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BEFORE THE
ILLINOIS COMMERCE COMMISSION
BENCH MEETING
PUBLIC UTILITY
Wednesday, December 9, 2015
Chicago, Illinois

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

- PRESENT:
- BRIEN J. SHEAHAN, Chairman
 - ANN MCCABE, Commissioner (via teleconference)
 - SHERINA E. MAYE EDWARDS, Commissioner
 - MIGUEL DEL VALLE, Commissioner
 - JOHN R. ROSALES, Commissioner

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

1 CHAIRMAN SHEAHAN: Are we ready to go in
2 Springfield?

3 EXECUTIVE DIRECTOR SMITH: Yes, we are.

4 CHAIRMAN SHEAHAN: Pursuant to the Open Meetings
5 Act, I call to order the December 9, 2015 Bench
6 Meeting of the Illinois Commerce Commission.

7 Commissioners del Valle, Edwards and
8 Rosales are present with me here in Chicago. We
9 have a quorum.

10 Commissioner McCabe is participating
11 by phone.

12 Commissioner McCabe, are you with us?

13 COMMISSIONER McCABE: I am.

14 CHAIRMAN SHEAHAN: I move to allow
15 Commissioner McCabe to participate by phone.

16 Is there a second?

17 COMMISSIONER ROSALES: Second.

18 CHAIRMAN SHEAHAN: Any discussion?

19 (No response.)

20 All those in favor, say aye.

21 (Chorus of ayes.)

22 Opposed, say nay.

1 (No response.)

2 The ayes have it and Commissioner
3 McCabe is granted permission to participate by
4 phone.

5 We have no requests to speak and will,
6 therefore, move into our Bench Session.

7 Moving on to our Public Utilities
8 Agenda, there are edits to the Minutes of the
9 November 12, 2015 and the 18th Public Utility Bench
10 Session Minutes.

11 Are there any objections to approving
12 the Minutes as edited for those meetings?

13 (No response.)

14 Hearing none, the Minutes are
15 approved.

16 Item E-1 is ComEd's filing revising
17 Rider Retail Customer Assessments ("Rider RCA") in
18 order to provide a Consolidated Billing Adjustment
19 sooner.

20 Are there any objections to not
21 suspending the filing?

22 (No response.)

1 Hearing none, the filing is not
2 suspended.

3 Item E-2 is ComEd's filing giving the
4 ICC an opportunity to investigate the operation of
5 Rider Non-AMI Metering ("Rider Nam").

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

8 (No response.)

9 Hearing none, the filing is not
10 suspended.

11 Item E-3 concerns Mt. Carmel Public
12 Utility Company's Reconciliation of Revenues
13 Collected under its Fuel Adjustment Charges.

14 Are there any objections to approving
15 the proposed Order?

16 (No response.)

17 Hearing none, the Order is approved.

18 Item E-4 concerns Ameren's petition
19 seeking approval of the Final Reconciliation of the
20 Utility Consolidated Billing and Purchase of
21 Receivable Program charge.

22 Are there any objections to approving

1 the proposed Order?

2 (No response.)

3 Hearing none, the Order is approved.

4 Items E-5 through 10 are Applications
5 for Certificates of Service Authority under the
6 Public Utilities Act.

7 Consideration of Item E-6 will be
8 postponed to a future meeting.

9 Are there any objections to
10 considering the other items together and approving
11 the proposed Orders?

12 (No response.)

13 Hearing none, the Orders are approved.

14 Item E-11 concerns ComEd's filing of
15 its Annual Formula Rate Update and Reconciliation
16 Revenue Requirement. There are both non-substantive
17 and substantive edits. The substantive edits
18 involve ComEd's Annual Incentive Program. I move
19 for the adoption of all the edits.

20 Is there a second?

21 COMMISSIONER McCABE: Second.

22 COMMISSIONER ROSALES: Second.

1 CHAIRMAN SHEAHAN: Is there any discussion?

2 (No response.)

3 All those in favor, say aye.

4 (Chorus of ayes.)

5 Opposed, say nay.

6 (No response.)

7 The ayes have it and the edits are
8 adopted.

9 Is there a motion to enter the Order
10 as edited?

11 COMMISSIONER MAYE EDWARDS: So move.

12 CHAIRMAN SHEAHAN: Is there a second?

13 COMMISSIONER ROSALES: Second.

14 CHAIRMAN SHEAHAN: It's been moved and seconded.

15 Is there any discussion?

16 Commissioner del Valle.

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

18 I do support the Order, but I want to point
19 something out. I would like to point out one aspect
20 of this proceeding which might be misinterpreted.
21 The Formula Rate process includes two parts. Though
22 the overall bills to ratepayers will decrease next

1 year, ComEd has said it will require an additional
2 \$92 million over 2015 to deliver power in 2016.
3 This Order approves an \$85 million increase in its
4 base rate.

