

1                                   BEFORE THE  
2                                   ILLINOIS COMMERCE COMMISSION  
3  
4                                   BENCH SESSION  
5                                   (PUBLIC UTILITY)  
6                                   Wednesday, June 11, 2014  
7                                   Chicago, Illinois

8  
9                                   Met, pursuant to notice, at 10:30 a.m. at  
10 160 North LaSalle Street, 8th Floor, Chicago, Illinois.

11

12 PRESENT:

13

MR. DOUGLAS P. SCOTT, Chairman

14

MR. JOHN T. COLGAN, Commissioner

15

MS. ANN McCABE, Commissioner

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MR. MIGUEL DEL VALLE, Commissioner

17

MS. SHERINA E. MAYE, Commissioner

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19

20

21 MIDWEST LITIGATION SERVICES, by,  
22 KRISTI LANDOLINA,  
23 Certified shorthand reporter  
24 Illinois CSR No. 084-004611  
25

1           COMMISSIONER COLGAN: Good morning. Pursuant to  
2 provisions of the Open Meetings Act, I now convene a  
3 regularly scheduled Bench session for the Illinois  
4 Commerce Commission. With me in Chicago are  
5 Commissioners McCabe, Commissioner del Valle,  
6 Commissioner Maye, I'm Commissioner Colgan. And we have  
7 a quorum. We should also have Chairman Scott available  
8 on the phone.

9                     Are you there, Chairman?

10           CHAIRMAN SCOTT: I am, Commissioner Colgan. Thank  
11 you.

12           COMMISSIONER COLGAN: We'll have to vote to allow  
13 Chairman Scott to participate by phone.

14                     I move to allow Chairman Scott's participation  
15 by phone. Is there a second?

16           COMMISSIONER McCABE: Second.

17           COMMISSIONER COLGAN: It's been moved and seconded.  
18 All in favor say aye.

19                     (Ayes heard.)

20           COMMISSIONER COLGAN: Any opposed?

21                     (No response.)

22           COMMISSIONER COLGAN: The vote is four to zero and  
23 Chairman Scott may participate in today's meeting by  
24 phone.

25                     According to Section 170.10 of Title 2 of the

1 Administrative Code this is the time we allow members of  
2 the public to address the Commission. Members of the  
3 public wishing to address the Commission, must notify  
4 the Chief Clerk's office at least 24 hours prior to the  
5 Commission's meetings. According to the Chief Clerk's  
6 office, we have no requests to speak at today's bench  
7 session.

8 Moving to the Public Utility agenda, we begin  
9 with the approval of minutes from our May 6th Gas  
10 Pipeline Safety Policy Session, our May 7th Bench  
11 Session, our May 13th Regular Open Meeting, our May 14th  
12 Electric and Gas Policy Session, and our May 20th  
13 Regular Open Meeting. I understand amendments have been  
14 forwarded for all sets of minutes.

15 Is there a motion to amend all sets of  
16 minutes?

17 COMMISSIONER McCABE: So moved.

18 COMMISSIONER COLGAN: Is there a second?

19 CHAIRMAN SCOTT: Second.

20 COMMISSIONER COLGAN: It's been moved by  
21 Commissioner McCabe, seconded by Chairman Scott.

22 All in favor say aye.

23 (Ayes heard.)

24 COMMISSIONER COLGAN: Any opposed?

25 (No response.)

1           COMMISSIONER COLGAN: The vote is five to zero and  
2 the amendments are adopted.

3           Is there a motion to approve all sets of  
4 minutes as amended?

5           COMMISSIONER MAYE: So moved.

6           COMMISSIONER McCABE: Second.

7           COMMISSIONER COLGAN: It's been moved by  
8 Commissioner Maye, seconded by Commissioner McCabe.

9           All in favor say aye.

10                           (Ayes heard.)

11           COMMISSIONER COLGAN: Any opposed?

12                           (No response.)

13           COMMISSIONER COLGAN: The vote is five to zero.  
14 The minutes from our May 6th Gas Pipeline Safety Policy  
15 Session, our May 7th Bench Session, our May 13th Regular  
16 Open Meeting, our May 14th Electric and Gas Policy  
17 Session, and our May 20th Regular Open Meeting as  
18 amended are approved.

19           Turning now to the electric portion of today's  
20 agenda. Item E-1 is Docket No. 12-0298, 13-0285, and  
21 14-0212 consolidated. This is ComEd's petition for  
22 approval to accelerate its Smart Meter Deployment under  
23 its previously approved AMI plan. ALJ Dolan recommends  
24 entry of an Order granting ComEd's petition.

25           Is there any discussion?

1 Commissioner del Valle.

2 COMMISSIONER DEL VALLE: Question. The Order  
3 indicates that ComEd will continue to educate all  
4 customers after they receive AMI meters and will engage  
5 these customers to realize AMI meter benefits. It also  
6 indicates outreach efforts will match deployment  
7 efforts. How are the benefits being recorded? How is  
8 it being reported, benefits that are realized?

