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BEFORE THE  
ILLINOIS COMMERCE COMMISSION

BENCH MEETING  
(PUBLIC UTILITIES)

Springfield, Illinois  
Wednesday, December 17, 2014

Met, pursuant to notice, at 10:30 a.m. at  
527 East Capitol Avenue, Springfield, Illinois.

- PRESENT:
- MR. DOUGLAS P. SCOTT, Chairman
  - MR. JOHN T. COLGAN, Commissioner
  - MR. MIGUEL del VALLE, Commissioner (by video)
  - MS. ANN McCABE, Commissioner
  - MS. SHERINA E. MAYE, Commissioner

MIDWEST LITIGATION SERVICES, by  
Angela C. Turner, Reporter  
CSR #084-004122

PROCEEDINGS

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CHAIRMAN SCOTT: Is everything ready in Chicago?

COMMISSIONER del VALLE: We are ready, Mr. Chairman.

CHAIRMAN SCOTT: Great, Commissioner.

Pursuant to the provisions of the Open Meetings Act, I now convene a regularly scheduled Bench Session of the Illinois Commerce Commission.

With me in Springfield are Commissioner Colgan, Commissioner McCabe and Commissioner Maye. With us in Chicago is Commissioner del Valle. I am Chairman Scott. We have a quorum.

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

(Transportation portion of the proceedings was held at this time

1                   and is contained in a separate  
2                   transcript.)

3                   CHAIRMAN SCOTT: We will move to the Public  
4 Utilities. And we will begin by taking the last item  
5 under Scheduling of Meetings and Other Business  
6 first, without objection.

7                   Today we have with us Mr. John Somerhalder,  
8 President and CEO of AGL Resources and Ms. Beth  
9 Reese, President of Nicor Gas and Senior Vice  
10 President of AGL Resources, to provide us with Nicor  
11 and AGL's annual report on compliance with the Merger  
12 Conditions outlined in the Final Order in Docket  
13 Number 11-0046.

14                  I believe we have Mr. Somerhalder is on the  
15 phone. Are you there, sir?

16                  MR. SOMERHALDER: Yes, I am.

17                  CHAIRMAN SCOTT: Very good. Thank you.

18                  Ms. Reese, good to see you again. Nice to  
19 see you here today.

20                  So if you would like to, whoever wants to  
21 start off, feel free. Go ahead.

22                  MS. REESE: John will start off and then I  
23 will follow up with him.

24                  MR. SOMERHALDER: And thank you, Chairman,

1 and thank you Commissioners, for hosting us today.  
2 And I do apologize for not being able to be there  
3 with you in person and I appreciate your willingness  
4 to speak with me on the phone.

5 I am pleased to report that for the third  
6 consecutive year, we have met all of the conditions  
7 agreed to in connection with the merger of AGL  
8 Resources and Nicor, Inc. while continuing to meet  
9 our shareholder, employee and customer expectations  
10 at the same time.

11 Beth will go into more details on key  
12 elements of our merger compliance activities and  
13 other key business initiatives undertaken this year.  
14 But I wanted to highlight a few points. Overall,  
15 with normal attrition and retirements, we have been  
16 successful in meeting our employment commitments both  
17 with our overall employee goals and with our more  
18 specific commitments to maintain employment in our  
19 safety and compliance groups.

20 We continue to enjoy the services of three  
21 citizens of Illinois, our corporate board of  
22 directors. Those are Norm Bobins, Brenda Gaines and  
23 John Rau. And I can tell you, those are all the --  
24 all the individuals are very much engaged and very

1 active on our board. Safety system improvements,  
2 excellent customer service and overall corporate  
3 responsibility and engagement remain our focus both  
4 daily and for the long term.

5 I would like to take a moment to acknowledge  
6 that this December also marked the third anniversary  
7 of AGL Resources merger with Nicor Gas. We believed  
8 at the time that the combination of Nicor Gas into  
9 our company was a great opportunity for both  
10 companies, and history has borne that out.

11 I also want to acknowledge the manner in  
12 which the Commission and your Staff has responded to  
13 the way the new Nicor Gas conducted itself and  
14 handles our regulatory programs. I think that the  
15 Company has a solid platform to continue to make  
16 needed improvements to our facilities and our  
17 services and believe that if this continues that our  
18 approach to presenting issues for your consideration  
19 will result in more and better opportunities for our  
20 current and future customers.

21 Moving forward, I thought I would also take  
22 some time during my presentation today to provide an  
23 industry-wide perspective on last winter, the winter  
24 of 2013-2014. When I met with you last year, we were

1 in the middle of a period of record cold  
2 temperatures. Both in terms of daily peak  
3 temperatures and the duration of each of those arctic  
4 blasts.

5 In preparation for last winter, natural gas  
6 production was at record levels and the amount of  
7 natural gas in storage inventories was also near peak  
8 levels. And even with that abundance of supply, the  
9 combined effect of increased demand for natural gas  
10 from electric power generation and industrial  
11 customers and the extreme weather conditions we  
12 experienced resulted in pipeline transportation  
13 constraints not only here in Illinois, but  
14 nationwide.

15 In Illinois, we were able to mitigate  
16 impacts seen in other regions by how we used our  
17 utility assets to balance the limitations imposed on  
18 us by our pipeline suppliers. And since last winter,  
19 we have been in detailed discussions with those  
20 pipelines to institute improvements in their systems  
21 and how they operate their pipes to be better able to  
22 respond in the event of future extreme weather  
23 events.

24 A key takeaway from last winter is gas

1 supplies are abundant, but demand is significantly  
2 increasing. The industry is responding by building  
3 more interstate pipelines. AGL Resources is  
4 participating in three new projects. Daltons -- the  
5 Dalton Project with Transco here in Georgia, the  
6 PennEast Project in New Jersey and the Atlantic Coast  
7 Pipeline to serve Virginia.

8           We also recently announced an open season to  
9 test interest in a new pipeline project here in  
10 Illinois. If developed, this pipeline will provide  
11 additional supply reliability to natural gas  
12 suppliers. It will provide additional suppliers with  
13 reliability and will allow us to access natural gas  
14 supply from the Rockies; and really, more  
15 importantly, from the growing shale-producing regions  
16 on the East Coast, the Marcellus and Utica. It would  
17 also provide diversity of supply from new operators  
18 and enhance the functionality of existing in-state  
19 storage and distribution systems. While the results  
20 of that open season are still under review, we are  
21 working to ensure that Nicor Gas customers have  
22 access to natural gas every day of the year,  
23 including when demand is at its greatest.

24           The impact of the discoveries of this shale

1 and the resulting abundance of natural gas is a major  
2 shift in our business. The long-term opportunities  
3 resulting from the industry's ability to access these  
4 supplies and bring them to our customers today and  
5 over the next several decades cannot be overstated.

6 The final area I would like to highlight is  
7 our diversity and inclusion initiatives, which  
8 includes diversity in workforce as well as diversity  
9 in the contractors, vendors and suppliers who provide  
10 products and services to our operations.

11 As CEO, I know that diversity and inclusion  
12 makes good business sense, but on a personal level,  
13 it is much more than that. It is about our people,  
14 it is about strengthening communities, it is about  
15 building careers, building businesses and being an  
16 important economic driver.

17 As the leader of this organization, I have  
18 the privilege and the responsibility to ensure that  
19 our business, our leadership team and our supplier  
20 base reflects the diversity of the communities we  
21 serve. When I first came to AGL Resources, I started  
22 the diversity council at the company and I thought  
23 that we could have and become a diverse and inclusive  
24 company through passionate leadership. And I was



1 really wrong about that. I realized that we needed a  
2 strategy. We needed a way to measure our progress  
3 and our successes. We needed support to execute that  
4 strategy. I am now pleased to say we have a strong  
5 strategy and we have a team in place that is  
6 executing on our initiatives and measuring our  
7 results.

8 This year, we established the AGLR Office of  
9 Diversity and Inclusion in addition to elevating the  
10 Office of Supplier Diversity and expanding that team.  
11 Through this commitment of resources, we are making  
12 solid progress to meet our customer and shareholder  
13 expectations and the priorities expressed by this  
14 Commission.