5 Any commentary about this Order that
6 merely states that your rates are going down
7 oversimplifies the automatic functions of the
8 Complex Formula Rate Process and completely ignores
9 the fact that the base rate of delivering your
10 energy continues to increase. Thank you.

11 CHAIRMAN SHEAHAN: Thank you.

12 Any other discussion?

13 (No response.)

14 All those in favor of adopting the
15 Order as amended, say aye.

16 (Chorus of ayes.)

17 Opposed, say nay.

18 (No response.)

19 The ayes have it and the Order is
20 adopted.

21 Item E-12 concerns Ameren's filing of
22 its Annual Update of its Electric Rates pursuant to

1 the Electric Infrastructure Modernization Act.
2 There are non-substantive edits to the proposed
3 Order and substantive edits regarding Ameren's
4 recovery of expenses associated with infrastructure
5 improvement advertising.

6 And, Commissioner Edwards, I believe
7 you have a statement.

8 COMMISSIONER MAYE EDWARDS: I do. Thank,
9 Mr. Chairman.

10 I would like to go to the advertising
11 expense section of the Order. Specifically, these
12 edits change peoples' conclusions with respect to
13 recovery of expenses related to AIC's advertising
14 campaign for
15 e-mail-related infrastructure improvements.

16 The money spent on this ad campaign is
17 recoverable under Section 92-5 of the PUA because
18 these ads were not designed primarily to promote
19 AIC's public image but rather the record shows that
20 these ads were intended to inform and educate
21 Ameren's consumers about specific investments,
22 programs, benefits, and opportunities associated

1 with AIC's infrastructure projects.

2 This Commission has on numerous
3 occasions stated that we want to promote consumer
4 education and we believe that these advertisements
5 do just that. Because it's important for
6 Ameren-Illinois customers to be informed of these
7 e-mail-related investments and their impact on
8 system reliability, it was prudent for AIC to spend
9 a reasonable amount on its advertising. As such,
10 those advertising expenses should be recovered.

11 Thank you to the Chairman's office for
12 the collaboration.

13 With that, I move for the adoption of
14 these edits.

15 CHAIRMAN SHEAHAN: I will second.

16 Is there any further discussion?

17 Commissioner del Valle.

18 COMMISSIONER del VALLE: Thank you, Commissioner,
19 for your work on this.

20 This is a tough one. It's been a
21 tough one for me because I don't know where the line
22 is drawn between image building, advertising, and

1 consumer education, and I agree with you
2 wholeheartedly that more has to be done to educate
3 the consumer about the modernization of the grid
4 that produces Smart Meters, et cetera, but I do ask
5 that the company to be careful when they record
6 these expenditures and to keep in mind that they
7 need to make a solid case that an expenditure is for
8 consumer education and try to eliminate any gray
9 areas that there may be, because there were gray
10 areas from time to time that didn't work.

11 We have our Staff and we have to
12 struggle with that to try to determine what the
13 intent was, and so the less gray areas we have, the
14 better it is for us to be able to justify the
15 expenditure for the ratepayers.

16 CHAIRMAN SHEAHAN: Thank you, Commissioner.

17 Any other discussion with respect to
18 the edits?

19 (No response.)

20 All those in favor of approving the
21 edits, say aye.

22 (Chorus of ayes.)

1 Opposed, say nay.

2 (No response.)

3 The ayes have it.

4 Is there a motion to enter the Order
5 as edited?

6 COMMISSIONER MAYE EDWARDS: So move.

7 CHAIRMAN SHEAHAN: Is there a second?

8 COMMISSIONER ROSALES: Second.

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

11 (No response.)

12 All those in favor, say aye.

13 (Chorus of ayes.)

14 Opposed, say nay.

15 (No response.)

16 The ayes have it and the Order as
17 edited is approved.

18 Item E-13 concerns a Joint Petition
19 Requesting Approval of a Residential Customer
20 Release from M.J.M. Electric Cooperative and Ameren.

21 Is there any objection to approving
22 the proposed Order?

1 (No response.)

2 Hearing none, the Order is approved.

3 Item E-14 is Clearview Electric's
4 Petition seeking Confidential Treatment for two
5 years of continuing compliance reporting.

6 Are there any objections to approving
7 the proposed Order?

8 (No response.)

