1	BEFORE THE ILLINOIS COMMERCE COMMISSION
2	ILLINOIS COMMERCE COMMISSION
3	
4	BENCH SESSION
5	(PUBLIC UTILITY)
6	
7	Springfield, Illinois
8	Thursday, February 23, 2012
9	Met, pursuant to notice, at 10:30 a.m.
10	in the Audiovisual Conference Room, Second Floor,
11	Leland Building, 527 East Capitol Avenue,
12	Springfield, Illinois.
13	PRESENT:
14	MR. DOUGLAS P. SCOTT, Chairman
15	MS. LULA M. FORD, Commissioner (Via audiovisual teleconference)
16	
17	MS. ERIN M. O'CONNELL-DIAZ, Commissioner (Via audiovisual teleconference)
18	MR. SHERMAN J. ELLIOTT, Commissioner
19	MR. JOHN T. COLGAN, Commissioner
20	
21	SULLIVAN REPORTING COMPANY, by Carla J. Boehl, Reporter
22	CSR #084-002710

## PROCEEDINGS

2	CHAIRMAN SCOTT: Pursuant to the provisions of
3	Illinois Open Meetings Act, I now convene a regularly
4	scheduled Bench Session of the Illinois Commerce
5	Commission. With me in Springfield are Commissioners
6	Elliott and Colgan and with us in Chicago are
7	Commissioners Ford and O'Connell-Diaz. I am Chairman
8	Scott. We have a quorum.
9	Before moving into the agenda,
10	according to Section 1700.10 of Title II of the
11	Administrative Code, this is the time we allow
12	members of the public to address the Commission.
13	Members of the public wishing to address the
14	Commission must notify the Chief Clerk's Office at
15	least 24 hours prior to Commission meetings.
16	According to the Chief Clerk's Office we have no
17	requests to speak at today's Bench Session.
18	(The Transportation
19	portion of the proceedings
20	was held at this time and
21	is contained in a separate
22	transcript.)

1 CHAIRMAN SCOTT: Moving on to Public Utilities, 2 we will begin today with approval of minutes from prior Commission meetings. Up first are minutes of 3 4 the January 25 Bench Session. I understand amendments have been forwarded. 5 Is there a motion to amend the 6 minutes? 7 COMMISSIONER ELLIOTT: So moved. 8 CHAIRMAN SCOTT: Is there a second? 9 10 COMMISSIONER COLGAN: Second. 11 CHAIRMAN SCOTT: It's been moved and seconded. 12 All in favor say aye. 13 COMMISSIONERS: Aye. 14 CHAIRMAN SCOTT: Any opposed? 15 (No response.) 16 The vote is five to nothing, and the 17 amendments are adopted. 18 Is there now a motion to approve the 19 January 25 minutes as amended? 20 COMMISSIONER ELLIOTT: So moved. 21 CHAIRMAN SCOTT: Is there a second? 22 COMMISSIONER COLGAN: Second.

1 CHAIRMAN SCOTT: It's been moved and seconded. 2 All in favor say aye. 3 COMMISSIONERS: Aye. 4 CHAIRMAN SCOTT: Any opposed? 5 (No response.) The vote is five to nothing, and the 6 January 25 Bench Session minutes as amended are 7 8 approved. 9 Next up are minutes from our January 31 Regular Open Meeting. I understand amendments 10 11 have been forwarded. Is there a motion to amend the 12 minutes? 13 COMMISSIONER ELLIOTT: So moved. 14 CHAIRMAN SCOTT: Is there a second? 15 COMMISSIONER COLGAN: Second. CHAIRMAN SCOTT: It's been moved and seconded. 16 17 All in favor say aye. 18 COMMISSIONERS: Aye. 19 CHAIRMAN SCOTT: Any opposed? 20 (No response.) 21 The vote is five to nothing, and the 22 amendments are adopted.

Is there now a motion to approve the 1 January 31 minutes as amended? 2 3 COMMISSIONER COLGAN: So moved. 4 CHAIRMAN SCOTT: Is there a second? COMMISSIONER ELLIOTT: 5 Second. CHAIRMAN SCOTT: It's been moved and seconded. 6 All in favor say aye. 7 8 COMMISSIONERS: Aye. CHAIRMAN SCOTT: Any opposed? 9 10 (No response.) 11 The vote is five to nothing, and the 12 January 31 Regular Open Meeting minutes as amended 13 are approved. 14 Turning next to the Electric portion 15 of today's agenda, Item E-1 (12-0132) concerns the 16 initiation of a proceeding for the evaluation of 17 MidAmerican's energy efficiency programs pursuant to Section 8-408(d) of the Public Utilities Act. 18 Staff 19 recommends entry of an Order initiating the 20 proceeding. 21 Is there any discussion? 22 (No response.)