15 I appreciate your time today and I want to  
16 thank you for allowing me to speak with you. I will  
17 now turn it over to Beth Reese.

18 MS. REESE: Good morning, Commissioners.  
19 And thank you, John. It's good to see you all today.

20 CHAIRMAN SCOTT: You too.

21 MS. REESE: It's a little warmer than the  
22 last time. I was reflecting on the walk in, I  
23 believe it's 40 degrees warmer than it was last year  
24 we met, and it's still below freezing. And we really

1 enjoyed the opportunity to host all of you at our  
2 facilities this year and some even last year. That's  
3 giving you a chance to see our operations, the  
4 importance of our storage assets, meet our employees.  
5 I want to thank you for your time. I know it's very  
6 precious and it's a great commodity, and we  
7 appreciate you spending a little bit of that learning  
8 about our operations, our product, our customers and  
9 most importantly our people.

10 I am excited to be here today to highlight  
11 some of the events since the merger and speak to you  
12 about the priorities for our upcoming year and  
13 beyond. Safety and system reliability is and remains  
14 our number one priority. This year, we introduced to  
15 our team members the three Ps of safety. Emphasizing  
16 the safety of our people, the public and our  
17 pipeline.

18 We continue to deliver excellent performance  
19 against our internal matrix for safety with the  
20 exception of personal safety. This year, we were a  
21 little challenged on that and we experienced more  
22 on-the-job injuries and motor vehicle accidents than  
23 we had targeted. To be fair, we're still on a great  
24 trend, but we were greater than what we really wanted

1 to be. And some of that was attributed to last  
2 winter. It was hard on our people, it was hard on  
3 our customers and it was hard on our pipelines.

4 We are refocused. We're continuing to focus  
5 and develop a new strategy surrounding our culture  
6 about safety to make sure that our employees are  
7 engaged in the conversation. They know that it  
8 really is about those three Ps. Our people, we want  
9 them to go home in the same condition they arrived to  
10 work. Always worried about the public and the  
11 pipelines.

12 As for reliability, John spoke to that. We  
13 learned a lot about our system last year and its  
14 capabilities as the winter of 2014 continued on and  
15 on. My husband refers to being cold even in late  
16 May. The good news is that we have made investments  
17 over the years that really enabled us to continue  
18 services when our customers needed us most.

19 Unfortunately, we did experience significant  
20 issues with our upstream pipeline supplier that  
21 limited the ability of our pipeline to perform as we  
22 expected. And as a result, as John mentioned, we  
23 have been working with our pipeline supplier, as well  
24 as alternative suppliers, to ensure that we can

1 deliver our product reliably this winter and for  
2 winters to come. But even with those challenges, our  
3 customers were and continue to be served with the  
4 lowest gas cost in the state. And that's something  
5 that we're very proud of.

6 In regards to customer service, we have  
7 continued to improve. That's been a focus that we  
8 have had since the merger. And one measure that we  
9 use to track is customer complaints, which have  
10 declined from about 4,200 in 2011 to fewer than 3,000  
11 as of November this year.

12 And as for new customers, I am pleased to  
13 say that we're seeing growth in the northern Illinois  
14 territory and we've added about 10,000 customers this  
15 year, as well as continuing to support increased  
16 usage from some of our biggest customers, which is  
17 really exciting to see from the economy as well.

18 As you're aware, Nicor Gas has a long legacy  
19 in Illinois, and our team members are extremely proud  
20 of our ongoing commitment to benefit the communities  
21 where we live, work and raise our families. So I  
22 would like to speak for a moment about our people, as  
23 there really is nothing more important to the success  
24 of our business than the team members who deliver our

1 product, speak to customers, read our meters, work in  
2 those great weather conditions, the extreme  
3 conditions we have here in Illinois.

4           Early in 2014, negotiations took place in a  
5 new collective bargaining agreement which was  
6 successfully ratified with the IBEW Local 19. They  
7 represent about 1,300 of our 2,000 employees here in  
8 the state of Illinois. And the results of this  
9 negotiation were good both for the union and for the  
10 company. And the people on the team were glad they  
11 were inside for some of that weather.

12           Our commitment to our 656 communities, both  
13 in the areas of economic development as well as  
14 philanthropy is stronger than ever. Our initiative  
15 to educate children about natural gas safety at fire  
16 department open houses is one of our most popular  
17 community touch points. And we've added some new  
18 features this year that have been very well received.  
19 We continue to want to engage the children so that  
20 they can bring their parents over to the table. We  
21 do a lot of scratch and sniffs. We have a game that  
22 really teaches a little bit about safety. So we're  
23 really hoping to make an impact there.

24           We're also a member of 23 economic

1 development organizations throughout our service area  
2 and we have contributed to more than 200  
3 organizations this year in the philanthropic areas of  
4 basic human needs and energy assistance, community  
5 enrichment, environmental stewardship, diversity and  
6 education.

7           And as John mentioned, Nicor Gas is  
8 benefiting from the leadership at AGL Resources and  
9 the intentional focus placed on both organizational  
10 and supplier diversity.

11           In regards to supplier diversity, a topic  
12 near and dear to all of our hearts, we still have  
13 some opportunities to improve and some gaps that we  
14 need to bridge. But I really am proud of the efforts  
15 that we have made this year. The engagement that's  
16 taken place, the relationships that have been built  
17 and the solid foundation that has been set for us  
18 going forward.

19           In fact, I'd like to mention that tomorrow  
20 we're hosting a supplier diversity summit focused on  
21 women-owned construction and engineering firms. And  
22 we're pleased that representatives from ComEd,  
23 Integrys and American Water will also be attending.

24           So I'd like to speak for a moment about our

1 work to further develop a strong local workforce that  
2 will become our future leaders. As a company, we're  
3 contributing -- we're committed and contributing.  
4 We're committed to contributing resources as well as  
5 time to building a strong, diverse talent pipeline  
6 through collaboration across utilities, local  
7 community colleges and non-profit organizations to  
8 ensure that we have a workforce needed for the  
9 future. Nicor Gas is proud to support the work of  
10 the Energy Learning Exchange here out of Springfield  
11 through a three-year \$150,000 grant. We just  
12 finished the second year commitment of that.

13 We recognize that our time and talents are  
14 equally valuable contributions. I am proud to serve  
15 on the board of directors for the Center for Energy  
16 Workforce Development, which is national  
17 organization. And we have other Nicor Gas leaders  
18 who serve on the Illinois Energy Workforce Consortium  
19 and the Illinois Workforce Investment Board.

20 Developing a strong local workforce is now  
21 more important than ever with the projects we see on  
22 the horizon through the qualified infrastructure  
23 planning tariff. So I would like to thank the  
24 Commission for approving the tariff earlier this

1 year. And we have branded that as Investing in  
2 Illinois. So you will see that communication as we  
3 start to roll that out in 2015. We're looking  
4 forward to reporting the progress on this initiative  
5 and sharing how it's enhancing the safe and reliable  
6 delivery of natural gas for our customers.

7 I want to thank you for your time today. I  
8 want to thank you for your time always spending with  
9 our team. And I am now happy to address any  
10 questions you may have. And John is available as  
11 well.

12 CHAIRMAN SCOTT: Thank you, Ms. Reese and  
13 Mr. Somerhalder.

14 Questions?

15 Commissioner Colgan.

16 COMMISSIONER COLGAN: You mentioned that  
17 last year you had these upstream supplier problems,  
18 which is an issue that caught my attention. And I am  
19 just kind of wondering, it seems like some of that is  
20 probably out of your control. But what is it that's  
21 happened that is likely to improve that if we were to  
22 have a repeat of a similar winter?

23 MS. REESE: Well, first, I would say that we  
24 have been very engaged with that particular supplier



1 through the winter and then post-winter, in  
2 particular. They had some compression failures and  
3 some other failures on their system. They have  
4 represented to us that they have invested in new  
5 compression and have been very focused on their  
6 reliability.

7           We engaged with our customers. We impacted  
8 some of our largest customers. We actually asked  
9 them to conserve. Some would say that we interrupted  
10 them. It was not a required interruption. It was a  
11 voluntary interruption. But we had a lot of our big  
12 customers who made some decisions that really helped  
13 us on some of the coldest days.

