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BEFORE THE  
ILLINOIS COMMERCE COMMISSION

BENCH MEETING

(PUBLIC UTILITY)

Chicago, Illinois  
Tuesday, November 8, 2011

Met, pursuant to notice, at 10:30 a.m. in  
N901, Eighth Floor, 160 North LaSalle Street,  
Chicago, Illinois.

PRESENT:

DOUGLAS P. SCOTT, Chairman

LULA M. FORD, Commissioner

ERIN M. O'CONNELL-DIAZ, Commissioner  
via teleconference

SHERMAN J. ELLIOTT, Commissioner  
via videoconference

JOHN T. COLGAN, Acting Commissioner  
via videoconference

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1       guessed wrong.  So I apologize for that.

2               MS. BETH STUCHLY:  I am Beth Stuchly, president  
3       of the Camelot Homeowners Association.  I would like  
4       to speak to all of you today about one of the effects  
5       that this huge rate increase by Utilities, Inc.,  
6       would have on our little neighborhood.

7                       When our neighborhood was first  
8       developed in the late '60s it was known as a  
9       beautiful wooded community filled with big lots and  
10      unique homes.  It was known as exclusive and as a  
11      desired address.

12                      Through the years more sections were  
13      developed expanding this community with a variety of  
14      homes and people.  In the building boom that hit  
15      nationwide approximately ten years ago there were  
16      other neighborhoods in the small villages around  
17      Camelot that became known as wonderful places to  
18      live.

19                      If this 219 percent rate increase  
20      becomes a reality for us and our water and sewer  
21      become one of the most expensive water utilities in  
22      the State of Illinois, how are we going to encourage

1 new residents to Camelot? There are currently six  
2 homes up for sale in our neighborhood. And I just  
3 learned this week three homes have gone into  
4 foreclosure showing that people are just having a  
5 hard time paying for their homes. A neighbor on my  
6 street has been trying to sell their house for two  
7 years unsuccessfully.

8                   When I checked the MLS Web site, there  
9 are currently 94 homes for sale in Shorewood, 115 in  
10 Joliet, 45 in Channahon and 35 in Minooka. All of  
11 these communities have lower water rates and sewer  
12 rates than our current rates before this huge  
13 increase. If this rate becomes a reality, I fear  
14 that Camelot will have a big red X on it. Every  
15 realtor will know of our insane water and sewer rates  
16 and steer clients away from our community to others.

17                   The inability to sell our homes due to  
18 this outrageous monthly bill will drive down the  
19 price that we're able to ask for our beautiful homes.  
20 That will in turn drive down our property value, but  
21 not our taxes, of course. I don't regret building  
22 our house for our three daughters in this beautiful

1 neighborhood, but I'm afraid that someday I will.

2 Thank you.

3 CHAIRMAN SCOTT: Thank you, Miss Stuchly.

4 Next up is either Barry or Deborah  
5 Damon. Miss Damon, go right ahead.

6 MS. DEBORAH DAMON: Hi, I'm Deborah Damon and  
7 I -- we were sitting there discussing this and a lot  
8 of what Beth said is what I was going to say. It has  
9 a great impact on our property values. We're being  
10 hit with the recession. Our property values have  
11 diminished. You add this huge increase in our water  
12 bills and it's like -- I think we're going to drive a  
13 lot of people in our area into poverty.

14 This area was established in the late  
15 '60s, early '70s. There's a lot of people who were  
16 the original builders who still live in the  
17 community. You do the math. They're senior  
18 citizens. They're on fixed incomes. How are they  
19 supposed to absorb this exorbitant increase.

20 As it is we currently have a very high  
21 water rate. The past ten years that I've lived  
22 there, our water rates were one of the highest in the

1 area. Everybody has just about caught up to us and  
2 now we want to jump ahead again. There's a time you  
3 don't want to be at the head of the curve and this is  
4 one that I'd like to step back on. I really don't  
5 see it.

6 I decided that visual aids sometimes  
7 help. Let's talk about quality. Within three  
8 washings this sock will look like this. The quality  
9 of water -- and I now call doing my laundry chemical  
10 warfare because trying to get things clean in this  
11 water is a near impossibility. My daughter brings  
12 home white clothes, I take them back to the store  
13 because I can't keep them up and I can't afford the  
14 dry cleaning bill. Drink it? Never. Never. My dog  
15 doesn't drink it. We don't drink it. It's terrible  
16 tasting.