1 Is there a motion to enter the Order? COMMISSIONER ELLIOTT: So moved. 2 CHAIRMAN SCOTT: Is there a second? 3 4 COMMISSIONER COLGAN: Second. CHAIRMAN SCOTT: It's been moved and seconded. 5 6 All in favor say aye. COMMISSIONERS: 7 Aye. 8 CHAIRMAN SCOTT: Any opposed? 9 (No response.) 10 The vote is five to nothing, and the 11 Order is entered. 12 We will use this five to nothing vote 13 for the remainder of the Public Utility agenda unless 14 otherwise noted. 15 Item E-2 concerns a filing by 16 MidAmerican seeking changes related to its 17 Interruptible Service and Curtailment Service riders. 18 Staff recommends that the Commission grant the 19 company's request by not suspending the filing. 20 Is there any discussion? 21 (No response.) 22 Any objections?

1 (No response.) Hearing none, the filing will not be 2 3 suspended. 4 Item E-3 concerns a filing by ComEd 5 seeking revisions to its Rider UF regarding supply base uncollectible cost factors. Staff recommends 6 that the Commission grant the company's request by 7 not suspending the filing. 8 9 Is there any discussion? 10 (No response.) 11 Any objections? 12 (No response.) 13 Hearing none, the filing will not be 14 suspended. Item E-4 is Docket Number 07-0566. 15 This is ComEd's 2007 rate case on remand from the 16 17 Appellate Court. ALJ Haynes recommends entry of an Order on Remand finding that the Commission does not 18 have authority to order a refund consistent with the 19 20 Appellate Court's opinion. I have circulated some revisions on 21 22 this item. My revisions adopt the position of Staff

1 and other Intervenors in concluding that the Appellate Court's decision does vest the Commission 2 with authority to order a refund consistent with the 3 4 Commission's recalculation of rate base. The 5 revisions conclude that the Appellate Court's decision to remand the matter to the Commission for 6 "further proceedings consistent with its opinion" 7 8 envision the Commission giving actual effect to the Appellate Court's opinion in accordance with the 9 10 recalculation, thus resulting in a refund of \$36.7 11 million previously charged to consumers under 12 unlawful rates. 13 I move for adoption of these 14 revisions. 15 COMMISSIONER ELLIOTT: Second. 16 CHAIRMAN SCOTT: It's been moved and seconded. 17 Are there further discussions on these revisions? 18 COMMISSIONER O'CONNELL-DIAZ: Chairman? CHAIRMAN SCOTT: 19 Yes. 20 COMMISSIONER O'CONNELL-DIAZ: Well, I quess you 21 are going to vote on your revisions, but I just have 22 a couple comments.

1 CHAIRMAN SCOTT: Sure.

COMMISSIONER O'CONNELL-DIAZ: First of all, I 2 would like to thank Judge Haynes for, was it back in 3 4 November, we got the Order that we have before us and 5 I think it was very well thought out, a very complete Order. And it wasn't until this Tuesday at about 6 four o'clock that I saw the revisions that the 7 Chairman has put before us, and they are different 8 obviously than what Judge Haynes has put before us. 9 10 We have also -- I have also had the Office of General Counsel look at this issue. 11 Ι 12 think it is very important for this body to act 13 within its authority. In fact, I think it is quite 14 telling when we have a resolution from the General 15 Assembly that's telling us that we are a body that is 16 an administrative agency that was created by statutes 17 and we kind of need to stay within our boundaries. 18 So with that I think that, you know, I 19 appreciate the work that your office has done in 20 regard to these revisions. I think, as we have been advised by counsel, that -- he didn't use the term 21 "slippery slope" but that there is two ways of 22

1 looking at this issue.

2	It is my understanding the majority is
3	in favor of going with your revisions. I find it
4	problematic, but I do in the spirit of collegiality
5	go along with the majority. But I think that we need
6	to be very careful when we are kind of going out, I
7	think, somewhat on a limb and implying words that the
8	Appellate Court did not use in their remand. And I
9	think, as Judge Haynes said, that that could be
10	thought of as the easier way to go as opposed to the
11	more difficult way.
12	And I do understand that the
13	Commission is a body of limited jurisdiction, and so
14	for me it is a tough call and there is murky waters
15	on both sides. And I appreciate that the Chairman's
16	office worked on this, and it is just a difficult
17	issue.
18	Thank you.
19	CHAIRMAN SCOTT: Thank you, Commissioner
20	O'Connell-Diaz.
21	Further discussion? Commissioner
22	Colgan?