9 Hearing none, the Order is approved.

10 Item E-15 concerns ComEd's petition
11 requesting temporarily extending its existing
12 Residential Real-Time Pricing Program Tariff and to
13 approve a program update and related compliance
14 tariff.

15 Commissioner del Valle, do you have
16 some comments?

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

18 In Docket No. 06-0617 the Commission
19 approved ComEd's Experimental Residential Real-Time
20 Pricing Program, and in Docket 11-0546 the
21 Commission evaluated and extended the program.

22 A Navigant report in that docket

1 stated there were 11,530 participants by the end of
2 2010 and it looked at planning scenarios that ranged
3 from 25,000 to 50,000 participants by 2015.
4 According to the last annual report, there were
5 9,784 participants by the end of 2013, the highest
6 number for that year.

7 This program has been found to have
8 net benefits not only for those participating but,
9 more importantly, for all energy consumers.

10 ComEd's marketing materials on their website
11 highlight the benefits of taking control of your
12 energy use to achieve savings and reduce carbon
13 emissions. The website states that its participants
14 have experienced savings of more than 15 percent off
15 the electricity supply portion of their bill over
16 ComEd's fixed-price rate.

17 So, as people in the ComEd zone get
18 their Smart Meters and ComEd touts their benefits,
19 including dynamic pricing, I hope we can raise
20 awareness and participation in this important
21 program. Thank you.

22 CHAIRMAN SHEAHAN: Thank you.

1 Are there any objections to approving
2 the interim Order?

3 (No response.)

4 Hearing none, the interim Order is
5 approved.

6 Moving on to our gas agenda, Item G-1
7 is a complaint filed against Nicor Gas.

8 Are there any objections to approving
9 the proposed Order dismissing the complaint?

10 (No response.)

11 Hearing none, the Order is approved
12 and the complaint is dismissed.

13 Item G-2 concerns Energy Transfer
14 Crude Oil Company's Application for a Certificate of
15 Good Standing to Construct and Operate a Petroleum
16 Pipeline as a Common Carrier Pipeline.

17 Are there any objections to approving
18 the proposed Order?

19 (No response.)

20 Hearing none, the Order is approved.

21 Item G-3 is a billing complaint filed
22 against Peoples Gas.

1 Are any objections to approving the
2 proposed Order denying the complaint?

3 (No response.)

4 Hearing none, the Order is approved
5 and the complaint is denied.

6 Item G-4 concerns Ameren's tariff
7 provisions proposing a general increase in gas
8 delivery service rates and revisions to other terms
9 and conditions of service.

10 There are non-substantive edits
11 throughout the proposed Order and substantive edits
12 concerning the appropriate amount of recovery for
13 Ameren's Charitable Contributions.

14 Commissioner Edwards, I believe you
15 have some remarks.

16 COMMISSIONER MAYE EDWARDS: Thank you,
17 Mr. Chairman.

18 These charitable contribution edits
19 change the peoples' conclusions with respect to the
20 charitable contributions analysis and allows Ameren
21 to recover its requested amount of \$1,039,000 which
22 includes \$398,000 to Liheap, the record shows, as

1 these charitable contribution costs are just and
2 reasonable.

3 While Staff's proposal to utilize a
4 three-year historical average with annual 2 percent
5 escalation was consistent with this Commission's
6 decision in Docket No. 13-0192 in evaluating the
7 reasonableness of recovery and charitable
8 contributions, the Commission must discern the
9 appropriate method to utilize on a case-by-case
10 basis using present circumstances.

11 Furthermore, the Commission has not
12 normalized charitable contribution expenses for any
13 other utility and the record, along with all the
14 other intervening parties, have failed to
15 demonstrate why Ameren should be treated differently
16 in this regard.

17 Lastly, but not least, now is the time
18 to adopt a discussion to require Ameren to
19 contribute to Liheap in the years following the test
20 year as well as the recommendation for the reporting
21 proposal.

22 With that, I move the adoption of

1 these items.

2 CHAIRMAN SHEAHAN: Is there a second?

3 COMMISSIONER ROSALES: Second.

4 CHAIRMAN SHEAHAN: Is there any discussion?

5 Commissioner del Valle.

6 COMMISSIONER del VALLE: Thank you. And once
7 again thank you, Commissioner, for all your work on
8 this.

9 I have to oppose the edit. In my
10 opinion, this edit only examines the total
11 charitable contribution amount in aggregate and
12 applies a standard of "reasonableness" which only
13 looks at whether amounts are lower or higher than
14 other utilities of various sizes.