17 I walked in the house the other day  
18 and I'm like, Who spilled bleach? That's -- my  
19 husband took a shower. That's how our house smells  
20 after a shower. Complain? We've been complaining  
21 since we moved in there. When this company took over  
22 our water company three to four years ago, they made

1 appointments to come out to meet with us about our  
2 complaints. Guess what? They didn't show. Called,  
3 they made another appointment. Guess what? Didn't  
4 keep that one either. Third appointment, no-show.  
5 We finally got them to stop out front of the house  
6 because my husband flagged down one of their trucks  
7 as it drove by. This is the quality we get, and  
8 we're supposed to pay more than anybody else for this  
9 type of quality? I don't think so.

10 Thank you.

11 CHAIRMAN SCOTT: Thank you, Miss Damon.

12 Up next is Natalia Walsh.

13 MS. NATALIA WALSH: Me and my husband bought  
14 our house in Camelot about six years ago. We have  
15 four kids. I am a stay-at-home mom. My husband  
16 already works sometimes seven days a week every side  
17 job he can find just to make ends meet, cutting  
18 coupons, buying used clothes for our kids.

19 There is simply no more wiggle room in  
20 our budget for a water bill and sewer bill that I'm  
21 estimating, according to our current bills, would be  
22 about 6 to \$700 every two months. That's more than

1 our car payment. We spend over \$600 a year on Ice  
2 Mountain Water service. I don't let my kids drink  
3 that water. I even don't cook with it. We can't  
4 afford this.

5 I think for a company that has never  
6 asked us how satisfied we are with our water quality  
7 and really doesn't care about what we're drinking,  
8 what our kids are taking in, I think it's an insult  
9 to ask for this kind of increase. I don't know --  
10 I'm going to have to find probably a part-time job  
11 just to pay for our water bill if this passes and  
12 miss out on watching my kids grow up, which I don't  
13 even want to think about at this point.

14 So -- and a lot of what you've heard  
15 from the previous comments is very true. We also  
16 spend hundred of dollars a year on anything from  
17 vinegar to OxiClean to chlorine just to keep our  
18 clothes form turning colors, just to keep our  
19 appliances from, you know, not working anymore  
20 because of the buildup from the minerals is  
21 unbelievable. My dishwasher -- the repair guy knows  
22 me by my first name and I just scrape off the mineral



1 deposits with a steak knife -- that's how bad it  
2 is -- just to keep the appliances working. And that  
3 takes a financial toll on us as well.

4 So I'm here to ask you today, please,  
5 not allow this to pass, and I also think that if it  
6 does pass then this sets a very bad precedence for  
7 any other company that wants to supply horrible  
8 service and get paid a lot money for it.

9 Thank you.

10 CHAIRMAN SCOTT: Thank you.

11 And last up is Adam or Karen Medlin.

12 Mr. Medlin.

13 MR. ADAM MEDLIN: Well, I guess more so than  
14 the quality, kind of what I just bring up is the  
15 initial amount of the rate increase I think is just a  
16 little bit unreasonable. We're looking -- we get  
17 billed bimonthly. So when you're talking a  
18 300 percent increase, you're going from, you know,  
19 \$108 to 360 or \$400 on your bill. It looks a lot  
20 different than a monthly bill.

21 Beyond that, communities around us,  
22 Joliet just had a water tax -- or a water increase

1 that was 45 percent. It made the papers. It made  
2 letters to the editors. Reading the Sun-Times  
3 they're talking about a 50 percent increase in  
4 Chicago over four years. That makes letters to the  
5 editors. That makes the papers.

6                   You know, they're talking about 200,  
7 300 percent increase with the sewer effective  
8 immediately. You know, that's a bit of a shock right  
9 there. I think that's asking a little bit much. You  
10 know, they say they can't phase it in over any number  
11 of time because it won't give them enough for money  
12 up-front for operating expenses. They've been  
13 telling us that for years. They're still operating.  
14 So there must be a little bit of wiggle room in there  
15 for them.

16                   I don't think anybody's against some  
17 kind of a small increase -- you know, we haven't had  
18 a rate increase in a while -- but I can't think of  
19 any other business that could raise your rates  
20 300 percent. You know, being basically a monopoly  
21 there in the neighborhood, we're not allowed to drill  
22 wells. We can't have septic. Our lots are too

1 small. We have no other recourse. You can't shop  
2 around for water in our neighborhood as far as  
3 bathing, whatnot.