9 ADMINISTRATIVE LAW JUDGE DOLAN: As in the  
10 educational aspect you're talking?

11 COMMISSIONER DEL VALLE: You have --

12 ADMINISTRATIVE LAW JUDGE DOLAN: What page are you  
13 on?

14 COMMISSIONER DEL VALLE: You indicate -- Again,  
15 I'll read from your -- ComEd will continue to educate  
16 all customers after they receive AMI meters and will  
17 engage those customers to realize AMI meter benefits.  
18 If they are engaging customers to realize benefits, how  
19 is that being recorded? How is that activity being  
20 recorded? How are those benefits being reported?

21 ADMINISTRATIVE LAW JUDGE DOLAN: They will be  
22 coming in for the reconciliation and for a prove up on  
23 all of their costs.

24 COMMISSIONER DEL VALLE: Just through the  
25 reconciliation process. Is there any other way of

1 monitoring the benefits that are realized after the AMI  
2 meter is installed for customers?

3 ADMINISTRATIVE LAW JUDGE DOLAN: Not that I'm aware  
4 of.

5 COMMISSIONER DEL VALLE: That's it? Because this  
6 has been a big selling point.

7 ADMINISTRATIVE LAW JUDGE DOLAN: I understand you.

8 COMMISSIONER DEL VALLE: Yet all we can look at is  
9 the reconciliation.

10 ADMINISTRATIVE LAW JUDGE DOLAN: Or the reports  
11 filed by the company, yes. I do know that both -- that  
12 was a concern of all the other intervenors in this  
13 docket. I hope that the company takes it serious and we  
14 do indicate we want to make sure this is pushed forward  
15 so customers do realize the benefits of these meters.

16 As far as putting anything specific in the  
17 Order to provide us with any additional information, no,  
18 there is nothing in addition on there.

19 COMMISSIONER DEL VALLE: Thank you.

20 CHAIRMAN SCOTT: Commissioner Colgan, I think  
21 Commissioner del Valle has a good point. I think there  
22 are some benefits that we've recognized during the  
23 course of this that will come from the process, the  
24 acceleration of the meters. First of all, people are  
25 paying for them already. To have any acceleration of

1 the meters coming in and giving something that they are  
2 paying for on an expedited schedule, not only makes  
3 sense to me. But second, we have heard from --  
4 anecdotally obviously, but we have heard from ARES and  
5 from others that there are opportunities that can come  
6 from different pricing programs and different offers  
7 that might be able to be made to customers that the  
8 customers might like based on having the meters in  
9 place.

10 In addition, I think we have been told  
11 consistently throughout this process, and I think there  
12 are ways of measuring this, that it helps in terms of  
13 outage restoration because the company will -- the  
14 utility will know which meters are not functioning,  
15 which ones are out, rather than having to do what they  
16 used to have to do is to either rely on people to call  
17 in or driving by going house by house.

18 I think there are some benefits we've seen  
19 during the course of this. I don't know a lot of them  
20 are easily measurable but I feel strongly that I think a  
21 lot of benefits might come from this. I think it's good  
22 that the company is trying to move the schedule up.

23 COMMISSIONER DEL VALLE: Mr. Chairman, I agree with  
24 you. I'm looking for the metrics that will allow us to  
25 better gauge how customers are benefitting. We all know

1 generally speaking what the benefits will be. Are we,  
2 for example, keeping track of the savings that customers  
3 realize through realtime or through other means and are  
4 we waiting for a year before we can assess that or is  
5 there an ongoing recording of the participants, for  
6 example, that show us that there's a corresponding  
7 increase in the number of customers benefitting from  
8 these savings as these meetings are being deployed?

9           Those are the kinds of questions. I guess,  
10 I'm looking for a deeper kind of analysis of what those  
11 benefits that are realized will be or are.

12           CHAIRMAN SCOTT: I think on the AMI portion where  
13 we're talking about customer benefits based on customer  
14 choice and programs that you're referring to, I don't  
15 know that there's any kind of running tally other than  
16 we can find out how many people are taking advantage of  
17 different kinds of programs by making requests of the  
18 different areas as we go along. I think it's too new  
19 for us to have anything like that yet.

20           But on the other part, on the performance side  
21 with respect to outages and things like that, there is a  
22 metric for that. It's actually in the statute they are  
23 organizing every year that measures the number and  
24 frequency of them, so we should be able to tell. In  
25 fact, we have to be able to tell because part of the



1 return for the utility depends on it. We'll be able to  
2 tell what that metric is in terms of outages. First  
3 part of it, you're right, it's a little harder to  
4 measure.