COMMISSIONER COLGAN: I fully understand your 1 2 comments, Commissioner, and I think that this is a decision that caused some, you know, deliberation in 3 4 terms of which way this should go. And I came down 5 on the side of I didn't think that the argument that we didn't have the authority was convincing, and 6 decided to move forward on the basis that it appears 7 to me that we do have the authority. If it is not 8 actually stated, it is, I think, clearly implied that 9 10 the Court intended for us to do this. So that's my 11 comment.

12 COMMISSIONER ELLIOTT: Yeah, I would agree. I 13 think -- you know, I would like to thank John 14 Kelliher for getting a quick turnaround of a very 15 informative memo sort of outlying the murky waters 16 that we are in. But I thought that memo was helpful 17 as well.

18 COMMISSIONER FORD: I certainly try to think 19 that I can analyze, synthesize and evaluate 20 information. And I always when I was a principal 21 said I like to err on the side of the child. And 22 this time if I err, it would be on the side of the

ratepayers. So I think that I am in the right field
 this time.

3 COMMISSIONER O'CONNELL-DIAZ: Well, and I think 4 there is solace in that if we are not doing the right 5 thing, that there would be an appeal process that will go forward. So we will get knocked back into 6 our spot if we have overstepped our boundaries. 7 8 CHAIRMAN SCOTT: The revisions have been moved and seconded. Is there further discussion? 9 10 (No response.) 11 All in favor say aye. 12 COMMISSIONERS: Aye. 13 CHAIRMAN SCOTT: Any opposed? 14 (No response.) 15 The vote is five to nothing, and the 16 revisions are adopted. 17 Is there further discussion on this 18 matter? 19 (No response.) 20 I will move to adopt the Order on 21 Remand as revised. Is there a second? 22 COMMISSIONER ELLIOTT: Second.

1 CHAIRMAN SCOTT: It's been moved and seconded. 2 All in favor say aye. COMMISSIONERS: 3 Aye. CHAIRMAN SCOTT: Any opposed? 4 5 (No response.) 6 The vote is five to nothing, and the Order on Remand as revised is entered. 7 And I would like to join the other 8 Commissioners who have already spoken on this but, 9 10 first of all, I thank Judge Haynes for her work on 11 this. She put a lot of work on this, and especially for her patience and the parties' patience. 12 As 13 Commissioner O'Connell-Diaz pointed out, it has been quite awhile since the Order was entered and it's 14 15 just been in front of us for quite a while, and I 16 appreciate her patience and the parties' patience. 17 And also Attorney Kelliher for, as Commissioner Elliott mentioned, a very quick turnaround on those 18 19 issues. So I really appreciate John's work on that 20 as well. 21 Item E-5 is Docket Number 11-0144. 22 This is Peter Fletcher's complaint against ComEd.

1 This item will be held for disposition at a future 2 Commission proceeding. 3 Item E-6 is Docket Number 11-0438. 4 This is Carmen Rosa Pellarieta's complaint against 5 ComEd. The parties have apparently settled their differences and brought a Joint Motion to Dismiss 6 which ALJ Benn recommends we grant. 7 8 Is there any discussion? 9 (No response.) 10 Any objections? 11 (No response.) 12 Hearing none, the Motion to Dismiss is 13 granted. 14 Item E-7 is Docket Number 11-0609. This is ComEd's Rider UF uncollectibles cost 15 16 reconciliation case. ALJ Wallace recommends entry of 17 an Order approving the reconciliation. 18 Is there any discussion? 19 (No response.) 20 Any objections? 21 (No response.) 22 Hearing none, the Order is entered.

1 Item E-8 is Docket Number 12-0031. 2 This is Ameren's petition for the approval of the purchase and sale of property in Princeton. 3 The 4 company has moved to withdraw its petition, and ALJ 5 Yoder recommends granting the withdrawal. Is there any discussion? 6 (No response.) 7 8 Any objections? 9 (No response.) 10 Hearing none, the petition is 11 withdrawn. 12 Item E-9 is Docket Number 12-0058. 13 This is Starion Energy PA's application for a 14 Certificate of Service Authority to operate as an 15 alternative retail electric supplier. ALJ Yoder 16 recommends entry of an Order granting the requested certificate. 17 18 Is there any discussion? 19 (No response.) 20 Any objections? 21 (No response.) 22 Hearing none, the Order is entered.