4 So we're asking for little bit of  
5 help. We need some protection from the monopoly  
6 that's there. Like I said, I don't think we're  
7 unreasonable, but I think 300 percent's a little bit  
8 unreasonable.

9 Thanks.

10 CHAIRMAN SCOTT: Thank you, Mr. Medlin.

11 That concludes the Public Comment  
12 Portion of today's Agenda.

13 Moving on to items -- notice for  
14 consideration today, Item 1 is the approval of the  
15 Public Utility Minutes from our October 19th Bench  
16 Session. I understand amendments have been  
17 forwarded.

18 Is there a motion to amend the  
19 minutes?

20 COMMISSIONER FORD: So moved.

21 CHAIRMAN SCOTT: Is there a second?

22 COMMISSIONER O'CONNELL-DIAZ: 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 5 to nothing and  
7 the amendments to the October 19th Minutes are  
8 adopted.

9 Is there a motion to approve the  
10 minutes as amended?

11 COMMISSIONER ELLIOTT: So moved.

12 CHAIRMAN SCOTT: Is there a second?

13 ACTING COMMISSIONER COLGAN: Second.

14 COMMISSIONER O'CONNELL-DIAZ: Second.

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

16 All in favor say, Aye.

17 (Chorus of ayes.)

18 CHAIRMAN SCOTT: Any opposed?

19 (No response.)

20 CHAIRMAN SCOTT: The vote is 5 to nothing and  
21 our October 19th Public Utility Bench Session Minutes  
22 as amended are approved.

1                   We will use this 5 to nothing vote for  
2 the remainder of today's Regular Open Meeting unless  
3 otherwise noted.

4                   Item 2 concerns a filing made by ComEd  
5 earlier today. This is ComEd's initial formula  
6 tariff rate case filing under recently passed Public  
7 Act 97-0616. Staff recommends that the Commission  
8 enter an Order suspending the filing for further  
9 investigation.

10                   Is there any discussion?

11   (No response.)

12                   CHAIRMAN SCOTT: Any objections?

13   (No response.)

14                   CHAIRMAN SCOTT: Hearing none, the Order is  
15 entered and the filing will be suspended.

16                   Item 3 is Docket No. 07-0566. This is  
17 ComEd's 2007 rate case on remand from the Appellate  
18 Court. The Appellate Court has granted an extension  
19 of time associated with the completion of this case  
20 on remand and before us today is an Interim Order to  
21 be entered to satisfy our statutory deadline  
22 requirement. ALJs Hilliard and Haynes recommend that

1 the Commission enter the Interim Order.

2 Is there any discussion?

3 (No response.)

4 CHAIRMAN SCOTT: Any objections?

5 (No response.)

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

8 Item 4 is Docket No. 11-0358. This is  
9 Ameren's proposed tariff revisions pursuant to the  
10 directives contained in Section 16-118(e) of the  
11 Public Utilities Act related to utility purchase of  
12 uncollectible. ALJ Albers recommends entry of an  
13 Order approving the tariff.

14 Is there any discussion?

15 (No response.)

16 CHAIRMAN SCOTT: Any objections?

17 (No response.)

18 CHAIRMAN SCOTT: Hearing none, the Order is  
19 entered.

20 Item 5 is Docket No. 11-0682. This is  
21 a Joint Petition for a Customer Release brought by  
22 M.J.M. Electric Cooperative and Ameren allowing

1 M.J.M. to serve a customer in Ameren's service  
2 territory. ALJ Wallace recommends entry of an Order  
3 granting the requested relief.

4 Is there any discussion?

5 (No response.)

6 CHAIRMAN SCOTT: Any objections?

7 (No response.)

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

10 Items 6 through 8 can be taken  
11 together. These items are Applications for Licensure  
12 as an Alternative Retail Electric Supplier under  
13 Section 16-115 of the Public Utilities Act. In each  
14 case the ALJ recommends entry of an Order granting  
15 the requested Certificate.

16 Is there any discussion?

17 (No response.)

18 CHAIRMAN SCOTT: Any objections?

19 (No response.)

20 CHAIRMAN SCOTT: Hearing none, the Orders are  
21 entered and the Certificates are granted.

22 Items 9 and 10 can be taken together.

1 These items are Applications for Licensure as an  
2 Agent, Broker and Consultant under Section 16-115(c)  
3 of the Public Utilities Act. In each case ALJ Albers  
4 recommends entry of an Order granting the requested  
5 Certificate.