5 COMMISSIONER COLGAN: I agree with you,  
6 Commissioner Del Valle, that this is a really important  
7 business that, number one, people know they have a smart  
8 meter. If they know they have a smart meter, do they  
9 understand the capabilities of that meter and how the  
10 various benefits can be accessed in terms of taking  
11 advantage of that meter is all very much a big package  
12 of potential things that I think -- so customers are  
13 aware. There's not much that will change in terms if it  
14 all works out for customer benefit. And that has to be  
15 the number one priority here is to maintain customer  
16 benefit.

17 Any other further discussion on this issue?

18 (No response.)

19 COMMISSIONER COLGAN: Is there a motion to enter  
20 the Order?

21 COMMISSIONER McCABE: So moved.

22 COMMISSIONER COLGAN: Is there a second?

23 CHAIRMAN SCOTT: Second.

24 COMMISSIONER COLGAN: It's been moved and seconded.  
25 All in favor say aye.

1 (Ayes heard.)

2 COMMISSIONER COLGAN: Any opposed?

3 (No response.)

4 COMMISSIONER COLGAN: The vote is five to zero.  
5 The Order is entered. We will use this five-to-zero  
6 vote for the remainder of today's public utility agenda  
7 unless otherwise noted.

8 Item E-2 is Docket No. 13-0295. This is Linda  
9 Richardson's complaint against ComEd as to  
10 billing/charges. ALJ Jorgenson recommends entry of an  
11 Order denying the compliant.

12 Is there any discussion.

13 (No response.)

14 COMMISSIONER COLGAN: Any objections?

15 (No response.)

16 COMMISSIONER COLGAN: Hearing none, the Order is  
17 entered.

18 Item E-3 is Docket No. 13-0529. This is the  
19 reconciliation of revenues collected under ComEd's Rider  
20 EDA with actual costs associated with energy efficiency  
21 and demand response programs. ALJ Haynes recommends  
22 entry of an Order approving the reconciliation.

23 Is there any discussion?

24 (No response.)

25 COMMISSIONER COLGAN: Are there any objections?

1 (No response.)

2 COMMISSIONER COLGAN: Hearing none, the Order is  
3 entered.

4 Item E-4 is Docket No. 12-0456. This is our  
5 deployment and adoption of rules -- development and  
6 adoption of rules concerning municipal aggregation. ALJ  
7 Haynes recommends entry of a Second Notice Order and  
8 Appendix.

9 Is there any discussion?

10 COMMISSIONER MAYE: I do, Commission Colgan. Thank  
11 you. I wanted to renew my position, which I stated  
12 originally when the Commission approved the First Notice  
13 Order. I did not at that time support the changes to  
14 the PEPO's conclusion on Section 278.40 regarding notice  
15 to RES customers. I'm still concerned allowing the  
16 aggregation supplier to send notice of the aggregation  
17 programs to though customers receiving or pending to  
18 receive non-aggregation RES service unfairly influences  
19 the competition. Even those I disagree with this  
20 portion of the Second Notice Order, I will still support  
21 the Order in its entirety. Thank you.

22 COMMISSIONER COLGAN: Commissioner McCabe.

23 COMMISSIONER McCABE: On November 6th when we voted  
24 on the First Notice Rule, I added my remarks by saying  
25 if the First Notice Rule falls short in these areas, the

1 parties should let us know. They did. In the reply  
2 comments on the issue of RES customer education we set  
3 up the coalition of energy suppliers all opposed to  
4 consistent RES customers about meeting aggregation.  
5 ICEA is not opposed to the provision that prohibits  
6 aggregation suppliers from sending notices to RES  
7 customers; however, to the first order it reversed the  
8 first ALJ's proposed rule and requiring the same RES  
9 customers to receive notice for the aggregation program.  
10 So I share Commissioner Maye's concerns. Thank you.

11 COMMISSIONER COLGAN: Further discussion?

12 (No response.)

13 COMMISSIONER COLGAN: Is there a motion to enter  
14 the Order?

15 COMMISSIONER DEL VALLE: So moved.

16 COMMISSIONER COLGAN: So moved by Commissioner del  
17 Valle. Is there a second?

18 CHAIRMAN SCOTT: Second.

19 COMMISSIONER COLGAN: Seconded by Chairman Scott.  
20 It's been moved and seconded to enter the Order.

21 All in favor say aye.

22 (Ayes heard.)

23 COMMISSIONER COLGAN: Any opposed?

24 (No response.)

25 COMMISSIONER COLGAN: Hearing none, the Order is

1 entered.

2           Item E-5 is Dynegy Energy Services'  
3 application for a certificate of service authority to  
4 operate as an ARES in Illinois. ALJ Sainsot recommends  
5 entry of an Order granting the requested relief.

6           Is there any discussion?

7                           (No response.)