14           We have gone out and visited with them and  
15 we're very transparent with them about the decisions  
16 that we made on our system, how it operated, why we  
17 had to make the decisions that we did. And they were  
18 all very well aware of our upstream supplier and the  
19 issues. They had been following it on the boards.  
20 And to that end, that supplier actually came in and  
21 met with our biggest customers about a week and a  
22 half ago. Because we said to that supplier, look,  
23 we're getting a lot of questions from our customers  
24 that we can't answer. So they volunteered to come

1 in, which I thought was a big step.

2 I can't tell you that if we had the exact  
3 same circumstances again next winter that it wouldn't  
4 happen the same way, but we're working very  
5 diligently with them to make sure it doesn't. We  
6 operated our system very differently. And that's one  
7 of the things that we think the merger actually  
8 benefited Nicor Gas customers, because we challenged  
9 -- we had a team from across the country, if you  
10 would, on the phone every day challenging ourselves  
11 on how we would historically have operated the system  
12 and what the conditions were today and how we could  
13 operate the system to make sure that we limited the  
14 impact to as few customers as we could.

15 COMMISSIONER COLGAN: Thank you.

16 CHAIRMAN SCOTT: Commissioner Maye.

17 COMMISSIONER MAYE: Thank you.

18 Thank you, Beth, for being here today. And  
19 thank you, John, as well.

20 The question then, you didn't necessarily  
21 address consumer communication. I know you said you  
22 have been tracking consumer complaints which have  
23 decreased, which is awesome. And Nicor Gas tends to  
24 be out of the media a lot more than your other

1 Chicago-area counterpart.

2 But with that said, I am curious to know  
3 with what happened last year, and kind of similar to  
4 Commissioner Colgan's question, have you increased  
5 communication with your consumers or do you plan to  
6 do a little bit something different for next winter?

7 MS. REESE: We did a lot of things in  
8 response to the winter. We have now engaged on  
9 Twitter, which is really good. That's a good  
10 communication tool. We didn't start that until about  
11 August. But we do tweet every day.

12 We also -- we're very intentional about how  
13 we address the purchase gas adjustment. So we did  
14 not increase our PGA factor as a reaction to the  
15 winter. We did increase it in March and we kept it  
16 about the same and then we lowered it significantly.

17 So we managed impact to our customers. We  
18 weren't reactive to the gas costs that were coming  
19 in. We were balanced in how we were managing that,  
20 which I think really did help us with our customers  
21 quite a bit.

22 Our energy assistance activities have  
23 increased. We not only leverage the firehouse open  
24 houses for safety, but we also talk about energy

1 assistance. So we are really engaging differently.  
2 We're also using our energy efficiency program to  
3 contact and engage with our customers. So we entered  
4 into a partnership this fall with WVON, the radio  
5 station, to reach to a different demographic than we  
6 historically had. And we brought in some of the  
7 non-profit agencies that are in those areas that WVON  
8 targets and really focused on energy assistance as  
9 well as energy efficiency.

10 We're trying to link those two together a  
11 little bit, because the two go hand in hand. If I  
12 can teach you how to conserve, that helps you. And  
13 we try to partner with the non-profit agencies that  
14 really can help us with that.

15 So we can always improve customer  
16 communication. Communication is one of those things  
17 that you always say I can never do enough of. Trying  
18 to do it in a balanced way to make sure that we're  
19 not over-communicating, but we're communicating to  
20 the right targeted audience.

21 COMMISSIONER MAYE: Thank you.

22 CHAIRMAN SCOTT: Commissioner McCabe.

23 COMMISSIONER McCABE: Can you provide a  
24 little more information on the proposed Illinois

1 pipeline? Where it's going to be and what the timing  
2 is?

3 MS. REESE: So the name of that, the working  
4 name is Prairie State Pipeline. And it is proposed  
5 right now to come up from the Rockies Express  
6 Pipeline, which goes east to west. They're turning  
7 around to go east to west. And it comes, actually  
8 not in our territory, it's a little bit south of our  
9 territory. A little south of here. It will come up  
10 into Joliet. And it starts a little bit west of  
11 where our pipelines are today.

12 So in the -- comes up not very far. I have  
13 a map in my head, but I couldn't tell you all the  
14 counties and the cities, but we can certainly provide  
15 a map for you that shows where that's coming up.  
16 It's in the open season document, so we can get that  
17 to you.

18 The AGL Resources team is actively pursuing  
19 interest on that pipeline right now so we can make a  
20 judgment on whether or not it's something that will  
21 proceed, it's what open seasons are there for. And  
22 Nicor Gas will participate as appropriate.

23 CHAIRMAN SCOTT: Further questions?

24 COMMISSIONER del VALLE: Yes, Mr. Chairman.

1           Beth, earlier, it was stated that there were  
2 pipeline transportation constraints last winter that  
3 created problems even though we had plenty of supply  
4 in storage.

5           If we have as harsh a winter as we did last  
6 year, are we go to experience the same thing or have  
7 things changed in that department?

8           MS. REESE: So we hope they don't. Hope is  
9 not a strategy though. So we have been working with  
10 that pipeline to understand the issues. They have  
11 invested in compression. They have also managed  
12 their own storage facilities a little differently  
13 than they did last year to make sure that they were  
14 at a higher level of fill this year coming into the  
15 winter than they were last year.

16           So we're very engaged with them. In fact,  
17 their chairman of their board came and met with us in  
18 Atlanta at the end of August. So -- not even August.  
19 In October. So we're very engaged with them and  
20 working our system. We did learn a lot about our  
21 system. One of the things that we're doing -- and  
22 some of you visited -- I think all of you have  
23 visited the storage field. So our pride and joy,  
24 Troy Grove, allows us to inject and withdraw. This

1 winter -- this November already, we saw the coldest  
2 winter on record. We had two of the largest  
3 throughput days we have ever had in November. And we  
4 took the opportunity to refill in November, not  
5 knowing what December, January, February, March,  
6 April, maybe even May may bring. So we're trying to  
7 use those assets a little differently to make sure we  
8 have what we need to offset what may happen with our  
9 pipeline.

10 COMMISSIONER del VALLE: And on the customer  
11 complaints, you indicated that you went from 4,200 to  
12 3,000. Is that per calendar year?

13 MS. REESE: It is, yes.

14 COMMISSIONER del VALLE: So the 3,000  
15 figure's for '14?

16 MS. REESE: Yes.

17 COMMISSIONER del VALLE: What types of  
18 complaints are those? I don't need specifics. But  
19 are most of them regarding billing or what is the  
20 main complaint that you get?

21 MS. REESE: The majority of it is billing.  
22 A lot of people call in and will issue complaints if  
23 they feel like we're not being flexible enough on  
24 payment arrangements. But they go everything from

1 landscaping and paving where we may have taken longer  
2 to restore an area where we did work. They are  
3 billing, credit. Whether or not we're providing  
4 service to them quickly enough either when they call  
5 in for a turn on or physically putting pipe in the  
6 ground.

7           So it's a tool that people use if they don't  
8 feel like they're getting the right attention from  
9 the people they have talked to on the phone, like any  
10 other complaint.

11           COMMISSIONER del VALLE: Since you went from  
12 4,200 to 3,000, what issues were addressed that led  
13 to the reduction in those complaints?

14           MS. REESE: You know, one of the things that  
15 we're using -- I think the complaints are actually a  
16 gift to us, because they allow us to see the  
17 processes from our customers' eyes. So we have been  
18 very focused on that since the merger of  
19 understanding what are these complaints and what  
20 process improvements can we put in place to either  
21 limit or at least reduce the number of complaints.

22           So we use those really as a tool. And we  
23 have a group who really is focused on the voice of  
24 the customer and uses this as part of an impact --



1 input in order to make an impact to process changes.  
2 So we have actually been fairly intentional about  
3 understanding what they are. We have been  
4 transparent about them with our teams. We haven't  
5 just let them sit in an organization and be responded  
6 to. We have made them transparent so that we really  
7 can understand what is driving them. I don't think  
8 we'll ever get to zero, because we do have certain  
9 constraints in place that just don't allow us to do  
10 certain things that customers might want. But we  
11 certainly made great progress and will continue to be  
12 focused on that.