Item E-10 is Docket Number 12-0059. 1 2 This is ComEd's application for authorization to issue \$1.319 billion in securities for purposes of 3 4 refinancing. ALJ Kimbrel recommends entry of an Order granting the requested relief. 5 Is there any discussion? 6 7 (No response.) 8 Any objections? 9 (No response.) Hearing none, the Order is entered. 10 11 Item E-11 is Docket Number 12-0080. 12 This is Ameren's petition seeking authorization for 13 the construction of a transmission line in Champaign 14 County. Before us today is a Motion to Extend the 15 deadline for Commission action in this case, and ALJ 16 Von Qualen recommends granting the motion. 17 Is there any discussion? 18 (No response.) 19 Any objections? 20 (No response.) 21 Hearing none, the Motion to Extend the 22 deadline is granted.

1 Turning now to Natural Gas, Item G-1 is Docket Number 11-0604. This is Nicor's 2 reconciliation proceeding for revenues collected 3 4 under its Rider 26 regarding previous years' 5 uncollectible costs. ALJ Wallace recommends entry of 6 an Order approving the reconciliation. Is there any discussion? 7 8 (No response.) Any objections? 9 10 (No response.) 11 Hearing none, the Order is entered. Item G-2 is Docket Number 11-0615. 12 13 This is April Hudson's complaint against Nicor. ALJ 14 Teague recommends entry of an Order dismissing this 15 matter without prejudice for want of prosecution. 16 Is there any discussion? 17 (No response.) 18 Any objections? 19 (No response.) 20 Hearing none, the Order is entered. Items G-3 and G-4 (12-0074, 12-0081) 21 22 can be taken together. These items are petitions for

1 confidential and/or proprietary treatment of the 2 petitioners' AGS compliance reports. In each case ALJ Albers recommends entry of an Order granting the 3 4 requested treatment. 5 Is there any discussion? 6 (No response.) Any objections? 7 8 (No response.) 9 Hearing none, the Orders are entered. 10 On to Telecommunications, Items T-1 11 and T-2 can be taken together. These items are 12 filings by Frontier affiliates seeking tariff changes 13 introducing new bundles for business and residential 14 customers. In each case Staff recommends granting 15 the company's request by not suspending the filing. 16 Is there any discussion? 17 (No response.) 18 Any objections? 19 (No response.) 20 Hearing none, the filings will not be 21 suspended. 22 Item T-3 is Docket Number 11-0712.

1 This is Madison River Long Distance Solution's Petition to Withdraw Certificates of Service 2 Authority previously issued to it in Docket Number 3 4 10-0121. ALJ Baker recommends entry of an Order granting withdrawal. 5 Is there any discussion? 6 7 (No response.) 8 Any objections? 9 (No response.) 10 Hearing none, the Order is entered. 11 Item T-4 is Docket Number 11-0777. 12 This is INdigitel Telecom's application for a 13 Certificate of Service Authority under Sections 14 13-403 through 13-405 of the Public Utilities Act. 15 ALJ Riley recommends entry of an Order granting the requested certificates. 16 17 Is there any discussion? 18 (No response.) 19 COMMISSIONER COLGAN: Yeah, I would like to ask 20 Judge Riley a question if I could. 21 JUDGE RILEY: Certainly, yes. 22 COMMISSIONER COLGAN: I mean, I see that AT&T

filed to intervene in the case and stated that they didn't want -- that they wanted language that included whether the offering meets the definition of a telephone exchange service or exchange access under the federal law. And I see all the parties had no objection to that, but I am not exactly sure what that meant.

3 JUDGE RILEY: Well, what I have for you is pure 9 conjecture. But we think it is a situation where 10 Illinois Bell anticipates a subsequent filing in this 11 matter where the applicant may possibly try to assert 12 that it meets the definition of telephone exchange 13 service or exchange access service, thereby possibly 14 requiring AT&T to allow to interconnect with them.

15 And what AT&T wants to foreclose is --16 I don't know if that's the right way to put it. What 17 they want to make sure is that, by the issuance of the certificate in this Order, there is no finding of 18 19 possibility that the applicant can assert that it is 20 also -- therefore meets the definition of telephone 21 exchange service or exchange access service. They 22 are just hedging their bets as much as they can, and

1 they simply wanted language in this Order saying that 2 there is no definition by the Commission. It is pure 3 speculation.

4 COMMISSIONER COLGAN: Okay. So it seems like 5 it is just a placeholder for, if these future filings were to come through, that they don't want to be on 6 record as having agreed to something in this case 7 8 that they might not agree to in a future case. 9 JUDGE RILE: That's it precisely. They just want to preserve their objection for whatever may 10 occur down the road, if anything. 11 12 COMMISSIONER COLGAN: Okay. Thank you. 13 CHAIRMAN SCOTT: Any further discussion on this 14 matter? 15 (No response.)

16 Are there any objections to entering 17 an Order granting the certificates?

18 (No response.)