8           COMMISSIONER COLGAN: Any objections?

9                           (No response.)

10          COMMISSIONER COLGAN: Hearing none, the Order is  
11 entered.

12           Item E-6 and E-7 can be taken together. These  
13 items are petitions for cancellation of a certificate of  
14 service authority to operate as an ARES in Illinois. In  
15 both cases ALJ Sainsot recommends entry of the Order  
16 granting the requested relief.

17           Is there any discussion?

18                           (No response.)

19          COMMISSIONER COLGAN: Any objections?

20                           (No response.)

21          COMMISSIONER COLGAN: Hearing none, the Orders are  
22 entered.

23           Item E-8 through E-13 can be taken together.  
24 These items are petitions for confidential and/or  
25 propriety treatment of petitioners various annual

1 compliance reports. In each case the ALJ recommends  
2 entry of an Order granting the requested relief.

3 Is there any discussion?

4 (No response.)

5 COMMISSIONER COLGAN: Any objections?

6 (No response.)

7 COMMISSIONER COLGAN: Hearing none, the Orders are  
8 entered.

9 Items E-14 through E-21 can be taken together.  
10 These items are applications for certification to  
11 install, maintain, or repair electric vehicle charging  
12 station facilities under Section 16-128A of the Public  
13 Utilities Act. In each case the ALJ recommends entry of  
14 an Order granting the requested certificate.

15 Is there any discussion?

16 (No response.)

17 COMMISSIONER COLGAN: Any objections?

18 (No response.)

19 COMMISSIONER COLGAN: Hearing none, the Orders are  
20 entered.

21 Turning now to Natural Gas. Item G-1, Docket  
22 No. 14-0117. This is Rodney Rogers' complaint against  
23 People's Gas as to billing/charges. It appears the  
24 parties have settled their differences and filed a Joint  
25 Motion to Dismiss, which ALJ Haynes recommends we grant.

1                   Is there any discussion?

2                                   (No response.)

3           COMMISSIONER COLGAN: Any objections?

4                                   (No response.)

5           COMMISSIONER COLGAN: Hearing none, the motion is  
6 granted and the compliant is dismissed.

7                   On to Telecommunications, Item T-1 is Docket  
8 No. 13-0067. This is Sandra Sutton's compliant against  
9 AT&T as to billing/charges. Complainant was unable to  
10 proceed with her complaint within the statutory deadline  
11 due to ill health. As a result, ALJ Riley recommends  
12 entry of an Order dismissing the compliant without  
13 prejudice to give the complainant time to recover before  
14 proceeding with re-filing her claim.

15                   Is there any discussion?

16                                   (No response.)

17           COMMISSIONER COLGAN: Are there any objections?

18                                   (No response.)

19           COMMISSIONER COLGAN: Hearing none, the Order is  
20 entered.

21                   Item T-2 is Docket No. 13-0545. This is  
22 Henrietta Coleman's complaint against AT&T as to  
23 billing/charges. It appears the parties have settled  
24 their differences and filed a Joint Motion to Dismiss  
25 which ALJ Baker recommends we grant.

1                   Is there any discussion?

2                                 (No response.)

3           COMMISSIONER COLGAN: Any objections?

4                                 (No response.)

5           COMMISSIONER COLGAN: Hearing none, the motion is  
6 granted and the complaint is dismissed.

7                   Item T-3 through T-6 can be taken together.  
8 These items are petitions for the cancellation of  
9 petitioners various certificates of service authority.  
10 In each case ALJ recommends entry of an Order granting  
11 the requested relief.

12                   Is there any discussion?

13                                 (No response.)

14           COMMISSIONER COLGAN: Any objections?

15                                 (No response.)

16           COMMISSIONER COLGAN: Hearing none, the Orders are  
17 entered.

18                   Item T-7 is Docket No. 14-0281. This is  
19 Frontier North Incorporated's petition for the  
20 confidential and/or proprietary treatment of its annual  
21 report. ALJ Haynes recommends entry of an Order  
22 granting the requested relief.

23                   Is there any discussion?

24                                 (No response.)

25           COMMISSIONER COLGAN: Are there any objections?



1 ADMINISTRATIVE LAW JUDGE HAYNES: Excuse me,  
2 Chairman. T-7 is 14-0176 and it's been withdrawn and  
3 T-8 is 14-0281.

4 COMMISSIONER COLGAN: My notes are wrong. T-7 is  
5 14- -- What is it?

6 ADMINISTRATIVE LAW JUDGE HAYNES: 0176 and that's  
7 been withdrawn. T-8 is the 14-0281, which is Time  
8 Warner.

9 COMMISSIONER COLGAN: Thank you. So Item T-7 is  
10 withdrawn.

11 Item T-8 is Docket No. 14-0281. This is Time  
12 Warner Cable Information Service's petition for the  
13 confidential and/or proprietary treatment of its annual  
14 report. Subsequent to filing petitioner filed a request  
15 to withdraw petition, which ALJ Riley now recommends we  
16 grant.

