

1 BEFORE THE
2 ILLINOIS COMMERCE COMMISSION

3
4 EMERGENCY SPECIAL OPEN MEETING
5 (PUBLIC UTILITY)

6
7 Springfield, Illinois
8 Tuesday, April 12, 2011

9 Met, pursuant to notice, at 11:15 a.m. in
10 the Audiovisual Conference Room, Second Floor, Leland
11 Building, 527 East Capitol Avenue, Springfield,
12 Illinois.

13
14 PRESENT:

15 MR. DOUGLAS P. SCOTT, Chairman

16 MS. LULA M. FORD, Commissioner
17 (Via teleconference)

18 MS. ERIN M. O'CONNELL-DIAZ, Commissioner
19 (Via teleconference)

20 MR. SHERMAN J. ELLIOTT, Commissioner

21 MR. JOHN COLGAN, Acting Commissioner

22 SULLIVAN REPORTING COMPANY, by
 Carla J. Boehl, Reporter
 CSR #084-002710

1 PROCEEDINGS

2 CHAIRMAN SCOTT: Pursuant to the provisions of
3 the Illinois Open Meetings Act, I now convene an
4 Emergency Special Open Meeting of the Illinois
5 Commerce Commission. With me in Springfield are
6 Commissioner Elliott and Acting Commissioner Colgan.
7 With us in Chicago are Commissioner Ford and
8 Commissioner O'Connell-Diaz. I am Chairman Scott.
9 We have a quorum.

10 We have one item to consider at
11 today's Emergency Special Open Meeting. This item is
12 the consideration of price benchmarks for Ameren's
13 capacity auction. Is there a motion to approve the
14 benchmarks?

15 ACTING COMMISSIONER COLGAN: So moved.

16 CHAIRMAN SCOTT: Is there a second?

17 COMMISSIONER O'CONNELL-DIAZ: I have a question
18 before we -- and is anybody from Staff there or am I
19 allowed to ask a question as long as I stay out of
20 numbers? Contained in the memo -- good morning,
21 Richard.

22 MR. ZURASKI: Good morning.

1 COMMISSIONER O'CONNELL-DIAZ: On page 2 of the
2 memo you mention that if we were to desire the
3 procurement administrators to produce an alternative
4 benchmark methodology, then in fact we don't have the
5 time to do that due to delay in IPA in hiring the
6 procurement administrators. Essentially the
7 Commission's been robbed of an opportunity to improve
8 on something if we chose to because we didn't have
9 this material to us in a timely fashion.

10 On a going forward basis how can we
11 assure that that doesn't happen again? Because, I
12 mean, these are the prices that people are paying.
13 And if the Commission is not fully enamored with the
14 results but we don't have any more time left to, you
15 know, behind the scenes administrative stuff, that's
16 concerning for me. I would imagine it is
17 concerning -- I mean, you noted it, so it is a
18 concern for the Commission. And how do we alleviate
19 this problem on a going forward basis? Do you have
20 any idea?

21 MR. ZURASKI: I don't think there is anything
22 that the Commerce Commission can do to alleviate it

1 insofar as the IPA is an independent -- or I
2 shouldn't say independent, but it is another Illinois
3 agency under the executive branch. And the benchmark
4 process really starts with the procurement
5 administrator. Under the statute it has to start
6 with the procurement administrator that the IPA
7 hires. So unless they start hiring procurement
8 administrators perhaps in a more timely fashion, I
9 don't really see how we don't get into this problem
10 either every year or every year that it is necessary
11 to hire new procurement administrators.

12 One thing that I was thinking about
13 recently is perhaps we could have an administrative
14 rule in place that sets forth a process for the
15 hiring of procurement administrators, the
16 justification being that the Commission has to
17 approve the procurement administrators. And that's
18 all well and good, but I don't know what happens if,
19 notwithstanding that rule, there is, you know, a
20 three, four months delay as we have been
21 experiencing.

22 COMMISSIONER O'CONNELL-DIAZ: Well, and it is

1 not against the procurement administrators. It is
2 this opportunity for an alternative benchmark that we
3 have been really kind of like denied that opportunity
4 to do that again because of the start-up delay in
5 hiring those procurement administrators.

