

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

BEFORE THE
ILLINOIS COMMERCE COMMISSION
PUBLIC UTILITY REGULAR OPEN MEETING
Wednesday, October 2, 2019
Chicago, Illinois

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

PRESENT:

- CARRIE ZALEWSKI, Chairwoman
- MARIA BOCANEGRA, Commissioner
- BRIEN J. SHEAHAN, Commissioner
- SADZI M. OLIVA, Commissioner
- D. ETHAN KIMBREL, Commissioner

SULLIVAN REPORTING COMPANY, by
BRAD BENJAMIN, CSR
LICENSE NO. 084-004805

1 CHAIRWOMAN ZALEWSKI: Good morning. 10:31.

2 I'm going to go ahead and start.

3 Are we ready to proceed in
4 Springfield?

5 CHIEF CLERK: Yes, we are.

6 CHAIRWOMAN ZALEWSKI: Thank you.

7 Under the Open Meetings Act, I call
8 the October 2nd, 2019, Regular Open Meeting to order.
9 Commissioners Bocanegra, Kimbrel, Oliva, and Sheahan,
10 are with me in Chicago. We have a quorum.

11 Moving on now to our Public Utility
12 Items, there are edits to the September 5th, 2019,
13 Policy Session Minutes. There are also edits to the
14 September 13, 2019, Special Open Meeting Minutes.

15 Are there any objections to approving
16 the Minutes as edited?

17 (No response.)

18 CHAIRWOMAN ZALEWSKI: Hearing none, the Minutes
19 are approved.

20 Moving on to our Electric items, Item
21 E-1 concerns ERM 19-114, which is Ameren's filing to
22 make changes to Rate DS-5 Lighting Service tariffs.

1 The tariff changes would authorize Ameren's use of
2 different LED light bulbs to replace the current ones
3 to fulfill the purpose of the tariff Rate DS-5.

4 The staff has reviewed the Filing and
5 recommends not suspending.

6 Are there any objections to not
7 suspending the Filing?

8 (No response.)

9 CHAIRWOMAN ZALEWSKI: Hearing none, the Filing
10 is not suspended.

11 Item E-2 concerns ERM 19-117, which is
12 MidAmerican Energy's filing to update its Landlord
13 Agreement. The Filing removes the nonpayment by the
14 tenant as a factor in the Landlord Agreement and
15 makes substantial textual and cosmetic changes to the
16 form.

17 Are there any objections to not
18 suspending the Filing?

19 (No response.)

20 CHAIRWOMAN ZALEWSKI: Hearing none, the Filing
21 is not suspended.

22 Item E-3 concerns Docket 18-1511,

1 which is a complaint against ComEd, related to
2 alleged overbilling due to a faulty smart meter. The
3 complainants filed a Motion to Withdraw and ComEd did
4 not object.

5 Are there any objections to granting
6 the Motion to Withdraw?

7 (No response.)

8 CHAIRWOMAN ZALEWSKI: Hearing none, the Motion
9 is granted.

10 Item E-4 concerns a consolidated
11 docket, 18-1725 and 18-1824, which is ComEd's
12 petition to approve tariffs for its proposed Rate
13 Residential Time of Use Pricing Pilot, or Rate
14 RTOUPP.

15 There are substantive edits to the
16 Order proposed by Commissioner Bocanegra's office.

17 Commissioner Bocanegra?

18 COMMISSIONER BOCANEGRA: Thank you, Chairman.

19 The proposed rate is a four-year Time
20 of Use rate pilot. The rate establishes three daily
21 pricing periods for customers that sign up and is
22 designed to incentivize residential customers to

1 shift their energy use from peak periods to times
2 when the costs are lower. As part of the pilot,
3 ComEd will evaluate and report on the behavior of
4 residential customers who elect to pick service under
5 this rate.

6 The consolidated docket also includes
7 ComEd's request for approval of temporary revisions
8 to its integrated distribution company implementation
9 plan that will enable ComEd to market this rate to
10 its customers.

11 The Commission believes that
12 residential customers will benefit from Time of Use
13 pricing. The proposed edits will strengthen the
14 Commission's oversight of ComEd's Time of Use pilot
15 by adding additional reporting requirements the
16 Commission believes are necessary to assess the
17 pilot's marketing and educational strategies, impact
18 on ratepayer behavior, implementation costs, and
19 potential benefits to ratepayers.