13 COMMISSIONER del VALLE: Thank you.

14 CHAIRMAN SCOTT: Mr. Somerhalder, I just  
15 have one quick question for you.

16 You mentioned the demand was way up. Is  
17 that -- I assume that's a combination of things. But  
18 is that -- a lot of that the use of natural gas for  
19 power generation or because of pricing differences,  
20 are people installing more natural gas facilities?  
21 Or if you know, what are the drivers of that?

22 MR. SOMERHALDER: It's a little bit of  
23 everything. I think the one that I see as the most  
24 positive is because of lower natural gas prices.

1 Especially in energy intensive industries, like  
2 fertilizer. We simply see plants coming back online  
3 that were not online, or expansions to facilities;  
4 and now a number of new announced fertilizer,  
5 petrochemicals, steel-type manufacturing. And that's  
6 not only on the Gulf Coast. A lot of that is on the  
7 Gulf Coast. But as you know, even up in Illinois, we  
8 have seen some increased demand from some of those  
9 type of facilities. That's probably the most  
10 positive. And that looks to continue with the lower  
11 prices for natural gas and stable prices.

12           But it's also power generation. And some of  
13 it was just switching from coal to gas because the  
14 gas prices became so low. And then some of the  
15 smaller facilities that people are looking to retire  
16 because of environmental regulations and compliance.  
17 Some of that switching occurred earlier just because  
18 of price switching.

19           Now, in the future, it will be actually  
20 because the plants will be retired. But that's good  
21 from an environmental standpoint. The natural gas  
22 can back that up and minimize the impact on  
23 customers' bills on the electric side.

24           There is a little bit also on the commercial

1 and residential where we do see people looking at  
2 space heating and natural gas water heating in some  
3 regions, some of the country where they have other  
4 opportunities whether fuel oil or propane. We see  
5 some acceleration in that switching. It's a lot of  
6 all of that. But probably more on the power  
7 generation and industrial, although good long-term  
8 trends on the direct use home, residential,  
9 commercial as well.

10 CHAIRMAN SCOTT: Thank you.

11 Commissioner Colgan.

12 COMMISSIONER COLGAN: In that same regard, a  
13 little follow-up. I am just kind of wondering if the  
14 increased demand in any way is affecting your ability  
15 as an LDC to maintain your firm contracts and is the  
16 price going up in that category as a result of the  
17 competition?

18 MS. REESE: Is the price going up in the --

19 COMMISSIONER COLGAN: As the result of there  
20 is more of a demand.

21 MS. REESE: I don't see that necessarily. I  
22 think most of the -- and John can speak to it as  
23 well. But I think most people are projecting being  
24 in the \$4 to \$6 range. As long as the producers are

1 producing natural gas, and natural gas is a byproduct  
2 of some of the other products that they produce.

3 The oil war is an interesting impact on it.  
4 And I'll let -- John is very active on the national  
5 level. He can speak to that. But I don't see it  
6 directly impacting it yet.

7 John, do you want --

8 MR. SOMERHALDER: I would add to that that  
9 the very good news is that because of how prolific  
10 the shale has been, and it's not only drilling for  
11 dry gas, as Beth mentioned, but there's been a lot of  
12 gas that just comes along with drilling for oil. You  
13 know, production today is about 5 Bcf a day higher  
14 right now than it was going into last winter. And  
15 last winter, I mean, a 5 Bcf is on the base of about  
16 70, so that's about four to five percent increase  
17 just in one year. That's almost unprecedented.

18 And the gas prices have been reasonably low  
19 through all of this time period on an average monthly  
20 basis. So it does appear that because of the success  
21 the E&P companies have had that we can make sure the  
22 gases there, the resources base is there they can  
23 economically go after, it does appear that we can  
24 make sure the gas is there.

1           As we've mentioned, we'll have to make sure  
2   that the pipelines are there to get at that last  
3   mile. That's what we'll have to be most focused on  
4   to make sure that smaller groups of customers are not  
5   impacted because of that last mile in infrastructure.  
6   And that's why everything from investing in Illinois  
7   through the pipeline projects we're talking about to  
8   what enhancements our existing pipelines can make are  
9   really important to all of us in all of our markets.

10           COMMISSIONER COLGAN: Thank you.

11           CHAIRMAN SCOTT: Any further questions?

12                           (No response.)

13           CHAIRMAN SCOTT: Okay. Ms. Reese,  
14   Mr. Somerhalder, thank you very much. We really  
15   appreciate you being here.

16           MS. REESE: Thank you. Nice to see you  
17   guys.

18           CHAIRMAN SCOTT: You as well.

19           MS. REESE: Have a great holiday season.

20           CHAIRMAN SCOTT: Thank you. You too.

21           And with that, we will now proceed to the  
22   rest of the electric portion of today's agenda.

23           Item E-1 is our reconciliation of revenues  
24   collected under MidAmerican Energy Company and Mt.

1 Carmel Public Utility Company's fuel adjustment  
2 charges with actual costs prudently incurred. Staff  
3 recommends entry of an Order commencing the  
4 reconciliation proceedings.

5 Is there any discussion?

6 (No response.)

7 CHAIRMAN SCOTT: Is there a motion to enter  
8 the Order?

9 COMMISSIONER COLGAN: So moved.

10 CHAIRMAN SCOTT: Is there a second?

11 COMMISSIONER McCABE: Second.

12 CHAIRMAN SCOTT: Moved by Commissioner  
13 Colgan. Second by Commissioner McCabe.

14 Any discussion?

15 (No response.)

16 CHAIRMAN SCOTT: All in favor say "Aye".

17 ("Ayes" heard.)

18 CHAIRMAN SCOTT: Any opposed?

19 (No response.)

20 CHAIRMAN SCOTT: The vote is 5-0, and the  
21 Order is entered.

22 We will use this 5-0 vote for the remainder  
23 of today's Public Utility agenda unless otherwise  
24 noted.

1           Item E-2 is Docket Number 11-0711. This is  
2 our proceeding to develop and adopt rules concerning  
3 rate case expense. ALJ Sainsot recommends entry of a  
4 Second Notice Order.

5           This item will be held for disposition at a  
6 future Commission proceeding.

7           Item E-3 is Docket Number 13-0531. This is  
8 Sherman and Lisa Imler's complaint against Ameren as  
9 to a deposit requirement in Danville. It appears the  
10 parties have settled their differences and filed a  
11 Joint Motion to Dismiss which ALJ Yoder recommends we  
12 grant.

13           My office had a few suggested edits to the  
14 Order which do not change the overall conclusion. I  
15 was obviously pleased to see that the parties were  
16 able to resolve their complaint, but believe that it  
17 is important that the Commission see updates to  
18 Ameren's online system, which created a significant  
19 amount of confusion and led to the formal complaint  
20 being filed in the case in the first place.

21           The edits that I am proposing note that we  
22 support Ameren's initiative to update Ameren online  
23 to provide customers with more options and better  
24 information, and further that Ameren is directed to

1 provide the Commission with an update as to the  
2 Company's progress on these initiatives no later than  
3 90 days from the date of the Order.

4 With that, I would move for adoption of  
5 these edits. Is there a second?

6 COMMISSIONER COLGAN: Second.

7 CHAIRMAN SCOTT: Second by Commissioner  
8 Colgan.

9 Any discussion?

10 COMMISSIONER COLGAN: Yes.

11 CHAIRMAN SCOTT: Commissioner Colgan.

12 COMMISSIONER COLGAN: Thank you, Chairman.

13 I support your proposed edits that  
14 acknowledge support of Ameren's plan to update its  
15 Ameren online program. And I hope that Ameren's  
16 update of this functionality will enhance the ability  
17 of customers to independently manage their deferred  
18 payment agreements. And thus, prevent such  
19 situations such as the one that comes before us in  
20 the Imler case here.