6 Is there any discussion?

7 (No response.)

8 CHAIRMAN SCOTT: Any objections?

9 (No response.)

10 CHAIRMAN SCOTT: Hearing none, the Orders are  
11 entered and the Certificates are granted.

12 Item 11 is Docket No. 11-0462. This  
13 is Louise Taylor's complaint against Illinois Bell.  
14 The complainant now seeks to withdraw her complaint  
15 and ALJ Riley recommends granting her Motion to  
16 Withdraw.

17 Is there any discussion?

18 (No response.)

19 CHAIRMAN SCOTT: Any objections?

20 (No response.)

21 CHAIRMAN SCOTT: Hearing none, the Motion is  
22 granted and the docket is dismissed without



1 prejudice.

2                   Items 12 through 15 can be taken  
3 together. These items are Joint Petitions for  
4 Approval of Negotiated Interconnection Agreements.  
5 In each case ALJ Baker recommends entry of an Order  
6 approving the Interconnection Agreement.

7                   Is there any discussion?

8                                   (No response.)

9                   CHAIRMAN SCOTT: Any objections?

10                                   (No response.)

11                   CHAIRMAN SCOTT: Hearing none, the Orders are  
12 entered.

13                   Items 16 through 18 can be taken  
14 together. These items each concern a Joint Petition  
15 for Approval of a Proposed Amendment to an  
16 Interconnection Agreement between Illinois Bell and  
17 Comcast. In each case ALJ Baker recommends entry of  
18 an Order approving the proposed amendment.

19                   Is there any discussion?

20                                   (No response.)

21                   CHAIRMAN SCOTT: Any objections?

22                                   (No response.)

1           CHAIRMAN SCOTT:   Hearing none, the Orders are  
2 entered.

3                           Item 19 is Docket Nos. 11-0059,  
4 11-0141, and 11-0142 consolidated. This is the rate  
5 case for Great Northern Utilities, Camelot Utilities  
6 and Lake Holiday Utilities. ALJ Teague recommends  
7 entry of an Order approving proposed increases.

8                           I believe there are two revisions to  
9 be proposed on this matter. The first is language  
10 that started with our office and then with help from  
11 Commissioner O'Connell-Diaz' office some suggestions  
12 in language that addresses the rate shock portion of  
13 the case; in fact, that Camelot and Great Northern  
14 have not come in for a rate case in a long period of  
15 time and suggesting that through this simplified  
16 method that's available under the Public Utilities  
17 Law here in the State of Illinois that they could  
18 have done. That would have lessened the impact in  
19 the particular case that's before us right now and  
20 suggesting that, in addition, the costs of preparing  
21 those rate cases are greatly simplified under that  
22 procedure, which is available for small companies.

1                   So is there further discussion on this  
2 before it gets proposed?

3                   Commissioner O'Connell-Diaz.

4                   COMMISSIONER O'CONNELL-DIAZ: Thank you,  
5 Mr. Chairman. I just want to be clear that in this  
6 language that's been circulated among the  
7 Commissioners that it is unfortunate that the  
8 Commission does not have the legal authority to  
9 dictate when companies come to the Commission for a  
10 rate increase.

11                   We have -- I think the longest time  
12 I've seen a company stay out is 25 years. And this  
13 is not something that the Commission likes to see,  
14 wants to see. We believe it's important for  
15 customers to be kept current with what those costs  
16 are. If you think about, you know, what you paid for  
17 a gallon of milk 20 years ago, it's not the same as  
18 it is today. So it's very important that these  
19 essential services be kept current. And,  
20 unfortunately, under the laws that we operate under,  
21 our Commission cannot mandate that companies come in.

22                   With that said, we do have a small

1 company provision that is less costly and we  
2 encourage our companies -- the small companies to  
3 take advantage of it. We have a wonderful water  
4 staff that will help them through these proceedings  
5 that keep the costs down so that essentially  
6 ratepayers would not have to pay such a large amount  
7 for those rate case expenses that are recovered by  
8 law in these cases.

9 So this is -- this language is meant  
10 to address that issue and the paucity of our legal  
11 authority with regard to mandating companies coming  
12 in for rate increases.

13 CHAIRMAN SCOTT: Is there further discussion on  
14 this revision?

15 I would move to propose this revision  
16 then.

17 Is there a second?

18 COMMISSIONER FORD: Second.

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

20 Is there further discussion on this  
21 revision?

22 (No response.)