20 Additionally, after thoughtful
21 deliberation, our edits remove bill protection in
22 favor of increasing ComEd's effort to educate all

1 consumers regarding how Time of Use can reduce
2 ratepayers' utility costs thus allowing the pilot to
3 be more accurately -- to more accurately study
4 behavior and consumption patterns.

5 I move the proposed edits. Is there a
6 second?

7 COMMISSIONER OLIVA: Second.

8 CHAIRWOMAN ZALEWSKI: Any discussion?

9 (No response.)

10 CHAIRWOMAN ZALEWSKI: I do concur with the
11 majority's opinion. However, I believe that bill
12 protection for low-income should be included in the
13 pilot. I share the AG's concern that the low-income
14 participants should not be subject to the risks
15 presented by the pilot, and I will file my comments
16 on e-Docket later today in the form of a concurrence.

17 Are there any other comments?

18 (No response.)

19 CHAIRWOMAN ZALEWSKI: All in favor of approving
20 the proposed edits, say aye. All opposed, say nay.

21 (Chorus of ayes.)

22 CHAIRWOMAN ZALEWSKI: The ayes have it, and the

1 edits are approved.

2 All in favor of approving the Order as
3 edited, say aye. All opposed, nay.

4 (Chorus of ayes.)

5 CHAIRWOMAN ZALEWSKI: Further vote?

6 (No response.)

7 CHAIRWOMAN ZALEWSKI: The ayes have it. The
8 Order is approved.

9 Item E-5 is Great American Power's
10 Petition for Interlocutory Review of the ALJ's
11 decision on the issue of whether Staff must file a
12 charging docket -- document prior to the filing of
13 direct testimony in Docket 18-1773.

14 This docket, 18-1773, concerns a
15 Commission citation proceeding and investigation
16 against Great American Power. To ensure that all due
17 process actions are afforded in this case, we reverse
18 the ALJ's ruling and request that Staff issue a
19 charging document giving more adequate notice of the
20 alleged violation.

21 Are there any objections to granting
22 this petition?

1 (No response.)

2 CHAIRWOMAN ZALEWSKI: Hearing none, the
3 petition is granted, and we request that the staff
4 move expeditiously to -- in response to today's
5 decision.

6 Item E-6 through E-23 concern
7 applications for authority to install Distributed
8 Generation Facilities in Illinois.

9 The Orders grant the licenses, finding
10 that the applicants meet these specified
11 requirements.

12 Are there any objections to
13 considering these items together and approving the
14 Orders?

15 (No response.)

16 CHAIRWOMAN ZALEWSKI: Hearing none, the Orders
17 are approved.

18 Items E-24 and Item E-25 are Dockets
19 19-0278 and 19-0485, which concern MidAmerican Energy
20 Company's and Ameren's request to reconcile revenues
21 collected under Rider SG. The Orders approve the
22 Reconciliation.

1 Are there any objections to
2 considering these items together and approving the
3 Orders?

4 (No response.)

5 CHAIRWOMAN ZALEWSKI: Hearing none, the Orders
6 are approved.

7 Item E-26 concerns Docket 19-0441,
8 which is Sunrise Energy's petition to initiate a
9 proceeding to investigate the Illinois Power Agency's
10 Adjustable Block Program lottery. The Order denies
11 Sunrise's request to initiate investigation, and it
12 grants the IPA's motion to dismiss the amended
13 petition.

14 There are edits to the Proposed Order
15 by Commissioner Bocanegra and my offices.

16 Is there a motion to approve the
17 edits?

18 COMMISSIONER BOCANEGRA: I will motion.

19 CHAIRWOMAN ZALEWSKI: Is there a second?

20 COMMISSIONER KIMBREL: Second.

21 CHAIRWOMAN ZALEWSKI: Any discussion?

22 COMMISSIONER OLIVA: Yes. Chairman, I just

1 wanted to state on the record that, while I concur
2 with the result in the edits proposed by Commissioner
3 Bocanegra, I will be dissenting on the legal
4 analysis, and those will be filed on e-Docket.