21 I also agree with your proposed requirement  
22 that Ameren provide the Commission with an update  
23 regarding its online initiatives no later than  
24 90 days from today. I think it's important for the



1 Commission to ensure that Ameren's going-forward  
2 practices have been implemented.

3 And as all of you will recall, I originally  
4 held this Order due to my concern regarding the large  
5 deposit being required of a LIHEAP customer who also  
6 has a health concern. And in that regard, I am  
7 encouraged that this matter has been resolved in a  
8 mutually agreeable settlement.

9 So again, thank you for your thoughtful  
10 edits, which I intend to support.

11 CHAIRMAN SCOTT: Thank you, Commissioner.

12 Further discussion?

13 (No response.)

14 CHAIRMAN SCOTT: The motion and second is on  
15 the amendments. All in favor of the amendments, say  
16 "Aye".

17 ("Ayes heard".)

18 CHAIRMAN SCOTT: Opposed?

19 (No response.)

20 CHAIRMAN SCOTT: The vote is 5-0, and the  
21 edits are adopted.

22 Is there now a motion to enter the Order as  
23 amended?

24 COMMISSIONER COLGAN: So moved.

1           CHAIRMAN SCOTT: Is there a second?

2           COMMISSIONER MAYE: Second.

3           CHAIRMAN SCOTT: Moved by Commissioner

4 Colgan. Second by Commissioner Maye.

5           Any discussion?

6                         (No response.)

7           CHAIRMAN SCOTT: All in favor say "Aye".

8                         ("Ayes heard".)

9           CHAIRMAN SCOTT: Opposed?

10                        (No response.)

11           CHAIRMAN SCOTT: The vote is 5-0, and the

12 Order, as amended, is entered.

13           Item E-4 is Docket Number 14-0471. This is

14 Rogelio Gallegos' complaint against Direct Energy

15 Service LLC as to billing in Chicago. It appears the

16 parties have settled their differences and filed a

17 Joint Motion to Dismiss which ALJ Sainsot recommends

18 we grant.

19           Is there any discussion?

20                         (No response.)

21           CHAIRMAN SCOTT: Any objections?

22                         (No response.)

23           CHAIRMAN SCOTT: Hearing none, the motion is

24 granted.

1           Items E-5 and E-6 can be taken together.  
2     These items are Petitions for the Confidential and/or  
3     Proprietary Treatment of compliance reports. In both  
4     cases, ALJ Jones recommends entry of an Order  
5     granting the requested relief for a period of two  
6     years.

7           Is there any discussion?

8                           (No response.)

9           CHAIRMAN SCOTT: Any objections?

10                           (No response.)

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

13           Item E-7 is Docket Number 14-0422. This is  
14     CUB and the City of Chicago's petition for an  
15     investigation into ARES' compliance with Section  
16     16-115A of the Public Utilities Act. Since the date  
17     upon which this petition was filed, the Commission  
18     has opened a Notice of Inquiry for the purpose of  
19     investigating the ARES practices that CUB and the  
20     City have alleged to exist in the instant proceeding.  
21     Given that the NOI will address the same issue, Staff  
22     has filed a Motion to Dismiss this proceeding which  
23     no party objects to. ALJ Sainsot recommends that we  
24     grant Staff's unopposed Motion to Dismiss this

1 proceeding without prejudice.

2 Is there any discussion?

3 (No response.)

4 CHAIRMAN SCOTT: Any objections to the  
5 dismissal?

6 (No response.)

7 CHAIRMAN SCOTT: Hearing none, the Motion to  
8 Dismiss is granted.

9 Item E-8 is Docket Number 14-0678. This is  
10 Agera Energy's Application for Certificate of Service  
11 Authority under Section 16-115 of the Public  
12 Utilities Act. Agera has filed a Motion to Withdraw  
13 its Application and ALJ Sainsot recommends we grant  
14 the request and dismiss the matter without prejudice.

15 Is there any discussion?

16 (No response.)

17 CHAIRMAN SCOTT: Any objections?

18 (No response.)

19 CHAIRMAN SCOTT: Hearing none, the Motion to  
20 Dismiss is granted.

21 Item E-9 is Docket Number 14-0582. This is  
22 Heartland Alternative Energy's Application for  
23 Certification as an Installer of Distributed  
24 Generation Facilities under Section 16-128A of the

1 Public Utilities Act. ALJ Baker recommends entry of  
2 an Order granting the requested relief.

3 Is there any discussion?

4 (No response.)

5 CHAIRMAN SCOTT: Any objections?

6 (No response.)

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

9 Item E-10 is Docket Number 14-0588. This is  
10 the Illinois Power Agency's Petition for Approval of  
11 the 2015 IPA Procurement Plan pursuant to Section  
12 16-111.5(d)(4) of the Public Utilities Act. ALJ  
13 Wallace recommends entry of a post-exceptions Order  
14 approving the 2015 Plan.

15 There were a few sets of edits to this  
16 Order, so we'll move through them one at a time,  
17 starting with edits proposed by Commissioner McCabe's  
18 office.

19 COMMISSIONER McCABE: The first edit is on  
20 Energy Efficiency as a Supply Resource, on pages 155  
21 to 157 of the proposed Order. The edits find that  
22 the standard wholesale products are evolving and  
23 could include energy efficiency as a supply resource.  
24 Deny procuring energy efficiency as a supply

1 resource, because the records show it does not  
2 satisfy the Act at this time. And adopts IPA as a  
3 true alternative, and it verifies what that  
4 alternative is.

5 With that, I move the edits.

6 CHAIRMAN SCOTT: Is there a second?

7 COMMISSIONER COLGAN: Second.

8 CHAIRMAN SCOTT: Moved by Commissioner  
9 McCabe. Second by Commissioner Colgan on the edits.

10 Is there any discussion on this set of  
11 edits?

12 (No response.)

13 CHAIRMAN SCOTT: All in favor say "Aye".

14 ("Ayes" heard.)

15 CHAIRMAN SCOTT: Any opposed?

16 (No response.)

17 CHAIRMAN SCOTT: The vote is 5-0, and the  
18 edits to the EEAASR portion of the Order are  
19 approved.

20 Commissioner McCabe.

21 COMMISSIONER McCABE: The second set of  
22 edits is to the full requirements conclusion. Last  
23 year, I commented that the compressed schedule makes  
24 it difficult for parties to have time to thoroughly

1 review the procurement plan. I gave ICEA credit for  
2 submitting the NorthBridge report on full  
3 requirements. The schedule in 2013 did not allow  
4 parties to fully review that report. This year, the  
5 parties considered the NorthBridge report experiences  
6 in other states with full requirements and IPA  
7 analysis.

8           As the Order attests, we are faced with  
9 strong differing positions. Staff, while neutral,  
10 believes the value of a full requirements pilot would  
11 be to provide side-by-side comparisons between the  
12 bidding results of a fixed price, fixed quantity or  
13 block procurement, and a full requirements  
14 procurement conducted nearly simultaneously and for  
15 the same delivery periods. The result would be a  
16 market-based analysis and Illinois-specific data on  
17 the merits of full requirements. A multi-year  
18 program would account for year-to-year variances.

19           These proposed edits do not change the  
20 conclusion to deny ICEA's proposal, they delete the  
21 language that appears to foreclose full requirements  
22 products from being considered next year absent new  
23 information and make the argument that the  
24 information the Commission is looking for may only

1 come from a limited, well thought-out pilot.

2 The IPA successfully argued many flaws in  
3 the pilot program. And the edits find that these  
4 flaws are enough to eject proposal. With that, I  
5 move for the edits.

6 CHAIRMAN SCOTT: Is there a second?

7 COMMISSIONER MAYE: Second.

8 CHAIRMAN SCOTT: Moved and seconded on the  
9 edits.

10 Is there any discussion on the edits?

11 COMMISSIONER del VALLE: I --

12 CHAIRMAN SCOTT: Commissioner del Valle.

13 COMMISSIONER del VALLE: Yes. I cannot --  
14 with the edit, I think the IPA has made a very strong  
15 argument that, of course, does not favor this pilot  
16 and has raised many questions. And so I would prefer  
17 to be on record as not supporting it.

18 CHAIRMAN SCOTT: And I am also not going to  
19 support the edits. Just a couple of quick points. I  
20 think that suggesting to the interested parties they  
21 discuss how to implement a pilot program implies  
22 green lighting program we haven't actually determined  
23 yet will result in tangible benefits to the  
24 customers.