1 between 10 and 15 of the entire customer base that's  
2 made complaints about the water quality issue that's  
3 there. I believe that under both the Administrative  
4 Code and certainly under the Public Utilities Act  
5 under Section 8-102 where it says quote, The  
6 Commission is authorized to conduct or order a  
7 management audit or investigation of any public  
8 utility or part thereof, may examine the  
9 reasonableness, prudence or efficiency of any aspect  
10 of a utilities' operations, costs, management  
11 decisions or functions that may affect the adequacy,  
12 safety efficiency or reliability of a utility's  
13 service of reasonableness or prudence of the costs  
14 underlying rate charges, et cetera.

15 And here, with respect to the quality  
16 of water in this case, it seems to me that this at  
17 the very heart of what we do as a commission.  
18 These -- this is a regulated monopoly. The customers  
19 of this particular water company -- in Camelot's  
20 case, I'm speaking to you specifically here -- not to  
21 confusing the other two companies that are involved  
22 here, but Camelot specifically. This is -- their job

1 is to provide water and to provide water that's  
2 useable for the reasons -- for the purposes for which  
3 it's provided.

4 The fact that it -- the effect that it  
5 has on both the taste of it, which also affects the  
6 usability of it -- the usability of it for laundry  
7 purposes and the usability of it in terms of water  
8 pressure and the other things that have been cited in  
9 this case seem to impact directly on the efficacy of  
10 this company and their provision of water.

11 Now, I agree with the argument that  
12 was come to in the order that says that you can't use  
13 that as a basis for effecting the return in the case,  
14 and I'm not suggesting that. I'm just suggesting  
15 that there's an investigation report first to see if  
16 it warrants further investigation into whether or not  
17 the provision of the services here in this water case  
18 are what is supposed to be, what the folks are  
19 actually paying for here.

20 As I said, these folks don't have a  
21 choice as to whether or not to provide that and to  
22 use an analogy, if we had -- it's very difficult to

1 do this, of course -- but if you had an electric  
2 service that had so such low voltage that you could  
3 only do some of the things in your house with that  
4 electric service or you had a gas service that would  
5 only provide you to be able to do some of the things  
6 in your residence or in your business, that seems to  
7 me to be something where the Commission should take a  
8 look to make sure that while we're talking about the  
9 adequacy of safe, reliable service, it also makes  
10 sense to me that part of adequacy is not just  
11 quantity it's what the purpose of that water is to be  
12 used for and in this case it seems to me to be that  
13 in several instances.

14                   Whereas the record is unfortunately,  
15 in my opinion, fairly vague in some of these places,  
16 these allegations have been raised, and I think they  
17 warrant further look at by the Commission Staff. And  
18 so that's the purpose of the language that's there.  
19 It doesn't call for anything more than that, but it  
20 asks for that to be done. And so -- ask for further  
21 discussion on that particular revision.

22                   ACTING COMMISSIONER COLGAN: Well, I think that



1 was well said. I don't have a lot to add to that. I  
2 think you talked it out in good detail there. And I  
3 think there are -- the issue of using that as a way  
4 to reduce the rate base is not what's being asked for  
5 here. But I think people that have come and talked  
6 to us and the record shows that there is a good -- a  
7 good question about the quality of the water in this  
8 case. And I think at a minimum we can ask for the  
9 Staff to take a look into this and see where that can  
10 go. So I'm in favor and will support your proposal.

11 CHAIRMAN SCOTT: Commissioner Ford.

12 COMMISSIONER FORD: Mr. Chairman, I'm just  
13 concerned about the fact -- the word "quality." And  
14 I don't want us to step on another agency's purview  
15 because I see that as a role for the IEPA. So that  
16 is my only concern with that issue.

17 And I know that we regulate utilities,  
18 but I don't see how our Staff can go out and do this  
19 kind of investigation because that is not in their  
20 purview. I would like for us to send a letter to the  
21 IEPA asking them to do it.

22 COMMISSIONER ELLIOTT: I would agree with

1 Commissioner Ford. I think that the problems are  
2 that we don't have responsibility for those  
3 standards. Using your analogy for the electric  
4 industry, for example, we don't set those standards  
5 for -- you know, whether the utility is at 60 hertz  
6 or not. It's set by standard setting organizations.  
7 Then we are here to assure that our utilities meet  
8 those standards, but we're not here to set those  
9 standards or to -- certainly we could debate those  
10 standards at the EPA in appropriate forums if we feel  
11 that those standards that they have are insufficient.  
12 And I think that may be an opportunity.