5 CHAIRWOMAN ZALEWSKI: Thank you.

6 All those in favor of approving --

7 COMMISSIONER SHEAHAN: Carrie, just --

8 CHAIRWOMAN ZALEWSKI: Yes?

9 COMMISSIONER SHEAHAN: -- if I may, for the
10 record --

11 CHAIRWOMAN ZALEWSKI: Sure.

12 COMMISSIONER SHEAHAN: -- I would just say that
13 I'm going to join Commissioner Oliva's dissent on the
14 legal reasoning.

15 CHAIRWOMAN ZALEWSKI: Okay.

16 COMMISSIONER SHEAHAN: I'll vote for it.

17 CHAIRWOMAN ZALEWSKI: Thank you.

18 Anyone else?

19 (No response.)

20 CHAIRWOMAN ZALEWSKI: All those in favor, of
21 approving the proposed edits, say aye.

22 (Chorus of ayes.)

1 CHAIRWOMAN ZALEWSKI: Opposed, say nay.

2 COMMISSIONER OLIVA: Nay.

3 COMMISSIONER SHEAHAN: Nay.

4 CHAIRWOMAN ZALEWSKI: We have three ayes and
5 two nays. The edits are approved.

6 All those in favor of approving the
7 Order as edited, say aye.

8 (Chorus of ayes.)

9 CHAIRWOMAN ZALEWSKI: All opposed, say nay.

10 (No response.)

11 CHAIRWOMAN ZALEWSKI: The ayes have it. The
12 Order is approved.

13 Item E-27 concerns Docket 19-0611,
14 which is the Commission's and Electric Tree's joint
15 Motion to Dismiss formal proceedings against Electric
16 Tree, to revoke or suspended its certificate of
17 service authority. Electric Tree has rectified a
18 problem identified by the Commission.

19 Are there any objections to granting
20 the Motion to Dismiss?

21 (No response.)

22 CHAIRWOMAN ZALEWSKI: Hearing none, the Motion

1 is granted.

2 Item E-28 and E-29 concern Docket
3 19-0827 and 19-0891, which are applications for a
4 license to operate as retail electric Agents,
5 Brokers, and Consultants in Illinois. The Order
6 grants licenses, finding that the applicants meet the
7 specified requirements.

8 Are there any objections to
9 considering these items together and approving the
10 Orders?

11 (No response.)

12 CHAIRWOMAN ZALEWSKI: Hearing none, Orders are
13 approved.

14 Items E-30 through E-38 concern
15 applications for authority to install Energy
16 Efficiency Measures. The Orders grant the
17 certificates, finding that the applicants meet the
18 requirements.

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

22 (No response.)

1 CHAIRWOMAN ZALEWSKI: Hearing none, the Orders
2 are approved.

3 Moving on to our Gas items, Item G-1
4 concerns GRM 19-251, which is MidAmerican Energy's
5 filing to update its Landlord Agreement. The filing
6 removes the nonpayment by the tenant as a factor in a
7 Landlord Agreement and makes substantial, textual,
8 and cosmetic changes to the form.

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

11 (No response.)

12 CHAIRWOMAN ZALEWSKI: Hearing none, the filing
13 is not suspended.

14 Item G-2 concerns Docket 18-1775,
15 which is Nicor Gas's Proposed General Rates. There
16 are substantive edits to the Proposed Order. The
17 edit proposed agrees with the Administrative Law
18 Judge that the 9.86 stipulated ROE is it not
19 supported by the record and includes adjustments to
20 artificially inflate the ROE calculations.

21 However, the edit also rejects the
22 Administrative Law Judge's 9.13 ROE as it is not

1 reasonably sufficient to ensure the confidence in the
2 financial soundness of the Company as required by the
3 long-standing Supreme Court doctrine set forth in
4 both Bluefield and Hope. Instead, the edit finds
5 that the ROE of 9.73 is reasonable, supported by the
6 record, and consistent with the governing legal
7 standard.

8 I move the Proposed Edits. Is there a
9 second?

10 COMMISSIONER BOCANEGRA: Second.

11 CHAIRWOMAN ZALEWSKI: Is there any discussion?

12 COMMISSIONER OLIVA: Yes, Chairman. I have
13 comments.

14 CHAIRWOMAN ZALEWSKI: Sure.

15 COMMISSIONER OLIVA: Today I dissent in part
16 from the majority in this matter with respect to the
17 determination on the rate of equity. Determining a
18 fair and reasonable ROE is a complex and delicate
19 decision-making process. It's been the practice of
20 this Commission to evaluate the various financial
21 models and metrics presented by the parties and to
22 implement its business judgment to achieve a result

1 that balances the public and private interest.