19 Hearing none, the Order is entered.

20 Items T-5 through T-7 (11-0748,

21 11-0752, 11-0775) can be taken together. These items
22 are joint petitions by telecommunication carriers for

1 approval of their Interconnection Agreements. In 2 each case ALJ Baker recommends entry of an Order approving the agreement. 3 4 Is there any discussion? 5 (No response.) 6 Any objections? 7 (No response.) 8 Hearing none, the Orders are entered. Item T-8 (12-0133) concerns initiating 9 10 a citation proceeding against Affordable Voice Communications for failure to maintain its corporate 11 12 status. Staff recommends entry of an Order 13 initiating the proceeding. 14 Is there any discussion? 15 (No response.) 16 Any objections? 17 (No response.) 18 Hearing none, the Order is entered. 19 Item T-9 is Docket Number 11-0552. 20 This is Verizon South's petition for cancellation of 21 its Certificate of Interexchange Service Authority. 22 Before us today is an Amendatory Order making

1 corrections in the Order we entered on October 5, 2 2011, and ALJ Baker recommends entry of that Amendatory Order. 3 4 Is there any discussion? 5 (No response.) 6 Any objections? 7 (No response.) 8 Hearing none, the Amendatory Order is entered. 9 10 Item T-10 is Docket Number 11-0622. This is a rulemaking proceeding regarding Title 83 11 12 Part 730 of the Administrative Code. Before us today 13 are a proposed Second Notice Order authorizing the 14 submission of proposed amendments to JCAR and a 15 request for oral argument in this matter brought by the Cable Television and Communication Association of 16 17 Illinois. ALJ Albers recommends denying oral argument and entering the Second Notice Order. 18 19 Is there any discussion? 20 (No response.) 21 Any objections? 22 (No response.)

1 Hearing none, the Order is entered, 2 and the oral argument request is denied. 3 Item T-11 is Docket Number 11-0627. 4 This is a rulemaking proceeding regarding Title 83 Part 756 of the Administrative Code. 5 ALJ Albers 6 recommends entry of a Second Notice Order authorizing the submission of the proposed amendments to JCAR. 7 8 Is there any discussion? 9 (No response.) 10 Any objections? 11 (No response.) 12 Hearing none, the Order is entered. 13 Items T-12 through T-18 (11-0781, 11-0782, 11-0809, 12-0008, 12-0015, 12-0053, 12-0078) 14 15 can be taken together. These items are petitions for 16 the confidential and/or proprietary treatment of 17 petitioners' Annual Reports. In each case the ALJ recommends entry of an Order granting the requested 18 19 protective treatment. 20 Is there any discussion? 21 (No response.) 22 Any objections?

1	(No response.)
2	Hearing none, the Orders are entered.
3	We have three Petitions for Rehearing
4	today. Item PR-1 is Docket Numbers 11-0280 and
5	11-0281 Consolidated. This is the Peoples and North
6	Shore Gas rate case, and before us today are
7	Petitions for Rehearing received from the utilities,
8	the Attorney General's Office, the Consumer and
9	Governmental Intervenors, and Interstate Gas Supply
10	of Illinois. ALJs Hilliard and Kimbrel recommend
11	denying all rehearing requests, although they do
12	recommend an Amendatory Order on one issue and seek
13	clarification on another.
14	Are the ALJs available?
15	JUDGE HILLIARD: Yes.
16	JUDGE KIMBREL: Yes.
17	CHAIRMAN SCOTT: Gentlemen, could you describe
18	for us what you are looking for in terms of the
19	Amendatory Order and the clarification?
20	JUDGE HILLIARD: This had to do with the Rider
21	VBA, and the companies noted that on page 164 of the
22	Order of the last line of the section regarding VBA,

1 the last sentence says, "As presenting such over- or 2 under-recovery is the essential attribute of decoupling, the Commission supports taking reasonable 3 4 steps to avoid the results, and the companies' 5 proposal is reasonable is hereby approved." The companies suggest that perhaps the words "is 6 reasonable" should be removed from the Order or, it 7 8 occurs to me, that inserting the word "and" after "is reasonable" would also make it more readable, I 9 10 guess. And that's about all there is to that. 11 CHAIRMAN SCOTT: Comments from any of the 12 Commissioners? 13 All you are looking for then is a direction to place an Amendatory Order on the agenda? 14 15 JUDGE HILLIARD: On the agenda whenever it is 16 convenient for the Commission, yeah, and then what 17 the language is, whether you want words removed or one word added. 18 CHAIRMAN SCOTT: We could leave that to the 19 20 judges. Is there any objection to providing for an 21 Amendatory Order to be placed on the agenda and

22 leaving it to the judges' discretion as to how they

1 will correct that, that issue? Is there any

2 objection to that?