13 I would certainly support any informal  
14 approach by our Staff with regard to the company and  
15 to keep the pressure on and to assure that the  
16 standards that the EPA does set are being met by the  
17 company in the provisions.

18 But, unfortunately, I just -- I think  
19 when we get into this issue of quality and standards  
20 we're in a very vague area with little to no  
21 regulatory authority. And certainly no standards in  
22 terms of our rules as to what quality is other than

1 the EPA standard that we're adhering to here. So I  
2 unfortunately would not support a formal approach but  
3 would certainly support an informal approach.

4 CHAIRMAN SCOTT: Commissioner O'Connell-Diaz.

5 COMMISSIONER O'CONNELL-DIAZ: I too appreciate  
6 the quandary that we are really in. I believe that,  
7 you know, we are set with our box of evidence that we  
8 have -- that has been developed in this case along  
9 with our Administrative Code and our rules. And the  
10 record in this matter talks to the issue about the  
11 compliance with the EPA requirements, which is what  
12 our water companies have to comply with. These are  
13 not Commission standards. These are EPA standards.

14 So going beyond that into that -- what  
15 I would call, like, scientific area, that is  
16 problematic for me as someone at the Commission. I  
17 believe that the IEPA is the appropriate agency to  
18 look at these issues that have been brought to fore  
19 with the comments that have been filed.

20 Again, I'm struck with that the record  
21 in this matter and the record leading up to this case  
22 there are four complaints that are on file with

1 regard to quality of service. Additionally speaking  
2 now that folks do know about the Commission, the  
3 Commission is a place to file complaints and not just  
4 to wait for the company truck to come. You need to  
5 contact our consumer representatives in our  
6 Commission so that we are aware of what's going on in  
7 your communities. And if you don't tell us, we don't  
8 have somebody from the Commission at the corner of  
9 your street understanding that you do have these  
10 problems. So on a going-forward basis we would urge  
11 all of our ratepayers to take advantage of our  
12 consumers representatives so that we, as a  
13 Commission, can address issues that come to light,  
14 not just in a rate proceeding, but 365 days a year.

15           So I -- I would support an informal --  
16 I think actually what Commissioner Ford is suggesting  
17 is the appropriate tact for us to take, and our Staff  
18 could draft a letter with regard to that. But I just  
19 have an issue with going beyond what our legal  
20 authority is and I would ask everyone to look at the  
21 Administrative Code where it does talk about quality  
22 of service and that the standard is what the IEPA has

1 cleared. And I know at some point the Company was  
2 not in compliance. So they were on catch-up -- for  
3 how long that was, I don't know.

4 So it's not that we don't want to --  
5 we don't want to be shuffling the ratepayers to  
6 another agency, but I think that that's the  
7 appropriate place that we will actually get the  
8 appropriate addressing of this issue and not with our  
9 Commission Staff.

10 CHAIRMAN SCOTT: If I could respond just very  
11 briefly before I move this -- or move this revision.

12 You know, not that I don't have an  
13 affinity for th IEPA, I spent a lot of good years  
14 there, and I think they'll do a fine job if we  
15 forward something to them. But I think the  
16 Administrative Code goes beyond just the IEPA regs.  
17 Let me point out two instances where it does.

18 In 600.210 of the Administrative Code  
19 it says, The water should be free from objectionable  
20 odor and taste and should be colorless. It shall  
21 conform to the standards for drinking water as  
22 established by the State of Illinois Environmental

1 Protection Agency. It doesn't say, Shall conform to  
2 the standards for odorless and taste as set forth --  
3 and those are two separate things as it's written in  
4 that section saying in my mind that it means there's  
5 something in addition to the EPA regulations as well.

6 In addition -- in response to  
7 Commissioner Elliott's points, 600.230 sub (b) does  
8 set a pounds per square inch pressure that we set in  
9 our own Administrative Code. And so with the  
10 allegations being such that they are, it seems to me  
11 to be reasonable for us to do both of those things.

12 Because the EPA regs won't talk about  
13 odor and color. That's not something the EPA regs  
14 do. So this is -- in my mind this is something  
15 that's over and above and we have the pounds per  
16 square inch of pressure system as well.