17 Is there any discussion?

18 (No response.)

19 COMMISSIONER COLGAN: Any objections?

20 (No response.)

21 COMMISSIONER COLGAN: Hearing none, the motion is  
22 granted.

23 Item T-9 is Docket No. 14-0324. This is  
24 Budget Prepay's petition for the confidential and/or  
25 proprietary treatment of its annual report. ALJ Haynes

1 recommends entry of an Order granting the requested  
2 relief.

3 Is there any discussion?

4 (No response.)

5 COMMISSIONER COLGAN: Any objections?

6 (No response.)

7 COMMISSIONER COLGAN: Hearing none, the Order is  
8 entered.

9 Item T-10 is Docket No. 13-0590. This is our  
10 proceeding to repeal 83 Illinois Administrative Code  
11 720, 9-1-1 Implementation Reports, Part 720, because the  
12 underlying statutory provision authorizing Part 720 has  
13 been repealed. ALJ Albers recommends entry of an Order  
14 repealing the rule.

15 Is there any discussion?

16 (No response.)

17 COMMISSIONER COLGAN: Are there any objections?

18 (No response.)

19 COMMISSIONER COLGAN: Hearing none, the Order is  
20 entered.

21 Item T-11 is Docket No. 14-0076. This is our  
22 amendment of 83 Administrative -- Illinois  
23 Administrative Code 736, Service Quality and Customer  
24 Protection Applicable to Wireless Eligible  
25 Telecommunications Carriers. ALJ Riley recommends entry

1 of an Order authorizing adoption of the proposed  
2 amendments, effective upon filing with the Secretary of  
3 State.

4 Is there any discussion?

5 (No response.)

6 COMMISSIONER COLGAN: Are there any objections?

7 (No response.)

8 COMMISSIONER COLGAN: Hearing none, the Order is  
9 entered.

10 On to Water and Sewer. Item W-1 is WRM  
11 14-008. This is Aqua Illinois's filing for a general  
12 increase in water rates for the Kankakee service  
13 territory. Staff recommends entry of an Order  
14 suspending the filing and setting the matter for  
15 hearing.

16 Is there any discussion?

17 (No response.)

18 COMMISSIONER COLGAN: Any objections?

19 (No response.)

20 COMMISSIONER COLGAN: Hearing none, the Order is  
21 entered.

22 Item W-2 is WRM No. 14-009. This is Crystal  
23 Clear Water Company's filing to implement increased  
24 water rates pursuant to the Simplified Rate Case  
25 Procedure. Staff recommends that we approve the

1 increase by not suspending the file.

2 Is there any discussion?

3 (No response.)

4 COMMISSIONER COLGAN: Any objections?

5 (No response.)

6 COMMISSIONER COLGAN: Hearing none, the filing is  
7 not suspended.

8 Item W-3 is Docket No. 14-0237. This is  
9 Illinois American's petition -- pardon me -- 236.

10 Item W-3 is Docket No. 14-236. This is  
11 Illinois American's petition under Section 7-101 of the  
12 Public Utility Act for Approval of Affiliated Interest  
13 Transaction Regarding Issuance and Sale of \$82,000,000  
14 of indebtedness.

15 ADMINISTRATIVE LAW JUDGE SAINSOT: Excuse me,  
16 Mr. Chairman -- Excuse me, Commissioner. There's two  
17 related documents, 14-0236, which is an informational  
18 statement and -- which is pursuant to Section 6-102(d)  
19 and then there's the one 14-0237, which is the petition  
20 under 7-101 of the Public Utilities Act.

21 COMMISSIONER COLGAN: I was taking 14-0237 maybe  
22 out of order here. I have 37 first. We can do 0236,  
23 then go to 237. Okay.

24 Item W-4 is Docket No. 14-02036. This is  
25 Illinois American's Informational Statement under

1 Section 6-102(d) regarding issuance and sale of  
2 \$82,000,000 of long-term indebtedness associated with  
3 Docket No. 14-0237. ALJ Sainsot recommends entry of an  
4 Order approving the refinancing contemplated in the  
5 informational statement.

6 Is there any discussion?

7 (No response.)

8 COMMISSIONER COLGAN: Any objections?

9 (No response.)

10 COMMISSIONER COLGAN: Hearing none, the Order is  
11 entered.

12 Item W --

13 COMMISSIONER MAYE: Did we do those together?

14 ADMINISTRATIVE LAW JUDGE DOLAN: You did say W-4  
15 for 237 and that should be W-3.

16 COMMISSIONER COLGAN: 236 is W-3.

17 ADMINISTRATIVE LAW JUDGE DOLAN: And 237 is W-4.

18 COMMISSIONER COLGAN: W-4 is Docket No. 14-0237.

19 This is Illinois American's petition under Section 7-101  
20 of the Public Utility Act for approval of Affiliated  
21 Interest Transaction regarding issuance and sale of  
22 \$82,000,000 of indebtedness. ALJ Sainsot recommends  
23 entry of an Order granting the requested relief.