15 This is a departure from a previous
16 methodology used by the Commission in the last
17 Ameren gas rate case and advocated for by Staff in
18 this case without analyzing that previous
19 methodology's merits or why it is no longer needed.

20 In addition, the ALJs recommended that
21 the Commission adopt a reporting requirement in
22 connection with the authorization for the additional

1 \$400,000 to contribute to the Liheap program.

2 I agree with the ALJs. If Ameren Gas
3 ratepayers -- and these are ratepayer dollars and
4 these are not state-paying dollars -- shareholder
5 dollars, I should say -- are going to more than
6 double their charitable contributions in order to
7 assist low-income energy customers, ratepayers have
8 the right to know that these funds are being used
9 for that purpose.

10 The report recommended by the ALJs
11 would provide the important level of accountability
12 to track that the money approved for low-income
13 assistance is used for low-income assistance.

14 You know, the Liheap amount caught my
15 attention because, as we know, at this point let me
16 commend the Governor and General Assembly for
17 finally having approved the state's supplemental
18 dollars that are desperately needed. I believe
19 those dollars are a mere small percentage of
20 eligible individuals that are being assisted.

21 And so when I saw this in the Order, I
22 certainly welcomed it, but I don't want to bait and

1 switch here to do it for one year and then you don't
2 do it for the next year.

3 I think the reporting is important,
4 and I think that given my long history as a
5 legislator, and as a director of not-for-profit
6 agencies, and having been at the other end of this,
7 I have seen lots of things over the years, and so I
8 think it's important to have as many reporting
9 mechanisms in place as possible to ensure
10 accountability, because, again, we are talking about
11 ratepayer dollars. We're not talking about
12 shareholder dollars.

13 If we are talking about shareholder
14 dollars, I would say do what you want to do, give to
15 whatever group you want in whatever quantities you
16 want, but when we are talking about ratepayer
17 dollars, we want to make sure that the Commission
18 does its job to make sure that everything is in
19 order. So, for that reason, I oppose the Order.

20 CHAIRMAN SHEAHAN: Is there any other discussion
21 with respect to the edits?

22 (No response.)

1 All those in favor, say aye.

2 Aye.

3 COMMISSIONER MAYE EDWARDS: Aye.

4 COMMISSIONER ROSALES: Aye.

5 CHAIRMAN SHEAHAN: Opposed, say nay.

6 COMMISSIONER del VALLE: Nay.

7 COMMISSIONER McCABE: Nay.

8 CHAIRMAN SHEAHAN: The vote is 3 to 2. The ayes
9 have it and the edits are adopted.

10 Is there a motion to enter the Order
11 as edited?

12 COMMISSIONER MAYE EDWARDS: So move.

13 CHAIRMAN SHEAHAN: Is there a second?

14 COMMISSIONER ROSALES: Second.

15 CHAIRMAN SHEAHAN: It's been moved and seconded
16 to approve the Order as edited.

17 Is there any discussion?

18 COMMISSIONER del VALLE: Comments on the Order,
19 Mr. Chairman.

20 CHAIRMAN SHEAHAN: Commissioner del Valle.

21 COMMISSIONER del VALLE: I'm sorry. I just want
22 to make sure. Fixed charges have come before the

1 Commission many times. The Commission has moved the
2 utilities away from this rate design in recent
3 years.

4 The Commission has found fixed charges
5 discourage the efficient use of energy and energy
6 saving investments among customers, and
7 significantly they also represent a subsidy from
8 low-use to high-use customers.

9 This Order approves more than a
10 14 percent rate increase for Ameren's territory, and
11 this increase will fall disproportionately on
12 low-use customers who are subsidizing high-use
13 customers. Low-use customers include renters,
14 low-income households, and smaller residences.
15 The high-use customers, who are being subsidized,
16 include larger residences, higher-rate income
17 households, and those residing in inefficient
18 housing.

19 I would like to see stakeholders and
20 the utilities bring better solutions to the
21 Commission that are sensitive to the real concern of
22 rate shock but moves Ameren to a rate design for

1 these customers that eliminates these
2 cross-subsidies and are consistent with the
3 cost-causation principles that the Commission has
4 recognized to be the bedrock of good rate design.

5 These low-use customers should not be
6 subsidizing high-use customers, and we need a plan
7 to make sure that this is not happening.

8 For this reason and for those I
9 outlined in my opposition to the edits, I would be
10 voting no on this Order.

11 CHAIRMAN SHEAHAN: Thank you, Commissioner.

12 Is there any other discussion
13 regarding the Order as edited?

14 COMMISSIONER MAYE EDWARDS: Mr. Chairman, I have
15 a question. Do you know how to distinguish voting
16 for an overall Order as edited and voting for the
17 actual edit?