17 And the other -- the only -- the last  
18 thing I'll say is that -- that I agree that we want  
19 people to be able to come to the Commission; but if  
20 they come to the Commission, according to our own  
21 rules, we should be able to tell them something  
22 different than, Go see the EPA. Because I think

1 there's more in our own rules that actually call for  
2 that.

3 And so for those reasons, I would move  
4 to adopt this revision.

5 And is there a second?

6 ACTING COMMISSIONER COLGAN: I'll second the  
7 motion, and I'm going to go with your logic on that.  
8 There are just a number of things in this case that I  
9 think that are troubling and I think in efforts to  
10 other Commissioners and comments made here, I think  
11 there are a number of issues here that reasonable  
12 people can really disagree on. And I think we have  
13 that in this case.

14 COMMISSIONER FORD: Absolutely.

15 ACTING COMMISSIONER COLGAN: But, you know, I  
16 just think that there have been compelling arguments  
17 made about the quality of this water and I understand  
18 that that's a concern that other Commissioners have  
19 about how that's defined, but I'm going to second and  
20 support this proposal.

21 CHAIRMAN SCOTT: Is there further discussion on  
22 this proposed revision?

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(No response.)

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

ACTING COMMISSIONER COLGAN: Aye.

CHAIRMAN SCOTT: Aye.

Opposed?

COMMISSIONER O'CONNELL-DIAZ: Nay.

COMMISSIONER FORD: Nay.

COMMISSIONER ELLIOTT: Nay.

CHAIRMAN SCOTT: The vote is 2 to 3 and the proposed revision is not adopted.

COMMISSIONER ELLIOTT: Just one final comment with regard to this as well.

CHAIRMAN SCOTT: Commissioner Elliott.

COMMISSIONER ELLIOTT: Again, I think our Staff is keenly aware of our position here across the board. And I think to the extent that Staff believes that any type of authority exists to approach this informally, if there's anything that Staff believes and our General Counsel's Office believes that we have legal authority to approach, then I would expect them to provide a filing to this Commission on their



1 own motion and we can initiate subsequent proceedings  
2 on the basis of that.

3 So I'd like to move it forward but on  
4 an informal basis.

5 CHAIRMAN SCOTT: Further discussion on this  
6 matter --

7 ACTING COMMISSIONER COLGAN: Well, I have --

8 CHAIRMAN SCOTT: Commissioner Colgan.

9 ACTING COMMISSIONER COLGAN: -- a couple of  
10 comments here. I'm going to encourage the parties to  
11 file for rehearing on this case and hopefully that  
12 would provide something in -- for the record in terms  
13 of the rate shock issue. Every party in the case,  
14 including the Company, agrees that the rates are  
15 extremely high in this situation. And in rehearing  
16 if we could get something -- and I'm not sure what  
17 that is, and I don't see it as my job to identify  
18 what that is. Our jobs are to review the record --  
19 the evidentiary record in the purview of the law, to  
20 interpret that. And, you know, I think rehearing  
21 requests -- I'm not sure that it be granted, but I  
22 think it should be requested.

1                   And, finally, I think that I'd like to  
2     have on -- just the recommendation is that we should  
3     look into -- as a Commission into maybe doing  
4     something to revise the simplified rate procedure  
5     standards, the form. I know that it hasn't been  
6     revised since 2002. But the first amendment that we  
7     made on this order, the issue of encouraging  
8     companies to come in for a more regular request for  
9     rate increase would allow for the gradualism to occur  
10    and it would be less painful.

11                   But I think it's time for us to take  
12    another look at the simplified rate case form and  
13    procedures.

14                   CHAIRMAN SCOTT: Further discussion?

15                   Commissioner O'Connell-Diaz.

16                   COMMISSIONER O'CONNELL-DIAZ: I agree with it.  
17    We should look at that.

18                   Just on another issue, and this was --  
19    I think we touched on it in oral argument. It's not  
20    in this filing. It's nowhere to be found. We are  
21    aware, as a Commission, that these rates are going to  
22    be adjusted in an upward manner that is very

1 dramatic. And with that said, I think the last time  
2 I'd ever seen anything of that nature was during the  
3 rate increases that occurred after the deregulation  
4 of our electricity in our state pursuant to  
5 legislation.

6           At that time we did receive from the  
7 utilities rate mitigation plans that customers could  
8 opt into. Again, it's a choice issue. There are,  
9 associated with that, carrying costs; but what it did  
10 is it got folks on a ramp up to those costs that  
11 are -- the realtime costs that we're now being asked  
12 to review and grant in this proceeding. I did not  
13 see anything in this record with regard to any rate  
14 mitigation plan.