3 COMMISSIONER COLGAN: No.

4 COMMISSIONER O'CONNELL-DIAZ: I would just 5 agree with the recommendation that Judge Hilliard 6 just gave us to insert the word "and."

7 CHAIRMAN SCOTT: Okay. That's fine.

8 COMMISSIONER O'CONNELL-DIAZ: Very simple.

9 CHAIRMAN SCOTT: That's fine then. Without 10 objection then, please place that Amendatory Order on

11 the agenda at your convenience.

12 JUDGE HILLIARD: Thank you.

13 CHAIRMAN SCOTT: Now, is there an issue that we 14 need to clarify the intent on the rate design 15 language?

16 COMMISSIONER ELLIOTT: Well, Mr. Chairman, my 17 office had made those changes. And in reading the 18 companies' application for rehearing, it was clear 19 that they sought clarity that their understanding of 20 the issues was incorrect, and I believe their 21 understanding of it is correct. So I don't believe 22 any clarification is necessary.

1 CHAIRMAN SCOTT: Is there any further discussion on that issue? 2 (No response.) 3 4 Given that there aren't any changes, I 5 don't believe that we need to take any action then. Is there other discussion on this 6 7 particular matter? COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman? 8 CHAIRMAN SCOTT: Yes, Commissioner 9 10 O'Connell-Diaz. COMMISSIONER O'CONNELL-DIAZ: I notice that one 11 12 of the issues that is presented for review is the 13 cash working capital. And if everyone recalls, we had a discussion with the judges. In their Proposed 14 15 Order they determined differently than what the 16 majority voted for in the Order. 17 This issue has been wandering around the Commission, I think, since about 2001, and every 18 time we have it before us, it is problematic. 19 The 20 record and the evidence in this matter, I believe, 21 does not square with the Commission's Order, and I 22 think it is appropriate for rehearing so that we can

1 finally flush this out and finally get the proper,
2 for lack of a better word, formula on how we look at
3 this issue.

And so I think that this particular issue really cries out for rehearing, and so I would request that we rehear that issue so that -- I believe Staff is the party that has an argument. I don't believe it is completely developed in this record, and I think we would benefit from having that finally done properly.

COMMISSIONER FORD: Is that a motion?
 COMMISSIONER O'CONNELL-DIAZ: That is a motion.
 COMMISSIONER FORD: Second.

14 CHAIRMAN SCOTT: Is there further discussion on 15 this issue?

- 16 (No response.)
- 17 All in favor say aye.
- 18 COMMISSIONER FORD: Aye.

19 COMMISSIONER O'CONNELL-DIAZ: Could I just say 20 one more thing?

21 CHAIRMAN SCOTT: Sure.

22 COMMISSIONER O'CONNELL-DIAZ: The Order

1 suggests that the pass-through taxes are not a payment for utility services and, therefore, that's 2 why we determined what we determined in our Order. 3 4 And, unfortunately, that is incorrect. There are 5 several charges, there are several taxes, that are by 6 law considered to be a charge for utility service such as the Energy Assistance charges and the 7 8 Renewable Energy and Resources charges. 9 So our Order is incorrect. And I 10 would suggest to my colleagues that I think it is important that our Orders are correct. 11 And as it 12 stands, it isn't. I think the hearing would correct 13 that incorrect statement that is in the Order on page 14 27. 15 COMMISSIONER COLGAN: And how is that statement 16 incorrect again? Could you elaborate on that?

17 COMMISSIONER O'CONNELL-DIAZ: There is the 18 statement in the Order that the pass-through taxes 19 are not a payment for utility service and not 20 recorded as revenue and, therefore, there should be 21 no revenue lag. Unfortunately, the facts are that 22 there are several charges on those taxes, of the

1 various taxes that are collected, that by law, by law, it states should be considered as a charge for 2 public utility service. So that argument just does 3 4 not hold water. That position does not hold water. 5 And the statutory scheme with regard to those charges is that they are considered utility services charges. 6 Our Order is not square with that. 7 So 8 my point is that we should make sure that our Order comports with what the law is and certainly what the 9 10 evidence is. And at this juncture there is a disconnect. And this is not the only Order that this 11 12 has been a problem with. This has been an issue that 13 has gone forward in several, several cases. 14 Now, I believe the majority cited to 15 three particular Orders of late. There are other Orders that are not cited where the Commission 16 17 determined something different. So my suggestion is that let's get it right. And, you know, if we are so 18 19 confident in our decision as it stands, what's to 20 be -- what's the harm of having rehearing? 21 COMMISSIONER COLGAN: So your request is that we would narrowly rehear the issue as to whether or 22

1 not the utility taxes are appropriately a utility 2 charge and to define which ones are and which ones 3 aren't? Is that --

4 COMMISSIONER O'CONNELL-DIAZ: Well, I think you 5 certainly caught my idea, but I think that the all 6 encompassing -- the timing is an issue. I think that we need to rehear the whole issue so that we have a 7 8 complete record upon which to make our determination. And certainly what you have suggested is what I am 9 10 suggesting would be one of the factors that we would 11 rehear. It is not an extensive issue, but as it 12 stands right now I think that our Order could do with 13 rehearing.