2 Ensuring adequate, efficient,
3 reliable, safe, and least-cost public utility
4 services requires that a utility is positioned
5 appropriately in the market to deliver the services
6 that Illinois communities depend on now and in the
7 future. My colleagues' belief that a 9.73 percent
8 ROE is a fair and justifiable return on equity fails
9 to consider the market nuances properly. In order
10 for Nicor and other Illinois investor-owned utilities
11 to attract and secure necessary capital and maximize
12 its borrowing power for the necessary infrastructure
13 improvements and services that customers want and
14 expect efficiently and economically, the Commission
15 should lead by making reliable rate-making decisions
16 that support the company's financial stability since
17 it has a direct impact on its customers.

18 My colleagues in the majority fail to
19 consider the economic impact that an ROE can have on
20 utility suppliers and the citizens of Illinois who
21 rely on the work provided to them through capital
22 investments in the utility space. Nicor's current

1 financial stability has allowed for the employment of
2 local union members who've worked more than 2 million
3 hours on Nicor projects since 2017, including
4 replacing 2.2 million meters in over 650 Illinois
5 communities. These jobs provided for by Nicor's
6 capital investments ensure the safety and reliability
7 of the pipelines and also put food on the table for
8 families all over Illinois. Lowering the ROE to 9.73
9 may have ramifications that affect the gas industry
10 on every level in this state.

11 CHAIRWOMAN ZALEWSKI: Thank you.

12 Any other comments?

13 COMMISSIONER SHEAHAN: I -- thank you.

14 I agree with the Construction and
15 General Laborers' District Counsel; IBEW, Local 19;
16 Company; and Staff that the ROE agreed to in the
17 stipulation is just and reasonable.

18 While the majority's amendment is an
19 improvement over the PO, I believe it's not just and
20 reasonable and adopts a novel methodology that the
21 Commission has never adopted before that will be
22 vulnerable to challenge if appealed.

1 I'm going to vote against the edits
2 and the Order and will file a dissent.

3 Thank you.

4 CHAIRWOMAN ZALEWSKI: Any other comments?

5 (No response.)

6 CHAIRWOMAN ZALEWSKI: All those in favor of
7 approving the Proposed Edits, say aye.

8 (Chorus of ayes.)

9 CHAIRWOMAN ZALEWSKI: All opposed, say nay.

10 COMMISSIONER SHEAHAN: Nay.

11 COMMISSIONER OLIVA: Nay.

12 CHAIRWOMAN ZALEWSKI: We have two nays, which
13 are Sheahan and Oliva. The three ayes have it, and
14 the edits are approved.

15 All in favor of approving the Order as
16 edited, please say aye.

17 (Chorus of ayes.)

18 CHAIRWOMAN ZALEWSKI: All opposed, say nay.

19 COMMISSIONER SHEAHAN: Nay.

20 COMMISSIONER OLIVA: Nay.

21 CHAIRWOMAN ZALEWSKI: The three ayes have it,
22 and the Order is approved.

1 Item G-3 concerns Docket 19-0293,
2 which is Liberty Utility's request to reconcile
3 revenues collected under Rider Volume Balancing
4 Adjustments for the 2018 calendar year. The Order
5 approves the reconciliation.

6 Are there any objections to approving
7 the Order?

8 (No response.)

9 CHAIRWOMAN ZALEWSKI: Hearing none, the Order
10 is approved.

11 Item G-4 concerns Docket 19-0805,
12 which is an application for a Certificate of Service
13 Authority as an alternate -- alternative gas supplier
14 in Ameren's, North Shore Gas, and Nicor Gas's service
15 territory. The Order grants the Certificate.

16 Are there any objections to approving
17 the Order?

18 (No response.)

19 CHAIRWOMAN ZALEWSKI: Hearing none, Order is
20 approved.

21 Moving on to our Telecommunications
22 items, Item T-1 concerns Docket 19-0650, which is the

1 SprintCom's petition to recognize certain
2 inter-corporate transactions and issue certificates.
3 The Order cancels the certificate of service
4 authority for WirelessCo and grants Certificates of
5 Service Authority to Provide Commercial Mobile Radio
6 Services to Sprint Spectrum and Sprint Spectrum
7 Realty Company.