15           Again, the Commission cannot order a  
16 company to come in with a rate mitigation plan; but I  
17 personally would like to see some movement with  
18 regard to that issue. So that if a customer is  
19 challenged by these costs that there would be an  
20 appropriate mechanism for them to take advantage of  
21 for them to be able to meet these costs that do  
22 provide this essential service.

1                   And these are -- you know, I always  
2   remind everyone, this is not the cable bill. This is  
3   the essential services to your home. It is not your  
4   iPhone. It is not your computer service -- although  
5   that's an essential service, these are these  
6   essential services. So when we talk about these  
7   issues of water, electricity and gas -- but most  
8   importantly water because you cannot function in a  
9   home, you can't get an occupancy permit without  
10  water. These are the essential services.

11                   So I think it's important for our  
12  ratepayers that are affected by this to be able to  
13  figure out a way to shoulder this burden in a manner  
14  that is progressive and gives them some leeway in  
15  their budget that they sit down every month and go  
16  through. So, again, we cannot mandate; but I'm just  
17  kind of putting this out there.

18                   CHAIRMAN SCOTT: Further discussion?

19                   Commissioner Elliott.

20                   COMMISSIONER ELLIOTT: I sympathize with both  
21  of those positions. I think, unfortunately, the  
22  record is devoid of potential alternatives. We all

1 know that, you know, there are alternatives out  
2 there. They are -- have upsides and downsides, you  
3 know, carrying charges, et cetera, but there are  
4 approaches. And, unfortunately, the record was  
5 short, and -- leaving us with a record that we have  
6 little option to engage in alternatives.

7 So I would be supportive of further  
8 discussion on this matter in terms of rehearing as  
9 well.

10 CHAIRMAN SCOTT: Further discussion?

11 (No response.)

12 CHAIRMAN SCOTT: Is there a motion to adopt the  
13 order as amended?

14 JUDGE WALLACE: Mr. Chairman? Mr. Chairman?

15 CHAIRMAN SCOTT: Yes.

16 JUDGE WALLACE: This is Judge Wallace.

17 CHAIRMAN SCOTT: Yes, Judge.

18 JUDGE WALLACE: I just wanted to -- have you  
19 been updated on the number of letters and comments  
20 that we received?

21 CHAIRMAN SCOTT: Not yet.

22 COMMISSIONER O'CONNELL-DIAZ: I think she's

1 trying to, but we're not letting her have a word in  
2 edgewise.

3 CHAIRMAN SCOTT: Judge, go right ahead.

4 Thank you.

5 JUDGE TEAGUE: I will give you a very brief  
6 update. So far with Great Northern, no written  
7 comments have been received, but 19 comments were  
8 received on e-Docket. With respect to Camelot, 71  
9 letters opposing the rate increase have been  
10 received, one petition with 152 signatures opposing  
11 the rate increase have been received and three  
12 municipal resolutions are on file with the Clerk's  
13 Office, and 68 comments were filed on e-Docket. And  
14 with Lake Holiday Utilities, there were two letters  
15 opposing the rate increase and two comments filed on  
16 e-Docket.

17 CHAIRMAN SCOTT: Thank you, Judge. I apologize  
18 for that.

19 Thank you, Judge Wallace, for  
20 reminding me.

21 Is there a motion to adopt the Order  
22 as amended?

1           COMMISSIONER FORD:    So moved.

2           CHAIRMAN SCOTT:    Is there a second?

3           COMMISSIONER ELLIOTT:    Second.

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

5                            All in favor say, Aye.

6                                    (Chorus of ayes.)

7           CHAIRMAN SCOTT:    Any opposed?

8                            (No response.)

9           CHAIRMAN SCOTT:    The vote is 5 to nothing and

10   the Order as amended is entered.

11                            Judge Wallace, is there any other

12   matters to come before the Commission today?

13           JUDGE WALLACE:    That's all today, Mr. Chairman.

14           CHAIRMAN SCOTT:    Thank you, sir.

15                            Hearing none, the meeting standards

16   adjourned.  We'll be back in at 1:00 o'clock today

17   for our Joint Policy Committee Meeting concerning

18   pending EPA regulations on impact on reliability.

19                            Meeting's adjourned.

20                                    MEETING ADJOURNED

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