18 CHAIRMAN SHEAHAN: I'm sorry?

19 COMMISSIONER MAYE EDWARDS: So, essentially, you
20 do not vote for the edit but vote for the overall
21 Order. I guess I'm not sure how that works. Do you
22 understand that?

1 CHAIRMAN SHEAHAN: Yes. You can vote for or
2 against an edit and vote for or against the Order.

3 COMMISSIONER MAYE EDWARDS: As edited?

4 CHAIRMAN SHEAHAN: Sure.

5 COMMISSIONER MAYE EDWARDS: So it doesn't
6 contradict a negative vote for an edit and then
7 positive vote for the Order?

8 CHAIRMAN SHEAHAN: Not at all, Commissioner Maye.
9 You may wish to convey an opinion on the edit, but I
10 think that the overall Order as edited is something
11 that they would want to vote for and that's
12 certainly within their right.

13 COMMISSIONER MAYE EDWARDS: Thank you.

14 COMMISSIONER del VALLE: It's a good question,
15 and I have thought about that in the past, too, but
16 in my mind it's about weighing things. The entire
17 Order may have a lot of good provisions in it and
18 even though you are opposed to one part of the Order
19 you make a judgment call on the entire Order. In
20 this case there's a couple I had problems with.
21 That's why I decided to vote the way I did. Does
22 that help?

1 COMMISSIONER MAYE EDWARDS: Yes.

2 CHAIRMAN SHEAHAN: All right. We are still on
3 G-4. There's a motion and a second to approve the
4 Order as edited. All those in favor, say aye.

5 COMMISSIONER ROSALES: Aye.

6 CHAIRMAN SHEAHAN: Aye.

7 COMMISSIONER MAYE EDWARDS: Aye.

8 COMMISSIONER McCABE: Aye.

9 CHAIRMAN SHEAHAN: Opposed, say nay.

10 COMMISSIONER del VALLE: Nay.

11 CHAIRMAN SHEAHAN: The vote is 4 to 1 and the
12 Order as edited is approved.

13 Item G-5 involves a complaint filed
14 against Ambit Illinois.

15 Are there any objections to granting
16 the parties' Joint Motion to Dismiss?

17 (No response.)

18 Hearing none, the Joint Motion to
19 Dismiss is granted and the complaint is dismissed.

20 Item G-6 involves a complaint filed
21 against Spark Energy.

22 Are there any objections to granting

1 the parties' Joint Motion to Dismiss?

2 (No response.)

3 Hearing none, the Joint Motion to
4 Dismiss is granted and the complaint is dismissed.

5 Telecommunications Agenda Item T-1
6 concerns the ICC's motion to set the maximum rates
7 and charges for Operator Service Providers pursuant
8 to Illinois Administrative Code Part 770.

9 Are there any objections to approving
10 the proposed Order?

11 (No response.)

12 Hearing none, the Order is approved.

13 Item T-2 concerns the ICC's initiated
14 proceeding against the City of Harvey Emergency
15 Telephone System Board for failure to file its
16 financial reports by October 1, 2014, as required by
17 Section 27 of the Wireless Emergency Telephone
18 Safety Act and the Illinois Administrative Code.

19 Are there any objections to approving
20 the proposed Order?

21 (No response.)

22 Hearing none, the Order is approved.

1 Item T-3 concerns Illinois Electric
2 Cooperative's Application for a Certificate of Local
3 and Interexchange Authority to Operate as a Retail
4 Seller -- I'm sorry -- a Reseller and
5 Facilities-Based Carrier of Telecommunication
6 Services.

7 Are there any objections to approving
8 the proposed Order?

9 (No response.)

10 Hearing none, the Order is approved.

11 Item T-4 concerns Illinois World
12 Electric Cooperative's petition to withdraw its
13 Certificate of Service Authority and Interexchange
14 Service Authority.

15 Are there any objections to approving
16 the proposed Order?

17 (No response.)

18 Hearing none, the Order is approved.

19 We have no other items on our agenda
20 today. And, Judge Kimbrel, do you have any other
21 matters for us?

22 JUDGE KIMBREL: Nothing further, Mr. Chairman.

1 CHAIRMAN SHEAHAN: Commissioners, do you have any
2 other business to discuss this morning?

3 (No response.)

4 Hearing none, we stand adjourned.

5 Thank you.

6 (Whereupon, the above matter
7 was adjourned.)

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