1           And also, I think that the portion of the  
2       edits that states that, really, the pilot is the only  
3       way to get this information I think is overstating  
4       the case. And I think that useful, relevant  
5       information could be gleaned from further analysis of  
6       the other jurisdictions.

7           So for those two reasons, I will join  
8       Commissioner del Valle in not supporting the edits.

9           COMMISSIONER COLGAN: I am going to chime in  
10      and say that I agree with you, Chairman and  
11      Commissioner del Valle, on this in terms of not  
12      supporting it.

13           I think the parties are fully capable of  
14      continuing to develop their positions on this issue.  
15      But I think in this case, I am not going to support  
16      that we encourage them or encourage them on the pilot  
17      project issue.

18           CHAIRMAN SCOTT: Further discussion?

19           COMMISSIONER MAYE: I would just add one  
20      quick thing. I think that in Commissioner McCabe's  
21      edits that the attempt was really to avoid  
22      foreclosing all future opportunities. And so -- and  
23      to prohibit kind of closing the door all the way.

24           So with that, I will support her edits.

1           CHAIRMAN SCOTT: The edits have been moved  
2 and seconded.

3           All in favor "Aye".

4           COMMISSIONER McCABE: Aye.

5           COMMISSIONER MAYE: Aye.

6           CHAIRMAN SCOTT: Opposed?

7           COMMISSIONER COLGAN: No.

8           CHAIRMAN SCOTT: No.

9           COMMISSIONER del VALLE: No.

10          CHAIRMAN SCOTT: The vote is 2-3, and the  
11 edits to the FPCR portion of the Order are denied.

12          I had some edits to propose, as well. Some  
13 minor edits to pages 223 through 226 of the Order in  
14 the Commission conclusion section on Incremental  
15 Energy Efficiency. These edits do not change the  
16 overall conclusion, but instead eliminate what is  
17 believed to be some unnecessary language that does  
18 not contribute significantly to the Commission's  
19 analysis. And I would move for the adoption of those  
20 edits.

21          Is there a second?

22          COMMISSIONER COLGAN: Second.

23          CHAIRMAN SCOTT: Second by Commissioner  
24 Colgan.

1 Discussion on these edits?

2 (No response.)

3 CHAIRMAN SCOTT: All in favor say "Aye".

4 ("Ayes" heard.)

5 CHAIRMAN SCOTT: Any opposed?

6 (No response.)

7 CHAIRMAN SCOTT: The vote is 5-0, and the  
8 edits are adopted.

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

11 COMMISSIONER COLGAN: So moved.

12 CHAIRMAN SCOTT: Is there a second?

13 COMMISSIONER MAYE: Second.

14 CHAIRMAN SCOTT: Moved by Commissioner  
15 Colgan. Second by Commissioner Maye.

16 Further discussion on the Order, as amended?

17 COMMISSIONER COLGAN: Chairman, I would just  
18 like to say that this is the sixth IPA procurement  
19 plan that I have been involved with. And despite the  
20 fact that we are continually nuancing the process  
21 with new initiatives and new and creative statutory  
22 requirements that come at us that I think we have,  
23 you know, pretty much figured out how to get through  
24 this process, and it's a hard process. It's very

1 complicated. But I think that the IPA and the  
2 Commission Staff have done a great job of basically  
3 tracking the history of how -- where we're at and how  
4 we got here. And I think that we have figured out  
5 how to get through this. We do a better job of it  
6 every year.

7 CHAIRMAN SCOTT: Commissioner Maye.

8 COMMISSIONER MAYE: I probably should have  
9 spoken before Commissioner Colgan, because I am going  
10 to appear to contradict what he said.

11 Obviously, this is the sixth IPA Order. I  
12 have not been here for all six. I am curious to  
13 know, are these issues -- they don't seem to be  
14 getting easier, right? And they don't seem to be  
15 getting narrowed. This was a 300-plus page Order.  
16 In light of what Commissioner McCabe said I think two  
17 weeks ago, in formula rate cases, we're continuing to  
18 obviously see them more and more obviously, and  
19 they're getting smaller and smaller, and the issues  
20 are getting narrowed and clearer, doesn't seem to be  
21 happening here.

22 So I was wondering if -- I know you don't  
23 have a crystal ball, but do you foresee perhaps these  
24 issues getting narrowed and smaller in the Order

1 perhaps?

2 CHAIRMAN SCOTT: Judge Wallace?

3 JUDGE WALLACE: I keep hoping. But then I  
4 just heard hope isn't a strategy.

5 No. I forget if this is the second or third  
6 one that I have taken. And I keep taking them  
7 thinking they're going to be simplified and they're  
8 not. I think the parties come up with, you know,  
9 novel ideas to try to run by the Commission. And  
10 that takes a lot of, you know, time to analyze them  
11 and generates a lot of, you know, thought and paper.

12 So you know, this year, we had the energy  
13 efficiency as a supply resource. You know, that's  
14 not necessarily new. But it was really highlighted  
15 this year. You know, on the full requirements, the  
16 ICEA group and others have continued to push stats  
17 which has to be addressed.

18 And then, I just think, you know, parties  
19 keep coming up with novel ways to approach things,  
20 and you know, we have the Sargas request this year,  
21 which, you know, that -- seemingly not that, you  
22 know, complicated. But it turned into slightly  
23 complicated because all the parties had an opinion on  
24 it.

1           So crystal ball, I don't know if it's going  
2 to get easy or not. I kept thinking it would, but it  
3 hasn't. So I would forecast that it probably won't  
4 be too much easier next year.

5           CHAIRMAN SCOTT: Is it true -- I am  
6 distinguishing it from formula rate cases. I mean,  
7 there is a fairly good distinction between that,  
8 because here you're talking about something that's  
9 talking about living markets, which are, by their  
10 nature, going to be fluid. So the issues are going  
11 to change yearly. Not just the factual situations  
12 like we see in the formula rate case, but the issues  
13 themselves are going to change. You get new things,  
14 as Commissioner Colgan said, layered on top of it.  
15 And it seems like it isn't necessarily designed just  
16 to get easier, I think, as it goes on.

17           I think as we keep seeing additional  
18 environmental initiatives and other things that may  
19 come from the General Assembly -- I mean, my crystal  
20 ball is never that good either. But I have a hard  
21 time believing it's going to get that much easier. I  
22 think the way that we handle the issues, I agree with  
23 Commissioner Colgan, the process for doing that and  
24 the way that you're addressing them, Judge, I think

1 is very good. But I don't know that the issues are  
2 going to get easier or fewer.

3 JUDGE WALLACE: I will have to say that the  
4 only way I can get to them is with the assistance of  
5 Steve Hickey or actually my assistance to him. If it  
6 weren't for Steve, I don't think we would get through  
7 these things.

8 CHAIRMAN SCOTT: We certainly appreciate  
9 your work and Staff's work on that as well.

10 COMMISSIONER COLGAN: Well, another really  
11 complicated issue is that we're in two RTOs. And you  
12 know, I wish my brothers and sisters on the OMS board  
13 had an opportunity to read through that discussion in  
14 this Order to just see what the complications in  
15 terms of capacity markets, you know, the issues and  
16 how different they are between PJM and MISO. So that  
17 it's another whole layer of complication.

18 And so, but my comment was, basically, that  
19 I guess my familiarity with the process, you know,  
20 the first time through was like, wow. But then, you  
21 know, the next time, every time you go through it,  
22 and I think even though the issues continue to be  
23 complicated, the process for how we get to this final  
24 day and agreement has been, I think, a good ongoing

1 adjustment.

2 JUDGE WALLACE: I think, if nothing else,  
3 after six times, we can generally do this in 90 days,  
4 which I still marvel at how short a time that is.

5 CHAIRMAN SCOTT: Yes.

6 COMMISSIONER MAYE: That's about how long it  
7 took me to read it.

8 JUDGE WALLACE: I did get a little wordy.  
9 Sorry.

10 CHAIRMAN SCOTT: Further discussion?

11 (No response.)