24 Is there any discussion?

25 (No response.)

1 COMMISSIONER COLGAN: Are there any objections?

2 (No response.)

3 COMMISSIONER COLGAN: Hearing none, the Orders are  
4 entered.

5 On to Miscellaneous Items. Item M-1 is Docket  
6 No. 11-0711. This is the Commission's development and  
7 adoption of rules considering rate case expenses. ALJ  
8 Sainsot recommends entry of an Order authorizing the  
9 First Notice Period.

10 I understand the joint edits are being  
11 proposed by Commissioner Maye and Commissioner McCabe.

12 Commissioners.

13 COMMISSIONER MAYE: Thank you, Commissioner Colgan.  
14 On November 2nd, 2011 the Commission issued an Order  
15 initiating this docket based on the General Assembly's  
16 enactment of Section 9-229 of the Public Utilities Act.  
17 Section 9-229 requires the Commission specifically  
18 assess the justness and reasonableness of the attorney's  
19 fees and the expert fees expended by the utility to  
20 prepare and litigate a rate case. The purpose of this  
21 rule is to provide guidance for all parties as to what  
22 evidence is needed to establish attorney fees and expert  
23 witness fees. After many workshops among interested  
24 parties, the staff found a proposed rule for the  
25 parties' consideration.

1           A proposed order by the ALJ was issued on  
2 April 30, 2013, and after the parties filed briefs on  
3 exceptions, the Commission heard oral arguments.  
4 Commissioner McCabe and I proposed two separate  
5 amendments that necessitate several changes to the PEPO  
6 and the rule.

7           First, as it concerns the general meeting of  
8 Section 9-229 and PEPO related to Madigan, the proposed  
9 edits change the PEPO's analysis of the case law to  
10 reflect a departure from adherence to the Caginaline  
11 (phonetic) cases. This required an alteration of the  
12 Madigan discussion regarding Section 9-229. The edits  
13 established that both Section 9-229 and the Madigan  
14 decision required more than the Commission's expressed  
15 findings and instead mandate a more detailed finding  
16 that was generally required of the Commission.

17           The edits include language which made clear  
18 Section 9-229 did not change the standard review for  
19 Section 9-229 expenses. Rather the edits argue that the  
20 enactment of 9-229 change the level of acceptance the  
21 Commission would undertake to determine the justness and  
22 reasonableness.

23           The proposed edits cite several utility cases  
24 entered after the enactment of Section 9-229 to  
25 underscore this fact.

1           COMMISSIONER McCABE: The joint edits alter the  
2 ALJ's conclusion pages 7 to 14 of the PEPO that excluded  
3 internal utility and affiliate expenses. They conclude  
4 that internal utility expenses are not covered under the  
5 rule because utility salaries and consumer costs are not  
6 expenditures contemplated by the Act. In addition, they  
7 find that the evidence for internal expenses was  
8 somewhat indifferent from the outside costs surrounding  
9 invoices.

10           The joint edits differ from the proposed rule  
11 in their decision to include affiliated expenses in the  
12 scope of the rule. The amendments find that affiliates  
13 can be considered a separate entity; and therefore,  
14 expenses incurred by the sibling companies are outside  
15 the utility. The edits note that affiliates are already  
16 required in most cases to provide invoices and other  
17 detailed information to the utility.

18           In addition, with collaboration of  
19 Commissioner del Valle's office, the joint edits also  
20 ensure that work performed by affiliates as rate case  
21 expense must be within the scope of their affiliated  
22 agreements with the utilities and that the service  
23 providers provide a description of the work performed.

24           The edits to pages 20 to 24 of the PEPO adopts  
25 staff's modified changes to .200(b)3, which deleted the



1 words necessary and necessity when discussing the  
2 information utilities are required to submit. Necessary  
3 and necessity are replaced with reasonable and  
4 reasonableness. The goal is for the rule to be  
5 unambiguous and clear about what is the standard for  
6 recovery.

7 Joint edits to pages 29 to 34 of the PEPO  
8 delete a section of the rule that replace staff's  
9 proposed affidavit requirement. Staff draft -- Staff's  
10 draft rule required these affidavits on costs to be  
11 signed by a utility representative with authority to  
12 make affirmations on behalf of the utility for three  
13 reasons. One, utilities as a continued purchaser of  
14 these services are in the best position to determine the  
15 reasonableness of the expenses. Second, requiring a  
16 utility affirmation is not unduly burdensome since the  
17 utility should be reviewing these costs. Third, the  
18 ultimate burden of just and reasonable costs should  
19 remain on the utility and not on the provider of the  
20 service.