14 COMMISSIONER COLGAN: Is that the issue that 15 the companies asked for rehearing on?

16 COMMISSIONER O'CONNELL-DIAZ: Yes.

17 COMMISSIONER COLGAN: Or are they more broadly 18 asking for the lead lag time of zero days and the 19 whole issue?

20 COMMISSIONER O'CONNELL-DIAZ: Well, the problem 21 is, Commissioner, the evidence that is in the record, 22 and the judges -- I believe Judge Kimbrel would best

1 be able to advise us -- there is a lead lag study 2 that shows something different than what the Order is suggesting. 3 4 CHAIRMAN SCOTT: Is there further discussion on 5 the issue? 6 (No response.) It's been moved and seconded to grant 7 8 rehearing on the issue as delineated by Commissioner 9 O'Connell-Diaz. All in favor say aye. 10 COMMISSIONER O'CONNELL-DIAZ: Ave. 11 COMMISSIONER FORD: Aye. 12 CHAIRMAN SCOTT: Opposed? 13 COMMISSIONER ELLIOTT: No. 14 COMMISSIONER COLGAN: No. 15 CHAIRMAN SCOTT: No. 16 The vote is two for and three against, 17 and the motion to grant rehearing on that issue is not approved. 18 19 There are remaining issues in the 20 Petitions for Rehearing. Again, the recommendation 21 from the ALJs is to deny the remaining rehearing 22 requests. Are there any objections to denying the

1 remaining Petitions for Rehearing? 2 (No response.) 3 Hearing none, the remaining Petitions 4 for Rehearing are denied. Item PR-2 is Docket Number 11-0282. 5 This is Ameren's natural gas rate case, and before us 6 today are Petitions for Rehearing received from 7 Ameren and the Citizens Utility Board. ALJs Albers 8 and Yoder recommend denying the applications for 9 10 rehearing. 11 Is there any discussion? 12 (No response.) 13 Any objections to denying the petitions? 14 15 (No response.) 16 Hearing none, the applications for 17 rehearing are denied. Item PR-3 is Docket Number 11-0710. 18 19 This item concerns our approval of a sourcing 20 agreement for the proposed Chicago Clean Energy coal gasification facility. Before us today are Petitions 21 22 for Rehearing from Nicor, Ameren, Economic

1 Development Intervenors and CCE. ALJ Wallace 2 recommends granting the applications for rehearing filed by Nicor and Ameren, denying the application of 3 4 the Economic Development Intervenors, and makes no 5 recommendation regarding CCE's application. 6 There are a number of issues in play There is some overlap in issues among a couple 7 here. 8 sets of the entities, but I would entertain a motion or any discussion on this particular issue. 9 10 COMMISSIONER ELLIOTT: Well, Mr. Chairman. CHAIRMAN SCOTT: Commissioner Elliott. 11 12 COMMISSIONER ELLIOTT: In the interest of 13 brevity I would make a motion that we grant all requests for rehearing in this case. I think it was 14 15 clear from the beginning that, with the truncated 16 schedule that we had, there was not a sufficient 17 evidentiary record for all of us to be comfortable with the decision in this case, and I would be 18 19 interested in hearing all parties' further 20 presentations in developing a better evidentiary 21 record in which to make a decision in this case. 22 COMMISSIONER FORD: I certainly would concur

1 with Commissioner Elliott. I too want to hear that. 2 I am an auditory learner, so I think that if we have rehearing, I can better be able to make the decision 3 4 on this. So I would like to hear from all 5 intervenors. 6 CHAIRMAN SCOTT: Was that in the form of a motion, Commissioner Elliott? 7 COMMISSIONER ELLIOTT: So moved. 8 9 CHAIRMAN SCOTT: Is that a second, Commissioner 10 Ford? 11 COMMISSIONER FORD: Yes, it is. 12 CHAIRMAN SCOTT: Is there further discussion on 13 this matter? Commissioner Colgan. COMMISSIONER COLGAN: I agree with what 14 15 Commissioner Elliott and Commissioner Ford said. Ι 16 think this is a unique situation and that we need 17 to -- I think we have established procedures for how we handle different things when they come to us and 18 19 this one didn't fit squarely into the context of how 20 we traditionally handle things. And I think it would 21 be in our best interest to just rehear the case. CHAIRMAN SCOTT: Further discussion? 22

