing, and ALJ Riley recommends denying that
17 petition.

18 Is there any discussion?

19 (No response.)

20 CHAIRMAN SCOTT: Are there any objections to
21 denying the petition?

22

1 (No response.)

2 CHAIRMAN SCOTT: Hearing none, the Petition For
3 Rehearing is denied.

4 Item PR-2 is Docket No. 12-0293. This
5 is Ameren's formula rate update filing under Section
6 16-108.5 of the Public Utilities Act. The company
7 has filed a Petition For Rehearing in this matter on
8 six issues, and ALJs Albers and Yoder recommend
9 denying that petition.

10 Is there any discussion?

11 (No response.)

12 CHAIRMAN SCOTT: Are there any objections to
13 denying the petition?

14 COMMISSIONER O'CONNELL-DIAZ: I am -- in
15 concert with my other vote on this issue, I will not
16 be voting for the -- I would --

17 CHAIRMAN SCOTT: Well, with respect to that, we
18 will do a vote then.

19 COMMISSIONER O'CONNELL-DIAZ: Okay.

20 CHAIRMAN SCOTT: And I will move to deny the
21 Petition For Rehearing. Is there a second?

22 COMMISSIONER MCCABE: Second.

1 CHAIRMAN SCOTT: It's been moved and seconded.
2 Any further discussion?

3 (No response.)

4 CHAIRMAN SCOTT: All those in favor of denying
5 the Petition For Rehearing, say aye.

6 COMMISSIONER COLGAN: Aye.

7 COMMISSIONER MCCABE: Aye.

8 CHAIRMAN SCOTT: Aye.

9 Any opposed?

10 COMMISSIONER FORD: Aye.

11 COMMISSIONER O'CONNELL-DIAZ: Me. Did I say
12 me? Aye.

13 CHAIRMAN SCOTT: The motion to deny the
14 petition carries 3 to 2, and the Petition For
15 Rehearing is denied.

16 JUDGE WALLACE: Mr. Chairman?

17 CHAIRMAN SCOTT: Yes.

18 JUDGE WALLACE: Just for the record, can you
19 identify the yes and no votes?

20 CHAIRMAN SCOTT: Yes. The yes votes were
21 Chairman Scott, Commissioner McCabe and Commissioner
22 Colgan, and the no votes were Commissioners Ford and

1 O'Connell-Diaz. Okay. We have one other item of
2 business today. As this concerns a FERC matter, we
3 will go into closed section to address it.

4 Is there a motion to go into closed
5 session?

6 COMMISSIONER MCCABE: So moved.

7 CHAIRMAN SCOTT: Is there a second?

8 COMMISSIONER O'CONNELL-DIAZ: Second.

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

10 All in favor, say aye.

11 (Chorus of ayes.)

12 CHAIRMAN SCOTT: Any opposed?

13 (No response.)

14 CHAIRMAN SCOTT: The vote is five to nothing
15 and we will go into closed session. Please let me
16 know when the room is ready in Springfield.

17 COMMISSIONER COLGAN: We are ready here,
18 Chairman.

19 (Whereupon, pages 60 - 75 of the
20 proceedings are contained in a
21 closed, separately bound
22 transcript.)

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CONTINUATION OF PROCEEDINGS

CHAIRMAN SCOTT: In closed session, the Commission discussed making a filing in FERC Docket No. ER 13-535.

Is there a motion to make the filing with FERC along the lines and with the flexibility that was outlined in closed session.

COMMISSIONER COLGAN: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

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

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is five to nothing, and the filing will be made with FERC.

Judge Wallace, are there any other matters to come before the Commission today.

JUDGE WALLACE: No. I think that's all for the first meeting of the year.

CHAIRMAN SCOTT: Thank you, sir. Hearing none,

1 this meeting stands adjourned. Happy New Year.

2 (END OF PROCEEDINGS.)

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