6 So the bull here is to get the lowest
7 price possible. And if we were given something that
8 we felt we needed to get an alternative methodology
9 on, we would not have that time. I think it is just
10 something that we should be thinking about at the
11 Commission and how to improve the process. I think
12 we have all struggled with the kind of starts and
13 stops and things that have been occasioned from this
14 process.

15 ACTING COMMISSIONER COLGAN: Well, I would have
16 to agree with that. You know, it's my second time
17 through here and it seems like it is always the same
18 situation. You get something, you get it the day
19 before or maybe two days before, and you have no time
20 for mature reflection on the issues nor if you are
21 going to make -- you know, if you are going to make
22 an adjustment to it, the complicated calculations

1 that would need to be factored in, in this very short
2 window period of time, is really prohibitive.

3 And maybe it is in our interest to
4 think about do we have any recourse. Certainly we
5 can have a communication with somebody about this.

6 COMMISSIONER ELLIOTT: That's what I was
7 thinking. Just sending a letter.

8 ACTING COMMISSIONER COLGAN: And I am wondering
9 who we would send the letter to. Is it the governor?
10 I guess it is an agency of the state under the
11 auspices of the governor's office, and maybe just say
12 here is the situation. And not file it so much as a
13 complaint, as a concern, that we are required by
14 statute to review this and approve these
15 administrators, you know, and their proposals, but we
16 don't really have the kind of time frame, especially
17 when we don't know who they are going to be, before
18 it is already on us.

19 MR. ZURASKI: If I could just make one further
20 comment, sort of one thing in defense of the IPA, the
21 agency has indicated that they actually attempted to
22 start the process, I want to say, November. I think

1 it was November. And that the delay until March was
2 basically due to some initial misunderstandings
3 relative to, what's it called, the Ethics Commission,
4 whether they had jurisdiction over this hiring of
5 procurement administrators. So he was kind of
6 waiting for a ruling from them before he moved
7 forward and that took all the way until February.

8 COMMISSIONER O'CONNELL-DIAZ: Well, I think we
9 are all cognizant of the fact that -- and I am not
10 saying this against IPA. But the bottom line is
11 there is no opportunity for us to, if we chose to
12 reject these, to do something else. And all of this
13 other -- and I don't mean to say that it is nonsense,
14 but that is work that should have been taken care of.

15 And I am not casting aspersions on the
16 staff people or the procurement administrators, but
17 the process. There is a problem with the process.
18 We are not getting stuff in the timely way that it
19 is, I think, anticipated that we would get and the
20 business-like way. And the bottom line is that we
21 are in charge of approving these numbers that our
22 consumers are going to be paying. And in our

1 judgment call, if we say we don't like it, we don't
2 have time to run another procurement benchmark
3 process because things are not taken care of at the
4 front end in a timely and business-like fashion.
5 This is business and it is the consumers' business
6 and it is the Commission's business when we have to
7 vote on it.

8 And these other things that are
9 happening that are administrative in and of this
10 other agency, I mean, it is beyond unacceptable. So
11 and, you know, it is a shirt that we will wear
12 because we end up approving this, so.

13 COMMISSIONER FORD: My suggestion would be,
14 Chairman, that you could send a letter and ask that
15 we get this in a timely fashion, realizing all of the
16 other issues that have occurred. But for our next
17 auction, that we would hope that it would be done in
18 a timely fashion.

19 CHAIRMAN SCOTT: Is there any objections to
20 that?

21 ACTING COMMISSIONER COLGAN: No.

22 COMMISSIONER ELLIOTT: I would consider that.

1 CHAIRMAN SCOTT: Thank you. We actually still
2 have a motion on the floor to approve the benchmarks.
3 Is there a second?

4 COMMISSIONER ELLIOTT: Second.

5 CHAIRMAN SCOTT: It's been moved and seconded.
6 All in favor say aye.

7 COMMISSIONERS: Aye.

8 CHAIRMAN SCOTT: Any opposed say nay.

9 (No response.)

10 The vote is five to nothing and the
11 Ameren capacity auction price benchmarks are
12 approved.

13 Judge Wallace, are there any other
14 matter for our consideration?

15 JUDGE WALLACE: No, Mr. Chairman.

16 CHAIRMAN SCOTT: Thank you very much. Hearing
17 none, this meeting stands adjourned.

18 MEETING ADJOURNED

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