1 COMMISSIONER O'CONNELL-DIAZ: I would just suggest that I agree with the comments made so far, 2 but I think that when we have -- in picking up on 3 4 what Commissioner Colgan just suggested, we have 5 proper procedures with regard to handling cases and this we had such a short timeline that the Commission 6 could not do their due diligence. And as we move 7 forward and we get different types of legislation 8 like this, I think there is a lesson to be learned 9 10 when that schedule is compressed and the Commission is not allowed to afford the due process that is 11 12 necessary for us to be able to protect the rights of 13 everyone that is bringing the case here and for us to 14 actually make the review of the record on these 15 somewhat complicated matters. So this now will afford us further time. 16 17 I will suggest, though, that I

personally will be taking a look at what's going on in the docketed proceeding. I noticed, as we were getting to the point that we are today, that there were filings in this matter that really pushed the envelope as to whether they are proper filings or

1 not, affidavits and things of that nature attached to pleadings at the end of the case. I would hope that 2 the attorneys that are handling this go back and read 3 4 the rules of the road with regard to that so that the 5 Commission has the proper evidentiary record upon which to make their determination and that there is 6 not a lot of time spent in motions to strike and 7 things of that nature. Everyone is experienced that 8 are involved here, and I would look forward to that 9 10 professionalism being evidenced in the conduct of the counsels that are involved in these matters. 11 12 CHAIRMAN SCOTT: Further discussion? 13 (No response.) 14 It is moved and seconded to grant 15 rehearing on all the issues brought by the 16 participants. 17 All in favor say aye. 18 COMMISSIONERS: Aye. 19 CHAIRMAN SCOTT: Any opposed? 20 (No response.) 21 The vote is five to nothing, and the 22 Petitions for Rehearing are granted.

1 With that, Judge Wallace, thanks for your hard work on this case. I know there has been a 2 lot for you to do in a fairly compressed time, and we 3 4 just gave you a lot more. 5 JUDGE WALLACE: You just gave me more. I wanted to recognize that and 6 CHAIRMAN SCOTT: both thank you for what you have done and in advance 7 for what you will do on this case. 8 9 We have a few items of other business 10 up for consideration today. We will begin with the approval of results from the IPA's recent procurement 11 12 events for Ameren and ComEd concerning the 13 procurement of renewable energy certificates pursuant 14 to Section 16-111.5(k-5) of the Public Utilities Act. 15 Is there any discussion? 16 (No response.) 17 Is there any objection to approving the results consistent with the procurement 18 administrator's recommendation? 19 20 (No response.) Hearing none, the results are approved 21 22 for both the Ameren and ComEd REC procurement events.

Our last item is a FERC matter which 1 will require us to go into Closed Session. 2 3 Is there a motion to go into Closed 4 Session? COMMISSIONER ELLIOTT: So moved. 5 CHAIRMAN SCOTT: Is there a second? 6 COMMISSIONER COLGAN: Second. 7 CHAIRMAN SCOTT: It's been moved and seconded. 8 9 All in favor say aye. 10 COMMISSIONERS: Aye. CHAIRMAN SCOTT: Opposed? 11 12 (No response.) 13 The vote is five to nothing. We will 14 now go into Closed Session. Let us know when you are 15 ready in Chicago. 16 (Whereupon at this point 17 pages 41 - 47 of the 18 proceedings are 19 contained in a separate 20 closed transcript.) 21 22

1	CONTINUATION OF PROCEEDINGS
2	CHAIRMAN SCOTT: In Closed Session the
3	Commission discussed making a filing in FERC Docket
4	Number EL 12-24.
5	Is there a motion to make a filing
6	with FERC?
7	COMMISSIONER ELLIOTT: So moved.
8	CHAIRMAN SCOTT: Is there a second?
9	COMMISSIONER COLGAN: Second.
10	CHAIRMAN SCOTT: It's been moved and seconded.
11	All in favor say aye.
12	COMMISSIONERS: Aye.
13	CHAIRMAN SCOTT: Any opposed?
14	(No response.)
15	The vote is five to nothing, and the
16	filing will be made with FERC.
17	Judge Wallace, are there any other
18	matters to come before the Commission today?
19	JUDGE WALLACE: No, that's about it.
20	CHAIRMAN SCOTT: Thank you, sir. Hearing none,
21	this meeting stands adjourned.
22	BENCH SESSION ADJOURNED