8 Are there any objections to approving
9 the Order?

10 (No response.)

11 CHAIRWOMAN ZALEWSKI: Hearing none, Order is
12 approved.

13 Items T-2 and T-3 concern petitions to
14 cancel Certificates of Authority, to provide local
15 and interexchange telecommunications services. The
16 Orders cancel those certificates.

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

20 (No response.)

21 CHAIRWOMAN ZALEWSKI: Hearing none, the Orders
22 are approved.

1 Moving on to our Water and Sewer
2 items, Items W-1 and W-2 concern Illinois-American
3 Water applications for Certificates of Public
4 Convenience and Necessity to Provide Wastewater
5 Service in the Village of Godfrey and to provide
6 Water and Wastewater service to certain areas in Will
7 County. Illinois-American Water is also asking for
8 Approval of the Purchase of Certain Assets in the
9 Village of Godfrey.

10 The Orders approve the certificates
11 and Asset Purchase Agreements.

12 Are there any objections to
13 considering these items together and approving the
14 Orders?

15 (No response.)

16 CHAIRWOMAN ZALEWSKI: Hearing none, the Orders
17 are approved.

18 Item G-3 -- excuse me -- W-3 concerns
19 Illinois-American Water's applications for
20 Certificates to Public Convenience and Necessity to
21 Provide Water and Wastewater Services in Hardin
22 County. The Interim Order approves the Engagement

1 Agreements with the three identified appraisers.

2 Are there any objections to approving
3 the Order?

4 (No response.)

5 CHAIRWOMAN ZALEWSKI: Hearing none, the Order
6 is approved.

7 We now move on to our Miscellaneous
8 items. Item M-1 concerns the revisions of the
9 Illinois Technical Reference Manuel or IL-GRM. The
10 primary goal of the IL-GRM is to provide a
11 transparent and consistent basis for calculating
12 energy savings under the different programs.

13 This Order will initiate a formal
14 proceeding to adopt the revisions and to expedite the
15 process so that the revisions take effect on
16 January 1st, 2020.

17 Are there any objections to approving
18 the Order?

19 (No response.)

20 CHAIRWOMAN ZALEWSKI: Hearing none, the Order
21 is approved.

22 There are no petitions for rehearing.

1 We have three items under Other
2 Business. Item 01 -- excuse me -- 0-1 concerns
3 approval of the Procurement Administrator's
4 Recommendations regarding the Illinois Power Agency's
5 solicitation of bids to sell zonal resource credits
6 to Ameren, Commonwealth Edison Company and
7 MidAmerican Energy Company, under Section 16-111.5 of
8 the Act.

9 Are there any objections to approving
10 the Procurement Administrator's Recommendations?

11 (No response.)

12 CHAIRWOMAN ZALEWSKI: Hearing none, the
13 Recommendations are approved.

14 Items 0-2 and 0-3 concern approval of
15 Batches, Contracts, and Confirmations under the
16 Adjustable Block Program and Solar for All programs.

17 Are there any objections to
18 considering the Program Administrator's Submissions
19 together and approving the Submissions?

20 (No response.)

21 CHAIRWOMAN ZALEWSKI: Hearing none, the
22 Submissions are approved.

1 This concludes our Public Utilities
2 Agenda. Judge Teague Kingsley, do we have any other
3 matters to come before the Commission today?

4 JUDGE TEAGUE KINGSLEY: No, Madam Chairman.

5 CHAIRWOMAN ZALEWSKI: Thank you.

6 Do any of the commissioners have any
7 other business to discuss?

8 COMMISSIONER KIMBREL: Madam Chair, I would
9 like to introduce Gabrielle Long to the Commission.
10 She's my new advisor, born and raised in South
11 Carolina, went to UVA, and is a graduate of Loyola's
12 law school. So welcome, Gabrielle.

13 CHAIRWOMAN ZALEWSKI: Welcome.

14 Anything else?

15 (No response.)

16 CHAIRWOMAN ZALEWSKI: Hearing none and without
17 objections, the meeting is adjourned.

18 Thank you.

19 (Whereupon the above
20 matter was adjourned.)

21
22