12 CHAIRMAN SCOTT: The Order, as amended, has  
13 been moved and seconded.

14 All in favor say "Aye".

15 ("Ayes" heard.)

16 CHAIRMAN SCOTT: Opposed?

17 (No response.)

18 CHAIRMAN SCOTT: The vote is 5-0, and the  
19 Order, as amended, is entered.

20 Thanks again, Judge.

21 Turning now to Natural Gas. Item G-1 is  
22 Ameren's filing to modify its existing tariff section  
23 called Standards and Qualifications for Gas Service.  
24 Staff recommends that we approve the modifications by



1 not suspending the filing.

2 Is there any discussion?

3 (No response.)

4 CHAIRMAN SCOTT: Any objection to not  
5 suspending the filing?

6 (No response.)

7 CHAIRMAN SCOTT: Hearing none, the filing is  
8 not suspended.

9 Item G-2 is our reconciliation of revenues  
10 collected under Ameren, Consumers Gas, Illinois Gas,  
11 Liberty Utilities (Midstates Natural Gas),  
12 MidAmerican Energy Company, Mt. Carmel Public Utility  
13 Company, Nicor, North Shore Gas Company and the  
14 Peoples Gas Light and Coke Company's gas adjustment  
15 charges with actual costs prudently incurred. Staff  
16 recommends entry of an Order commencing the annual  
17 reconciliation proceedings.

18 Is there any discussion?

19 (No response.)

20 CHAIRMAN SCOTT: Any objections?

21 (No response.)

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

24 Item G-3 is Docket Number 14-0071. This is

1 our reconciliation of revenues collected under  
2 Nicor's coal tar riders with prudent costs associated  
3 with coal tar cleanup expenditures. ALJ Sainsot  
4 recommends entry of an Order approving the  
5 reconciliation.

6 Is there any discussion?

7 (No response.)

8 CHAIRMAN SCOTT: Any objections?

9 (No response.)

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

12 Items G-4 and G-5 can be taken together.  
13 These items are Petitions for the Confidential and/or  
14 Proprietary Treatment of Integrys' and Vanguard  
15 Energy Services' compliance reports. In both cases,  
16 ALJ Jones recommends entry of an Order granting the  
17 requested relief for a period of two years.

18 Is there any discussion?

19 (No response.)

20 CHAIRMAN SCOTT: Any objections?

21 (No response.)

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

24 Item G-6 is Docket Number 14-0500. This is

1 the Peoples Gas Light and Coke Company's Petition for  
2 an Order approving an agreement for the transfer of  
3 an interest in real property between affiliates  
4 pursuant to Sections 7-101 and 7-102 of the Public  
5 Utilities Act. ALJ Jorgenson recommends entry of an  
6 Order granting the requested relief.

7 Is there any discussion?

8 (No response.)

9 CHAIRMAN SCOTT: Any objections?

10 (No response.)

11 CHAIRMAN SCOTT: Hearing none, the Order is  
12 entered.

13 On to Telecommunications. Items T-1 through  
14 T-4 can be taken together. These items are  
15 show-cause proceedings initiated under 83 Illinois  
16 Administrative Code Section 729 and WETSA Section 27  
17 to determine within one year whether the respondents  
18 are in compliance with WETSA Section 27. In each  
19 case, Staff recommends entry of an Order initiating  
20 the citation proceeding.

21 I just want to say quickly, I was troubled  
22 by these cases. This is a new law that provides some  
23 additional funding for these communities. But with  
24 the additional funding comes some additional

1 accountability. And that is what this filing is  
2 designed to represent to make sure that the money is  
3 spent appropriately and that we have a way to track  
4 that. That's not only important to us and to the  
5 General Assembly, but I think most important it  
6 should be to the citizens of those jurisdictions.

7           And we had 194 out of 198 jurisdictions that  
8 filed properly. Staff is doing everything in their  
9 power to ensure that these governmental entities are  
10 aware of their duties under the law and we appreciate  
11 that. I really think the residents have a right to  
12 expect their officials to comply with these new  
13 financial filings. So I appreciate the fact that  
14 these are in front of us and the work Staff is doing  
15 to follow up and make sure the new law is being  
16 enforced.

17           Any further discussion?

18                           (No response.)

19           CHAIRMAN SCOTT: Any objections?

20                           (No response.)

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

23           Items T-5 and T-6 can taken together. These  
24 items are Petitions to Modify 9-1-1 system providers.

1 The ALJ in each case recommends entry of an Order  
2 approving the petition.

3 Is there any discussion?

4 (No response.)

5 CHAIRMAN SCOTT: Any objections?

6 (No response.)

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

9 Item T-7 is Docket Number 14-0432. This is  
10 American Broadband and Telecommunications Company's  
11 Petition for Partial Waiver of the agreed joint  
12 stipulation as a condition of ETC designation. ALJ  
13 Riley recommends entry of an Order denying the  
14 request for a partial waiver.

15 I understand Commissioner McCabe may have  
16 questions for Judge Riley.

17 Commissioner McCabe.

18 COMMISSIONER McCABE: Yes.

19 Judge Riley, does the 80/20 condition where  
20 at least 20 percent of a wireless-eligible  
21 telecommunications carrier's customers must be  
22 non-lifeline customers for both American Broadband  
23 and Millennium disadvantage them compared to other  
24 wireless lifeline providers previously certified?

1           JUDGE RILEY: Commissioner, if I understand  
2 your question correctly, you're saying is there a  
3 competitive disadvantage.

4           And I think pretty much the only conclusion  
5 you can draw at this point, because it's uncontested  
6 that American Broadband did have to turn away  
7 customers.

8           COMMISSIONER McCABE: Had to turn away what  
9 kind of customers?

10          JUDGE RILEY: They had to turn away the  
11 lifeline customers.

12          COMMISSIONER McCABE: But there's about six  
13 existing wireless lifeline providers now who do not  
14 have to meet the 80/20 requirement, correct?

15          JUDGE RILEY: I am sorry. I am not quite  
16 getting your question.

17          COMMISSIONER McCABE: There are other  
18 existing wireless lifeline companies that provide  
19 these services that do not have to meet the 80/20  
20 rule?

21          JUDGE RILEY: Yes. As a matter of fact, I  
22 checked the -- my prior dockets that I prepared, and  
23 going back to 2009, there are several that do not  
24 have the delineated requirement.

1           COMMISSIONER McCABE: And second, American  
2 Broadband provides testimony that the 80/20 condition  
3 violates federal rules that require the eligible  
4 telecommunications carrier to offer the supported  
5 services. The company claims this is a paradox.

6           What legal distinction allows the ICC to  
7 cease an ETC as the lifeline enrollment after they  
8 have been designated by the Commission?

9           JUDGE RILEY: What it amounted to was that  
10 the -- I think the same legal basis by which Staff or  
11 what the Commission imposed the terms of the exact  
12 agreed Joint Stipulation and the Commission approved  
13 it as a condition of ETC designation in Docket  
14 12-0680.

15           So the Commission has the authority to  
16 require the petitioner to enter into the Agreed Joint  
17 Stipulation and certainly have the authority to  
18 enforce the provisions of the Stipulation.

19           COMMISSIONER McCABE: Okay. I would just  
20 point out that in both these cases, there is  
21 different federal and state requirements that we'll  
22 be looking at as we look at these cases.

23           JUDGE RILEY: Are there different federal  
24 and state requirements?

1           COMMISSIONER McCABE: No, that's just a  
2 comment. Not a question.

3           COMMISSIONER del VALLE: Mr. Chairman?

4           CHAIRMAN SCOTT: Yes.

5           COMMISSIONER del VALLE: The 80/20 is a  
6 standard that we established as a Commission by way  
7 of the stipulated agreements, right?