21 We thank ALJ Sainsot for all her work on this  
22 rulemaking, the parties, and advisors. That would end  
23 with the edits.

24 COMMISSIONER MAYE: I have some additional items.  
25 The joint edits to page 35 to 38 of the PEPO propose

1 that we change Section .200b3 of the rule regarding  
2 duplication. These edits were made to pages 35 to 38  
3 and agree that there needs to be some measurement in  
4 place to make sure that outside counsel and experts of  
5 utility affiliate counsels or experts are internally to  
6 the employee costs -- sorry -- are not duplicated work.  
7 I'm going to repeat that. It's a little confusing.

8 The joint edits agree that there needs to be  
9 some measure in place to ensure that outside counsel and  
10 experts or utility affiliate counsel and experts are not  
11 duplicating work performed by utility employees. Given  
12 that the rule excludes internally utility employee  
13 costs, a requirement to track and produce internal  
14 expense for utility employees for rate case expense will  
15 be burdensome for both utilities and Commission staff;  
16 therefore, the joint edits propose edits to strike a  
17 balance between ensuring duplication does not occur  
18 without being unduly burdensome. The proposed joint  
19 edit requires an explanation of the process, procedures,  
20 and controls that the utilities have in place to ensure  
21 duplication does not occur.

22 COMMISSIONER McCABE: I move for the adoption of  
23 the joint edits.

24 COMMISSIONER MAYE: Second.

25 COMMISSIONER COLGAN: It's been moved by

1 Commissioner McCabe, seconded by Commissioner Maye.

2 Are there any further comments?

3 (No response.)

4 COMMISSIONER COLGAN: Hearing none, all in favor  
5 say aye.

6 (Ayes heard.)

7 COMMISSIONER COLGAN: Any opposed?

8 (No response.)

9 COMMISSIONER COLGAN: The vote is five to zero and  
10 the edits are adopted.

11 Is there a motion to enter the Order as  
12 amended?

13 COMMISSIONER McCABE: So moved.

14 CHAIRMAN SCOTT: Seconded.

15 COMMISSIONER COLGAN: It's been moved by  
16 Commissioner McCabe and seconded by Commissioner Maye.

17 All in favor say aye.

18 (Ayes heard.)

19 COMMISSIONER COLGAN: Any opposed?

20 (No response.)

21 COMMISSIONER COLGAN: Hearing none, the Order as  
22 amended is entered. I echo Commissioner McCabe, thanks  
23 to all the offices for the work you've all done. I  
24 think you got into this in great detail and thank you  
25 for the effort to get this right. I think your efforts

1 were outstanding.

2 ADMINISTRATIVE LAW JUDGE DOLAN: Commissioner,  
3 before we go any further, ALJ Riley here just pointed  
4 out that on T-11 you authorized the rule --

5 ADMINISTRATIVE LAW JUDGE RILEY: Entry of the  
6 Adopting Order.

7 ADMINISTRATIVE LAW JUDGE DOLAN: And it would be a  
8 Second Notice.

9 COMMISSIONER COLGAN: T-11 -- Say that again.

10 ADMINISTRATIVE LAW JUDGE RILEY: It's not the  
11 Adopting Order. It's the Second Notice Order.

12 COMMISSIONER COLGAN: Second Notice Order. All  
13 right. We need to revote on it?

14 ADMINISTRATIVE LAW JUDGE DOLAN: You should revote,  
15 yes.

16 COMMISSIONER COLGAN: Item T-11 is the Order  
17 authorizing a Second Notice Period.

18 All in favor say aye.

19 (Ayes heard.)

20 COMMISSIONER COLGAN: Any opposed?

21 (No response.)

22 COMMISSIONER COLGAN: The vote is five to zero.  
23 The Order is adopted. The Second Notice is adopted.

24 Now the Petition for Rehearing Item PR-1,  
25 Docket No. 13-0446. This is Enbridge's petition

1 pursuant to Section 8-509 of the Public Utilities Act to  
2 Take Private Property as Provided by Law of the Eminent  
3 Domain. Pliura Intervenors have filed an Application  
4 for Rehearing which ALJ Jones recommends we deny.

5 Is there any discussion?

6 (No response.)

7 COMMISSIONER COLGAN: Are there any objections?

8 (No response.)

9 COMMISSIONER COLGAN: Hearing none, the Application  
10 for Rehearing is denied.

11 We have several items of other business on  
12 today's agenda. The first is the Commission's annual  
13 report on Cable and Video Service Deployment by  
14 Providers Granted State-Issued Cable and Video Service  
15 Authorization. Is there a motion to approve the annual  
16 report and submit the report to the Illinois General  
17 Assembly?