8           JUDGE RILEY: It was something that Staff  
9 devised.

10          COMMISSIONER del VALLE: But there are  
11 existing providers who are not being held to that  
12 standard?

13          JUDGE RILEY: Yes. Yes, there is.

14          COMMISSIONER del VALLE: At some point, will  
15 that standard be applied to those providers?

16          JUDGE RILEY: I don't have any way of  
17 answering that. I don't know if anything would ever  
18 be filed.

19          COMMISSIONER del VALLE: So, but it's  
20 applied to new applicants, right?

21          JUDGE RILEY: Right. Yes. About two years  
22 ago --

23          COMMISSIONER del VALLE: I understand the  
24 reason behind the standard.



1 But the question raised about --

2 JUDGE RILEY: Prior lifeline providers are  
3 not subject to the standard.

4 COMMISSIONER del VALLE: Thank you.

5 CHAIRMAN SCOTT: Further questions of the  
6 Judge?

7 (No response.)

8 CHAIRMAN SCOTT: This item will be held for  
9 disposition at a future Commission proceeding.

10 Items T-8 through T-14 can be taken  
11 together. These items are Joint Petitions for  
12 approval of local interconnection agreements or an  
13 amendment to an existing interconnection agreement  
14 pursuant to 47 U.S.C. Sections 251 and 252. In each  
15 case, ALJ Riley recommends entry of an Order  
16 approving the Agreement or the amendment to the  
17 Agreement.

18 Is there any discussion?

19 (No response.)

20 CHAIRMAN SCOTT: Any objections?

21 (No response.)

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

24 On to Water and Sewer. Item W-1 is Utility

1 Service of Illinois' proposed rate increases for  
2 water and sewer service in its operating territories.  
3 Staff recommends that we enter an Order suspending  
4 the filing.

5 Is there any discussion?

6 (No response.)

7 CHAIRMAN SCOTT: Any objections to  
8 suspending the filing?

9 (No response.)

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

12 We have two miscellaneous items on the  
13 agenda today. Item M-1 is our determination of the  
14 rate of interest to be paid on customer deposits  
15 pursuant to 83 Illinois Administrative Code Section  
16 280.40 and 83 Illinois Administrative Code Section  
17 735.120 from January 1, 2015 through December 31,  
18 2015. Staff recommends entry of an Order setting the  
19 interest rate.

20 Is there any discussion?

21 (No response.)

22 CHAIRMAN SCOTT: Any objections?

23 (No response.)

24 CHAIRMAN SCOTT: Hearing none, the Order is

1 entered.

2 Item M-2 is Docket Number 07-0446. This is  
3 Illinois Extension Pipeline Company's Application  
4 pursuant to Section 8-503, 8-509 and 15-401 of the  
5 Public Utilities Act, which is the Common Carrier by  
6 Pipeline Law, to construct and operate a petroleum  
7 pipeline, and when necessary, to take private  
8 property as provided by the Law of Eminent Domain.

9 The Pliura Intervenors and Turner  
10 Intervenors have filed requests for oral argument in  
11 this proceeding. ALJ Jones recommends that we deny  
12 the requests for oral argument and enter an Order on  
13 Reopening amending the Order and Certificate issued  
14 on July 8, 2009.

15 Dealing first with the request for oral  
16 argument, is there any discussion on the request for  
17 oral argument?

18 (No response.)

19 CHAIRMAN SCOTT: Is there a motion to deny  
20 the request?

21 COMMISSIONER McCABE: So moved.

22 CHAIRMAN SCOTT: Is there a second?

23 COMMISSIONER COLGAN: Second.

24 CHAIRMAN SCOTT: Moved by Commissioner

1 McCabe. Second by Commissioner Colgan.

2 Any discussion?

3 (No response.)

4 CHAIRMAN SCOTT: All in favor say "Aye".

5 ("Ayes" heard.)

6 CHAIRMAN SCOTT: Any opposed?

7 (No response.)

8 CHAIRMAN SCOTT: The vote is 5-0, and the  
9 request for oral arguments are denied.

10 With respect to the Order on Reopening, I  
11 understand there's some edits.

12 Commissioner del Valle.

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

15 First, I want to thank Commissioner McCabe's  
16 office for the collaboration of these edits. These  
17 edits do not change the PEPO's conclusion. Rather,  
18 they make several non-substantive changes throughout  
19 the discussion and analysis. They also make  
20 clarifying changes starting on page 52 of the Order.

21 First, it clarifies that despite the finding  
22 that the remaining one-third capacity is enough to  
23 qualify the applicant as a common carrier, the  
24 applicant must abide by the three requirements

1 recommended by the ALJ in order to retain the common  
2 carrier status under the Certificate. In addition,  
3 the Certificate of Good Standing on page 56 has been  
4 edited to reflect this clarification.

5 I move the adoption of these edits.

6 CHAIRMAN SCOTT: Is there a second?

7 COMMISSIONER McCABE: Second.

8 CHAIRMAN SCOTT: Second by Commissioner  
9 McCabe. Moved and seconded on the adoption of the  
10 edits.

11 Is there any discussion?

12 (No response.)

13 CHAIRMAN SCOTT: All in favor say "Aye".

14 ("Ayes" heard.)

15 CHAIRMAN SCOTT: Any opposed?

16 (No response.)

17 CHAIRMAN SCOTT: The vote is 5-0, and the  
18 edits are adopted.

19 Is there now a motion to enter the Order on  
20 Reopening as amended?

21 COMMISSIONER MAYE: So moved.

22 CHAIRMAN SCOTT: Is there a second?

23 COMMISSIONER COLGAN: Second.

24 CHAIRMAN SCOTT: Moved by Commissioner Maye.

1 Second by Commissioner Colgan.

2 Any discussion?

3 (No response.)

4 CHAIRMAN SCOTT: All in favor say "Aye".

5 ("Ayes" heard.)

6 CHAIRMAN SCOTT: Opposed?

7 (No response.)

8 CHAIRMAN SCOTT: The vote is 5-0, and the  
9 Order on Reopening, as amended, is entered.

10 We have two Petitions for Rehearing today.  
11 Item PR-1 is Docket Number 07-0570. This is our  
12 reconciliation of revenues collected under Consumers  
13 Gas Company's gas adjustment charges with actual  
14 costs prudently incurred. ALJ Yoder recommends that  
15 we deny the Petition for Rehearing.

16 Is there any discussion?

17 (No response.)

18 CHAIRMAN SCOTT: Any objections?

19 (No response.)

20 CHAIRMAN SCOTT: Hearing none, the Petition  
21 for Rehearing is denied.

22 And Item PR-2 is Docket Number 11-0703.  
23 This is Thomas Chummar Gurnee Truck Stop's complaint  
24 as to choice of supplier denied by ComEd and power

1 outages in Gurnee. The petitioner previously filed  
2 an Application for Rehearing, but it appears that in  
3 the interim period, the parties have settled their  
4 differences and that the complainant has now filed a  
5 motion to withdraw his Application. ALJ Sainsot  
6 recommends we grant the Motion to Withdraw.

7 Is there any discussion?

8 (No response.)

9 CHAIRMAN SCOTT: Any objection?

10 (No response.)

11 CHAIRMAN SCOTT: Hearing none, the Motion to  
12 Withdraw is granted.

13 Judge Wallace, are there any other matters  
14 to come before the Commission today?

15 JUDGE WALLACE: No. We're done.

16 CHAIRMAN SCOTT: Just a reminder, the ROM  
17 for December 23rd has been cancelled, so we want to  
18 wish everyone a very safe and happy holiday season.

19 COMMISSIONER MAYE: Can I make a quick  
20 statement?

21 CHAIRMAN SCOTT: Sure.

22 COMMISSIONER MAYE: Thank you.

23 Since this is our last hearing of the year  
24 -- yay -- I just wanted to personally acknowledge our

1 advisors. We have such a rock star team. I know we  
2 all individually thank them separately, but I just  
3 wanted to say at the end of this great year, you all  
4 have made a hard year easier. You're great and I  
5 just wanted to say thank you.

6 CHAIRMAN SCOTT: Amen.

7 Anything else?

8 (No response.)

9 CHAIRMAN SCOTT: Hearing nothing else, this  
10 meeting stands adjourned. Happy holidays everybody.

11 MEETING ADJOURNED.

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CERTIFICATE OF REPORTER

I, Angela C. Turner, a Certified Shorthand Reporter within and for the State of Illinois, do hereby certify that the Bench Session aforementioned was held on the time and in the place previously described.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

---

Angela C. Turner  
IL CSR #084-004122