18 COMMISSIONER McCABE: So moved.

19 COMMISSIONER COLGAN: Is there a second?

20 COMMISSIONER MAYE: Second.

21 COMMISSIONER COLGAN: Moved by Commissioner McCabe  
22 and seconded by Commissioner Maye.

23 Is there any discussion?

24 (No response.)

25 COMMISSIONER COLGAN: Are there any objections?

1 (No response.)

2 COMMISSIONER COLGAN: Hearing none, the report is  
3 approved and will be submitted to the General Assembly.

4 The second, third, and fourth items of other  
5 business concern pending litigation, so we'll go into  
6 closed session to address them.

7 Is there a motion to go into closed session?

8 COMMISSIONER MAYE: So moved.

9 COMMISSIONER DEL VALLE: Second.

10 COMMISSIONER COLGAN: It's been moved and seconded  
11 by Commissioner Maye and Commissioner del Valle.

12 All in favor say aye.

13 (Ayes heard.)

14 COMMISSIONER COLGAN: Any opposed?

15 (No response.)

16 COMMISSIONER COLGAN: The vote is five to zero.  
17 The Commission will now go into closed session.

18 Please let me know when the room is ready in  
19 Springfield.

20 (At this point pages 31 to 48 of the  
21 proceedings are contained in a  
22 separate closed transcript.)

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1 Continuation of proceedings.

2 COMMISSIONER COLGAN: In closed session the  
3 Commission discussed Docket Nos. ER13-187-002, et al.,  
4 and ER13-198-001, et al., which concerned our Requests  
5 for Rehearing and/or Reconsideration of FERC's May 15,  
6 2014 Order on Requests for Rehearing and MISO's Order  
7 No. 1000 Compliance Filings and our Request for  
8 Rehearing and/or Reconsideration of FERC's May 15, 2014  
9 Order on Requests for Rehearing and PJM Order No. 1000  
10 Compliance Filings.

11 Is there a motion to file the request for  
12 Rehearing and/or Reconsideration?

13 COMMISSIONER DEL VALLE: So moved.

14 CHAIRMAN SCOTT: Second.

15 COMMISSIONER COLGAN: It's been moved by  
16 Commissioner del Valle and seconded by Chairman Scott.

17 All in favor say aye.

18 (Ayes heard.)

19 COMMISSIONER COLGAN: Any opposed?

20 (No response.)

21 COMMISSIONER COLGAN: The vote is five to zero.  
22 The request for Rehearing and/or Reconsideration will be  
23 filed with FERC.

24 In closed session we also discussed filing the  
25 Petition for Leave to Appeal to the Illinois Supreme

1 Court the Securus Technologies Incorporated vs. Illinois  
2 Commerce Commission and Consolidated Communications  
3 Enterprise Service Incorporated, et cetera, 2014,  
4 Illinois Appeal (1st) 131716, Illinois Appellate Court  
5 No. 1-13-1716, Illinois C.C. Docket No. 12-0413.

6 Is there a motion to file a Petition for Leave  
7 to Appeal?

8 COMMISSIONER McCABE: So moved.

9 COMMISSIONER COLGAN: It's been moved by  
10 Commissioner McCabe. Is there a second?

11 COMMISSIONER MAYE: Second.

12 COMMISSIONER COLGAN: Seconded by Commissioner  
13 Maye. It's been moved and seconded.

14 All in favor say aye.

15 (Ayes heard.)

16 COMMISSIONER COLGAN: Any opposed?

17 (No response.)

18 COMMISSIONER COLGAN: The vote is five to zero and  
19 the Petition for Leave to Appeal will be filed with the  
20 Illinois Supreme Court.

21 Judge Dolan, are there any other matters that  
22 come before the Commission today?

23 ADMINISTRATIVE LAW JUDGE DOLAN: Not today,  
24 Commissioner?

25 COMMISSIONER COLGAN: Hearing none, this meeting



1 stands adjourned.

2 END OF PUBLIC UTILITY AGENDA

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1 STATE OF ILLINOIS )  
 ) SS.  
2 COUNTY OF COOK )

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4 Kristi Landolina, being first duly sworn, on  
5 oath says that she is a Certified Shorthand Reporter and  
6 Registered Professional Reporter doing business in the  
7 City of Chicago, County of Cook and the State of  
8 Illinois;

9 That she reported in shorthand the proceedings  
10 had at the foregoing meeting;

11 And that the foregoing is a true and correct  
12 transcript of her shorthand notes so taken as aforesaid  
13 and contains all the proceedings had at the said  
14 meeting.

15

16

17

18 KRISTI LANDOLINA, CSR, RPR

19

20 CSR No. 084-004611

21

22 SUBSCRIBED AND SWORN TO  
before me this 16th day of  
23 June, A.D., 2014.

24

NOTARY PUBLIC

25