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BEFORE THE
ILLINOIS COMMERCE COMMISSION
BENCH SESSION
(PUBLIC UTILITIES)
Chicago, Illinois
Wednesday, June 5, 2013

Met, pursuant to notice, at 10:30 a.m. at 160
North LaSalle Street, Main Hearing Room, Chicago,
Illinois.

PRESENT:

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

L.A. COURT REPORTERS by
Kari Wiedenhaupt, Reporter
CSR# 084-004725

I N D E X

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1 CHAIRMAN SCOTT: Is everything ready in
2 Springfield?

3 JUDGE WALLACE: Yes.

4 CHAIRMAN SCOTT: Pursuant to the provisions of
5 the Opening Meetings Act, I now convene a regularly
6 scheduled Bench Session of the Illinois Commerce
7 Commission. With me in Chicago is Commissioner
8 McCabe, Acting Commissioner del Valle and Acting
9 Commissioner Maye. I am Chairman Scott. We have a
10 quorum. We should also have Commissioner Colgan
11 available on the phone.

12 Are you there, Commissioner?

13 COMMISSIONER COLGAN: Yes, I am.

14 CHAIRMAN SCOTT: Very good. Under the
15 Commission's rules, we will have to vote to allow
16 Commissioner Colgan to participate by phone.

17 I move to allow Commissioner Colgan's
18 participation by phone. Is there a second?

19 COMMISSIONER McCABE: Second.

20 CHAIRMAN SCOTT: It's been moved and seconded.
21 All in favor, say aye.

22

1 (Chorus of ayes.)

2 CHAIRMAN SCOTT: Any opposed?

3 (No response.)

4 CHAIRMAN SCOTT: The vote is four to nothing,
5 and Commissioner Colgan may participate in today's
6 meeting by phone.

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

16 (Whereupon, the Commission
17 proceeded with the
18 Transportation Agenda, the
19 proceedings of which are
20 enclosed in a separate
21 transcript.)

22 CHAIRMAN SCOTT: Moving onto the Public Utility

1 agenda, we will begin with the approval of minutes
2 from our May 15th Bench Session. I understand
3 amendments have been forwarded. Is there a motion to
4 amend the minutes.

5 COMMISSIONER McCABE: So moved.

6 CHAIRMAN SCOTT: Is there a second?

7 ACTING COMMISSIONER MAYE: Second.

8 CHAIRMAN SCOTT: It's been moved and seconded.

9 All in favor of amending the minutes, say aye.

10 (Chorus of ayes.)

11 CHAIRMAN SCOTT: Any opposed?

12 (No response.)

13 CHAIRMAN SCOTT: The vote is five to nothing,
14 and the amendments are adopted.

15 Is there a motion to approve the
16 minutes as amended?

17 ACTING COMMISSIONER MAYE: So moved.

18 CHAIRMAN SCOTT: Is there a second?

19 ACTING COMMISSIONER DEL VALLE: Second.

20 CHAIRMAN SCOTT: It's been moved and seconded.

21 All in favor, say aye.

22

1 (Chorus of ayes.)

2 CHAIRMAN SCOTT: Any opposed?

3 (No response.)

4 CHAIRMAN SCOTT: The vote is five to nothing,
5 and the minutes from our May 15th Bench Session as
6 amended are approved. Turning now to the Electric
7 portion of today's agenda, Item E-1 concerns our
8 assessment of Ameren's electric service reliability
9 for the calendar year 2011, required pursuant to
10 Section 16-125(d) of the Public Utilities Act. Staff
11 recommends entry of an Order adopting the reliability
12 performance report.

13 Is there any discussion?

14 (No response.)

15 CHAIRMAN SCOTT: Are there any objections?

16 (No response.)

17 CHAIRMAN SCOTT: Is there a motion to enter the
18 Order adopting the report?

19 COMMISSIONER McCABE: So moved.

20 CHAIRMAN SCOTT: Is there a second?

21 ACTING COMMISSIONER MAYE: Second.

22 CHAIRMAN SCOTT: It's been moved and seconded.

1 All in favor, say aye.

2 (Chorus of ayes.)

3 CHAIRMAN SCOTT: Any opposed?

4 (No response.)

5 CHAIRMAN SCOTT: The vote is five to nothing,
6 and the Order is entered. We will use this five to
7 nothing vote for the remainder of the Public Utility
8 agenda unless otherwise noted.

9 Items E-2 and E-3 can be taken
10 together. These items concern our implementation of
11 Section 16-108.5(k) of the Public Utilities Act as
12 they relate to the rates of ComEd and Ameren. In
13 both cases, Staff recommends entry of an Order
14 approving the rate adjustments.

15 Is there any discussion?

16 (No response.)

17 CHAIRMAN SCOTT: Any objections?

18 (No response.)

19 CHAIRMAN SCOTT: Hearing none, the Orders are
20 entered.

21 I really want to thank Staff for the
22 quick turnaround on this. This was something that

1 came as a result of the veto override that happened
2 in the General Assembly two weeks ago, and so to get
3 the turnaround on the rate adjustments this quick was
4 really a good effort, and we really want to thank
5 Staff for their work on that. Director Feipel, if
6 you could pass that along to them, I would appreciate
7 that. Thank you.

8 Item E-4 is Mt. Carmel's filing to
9 modify its Rider D, Parallel Generation Service, by
10 revising the credit per kilowatt hour as required by
11 83 Illinois Administrative Code Part 430. Staff
12 concurs with the Company's filing, which results in
13 lower rates, and recommends that the filing not be
14 suspended.

15 Is there any discussion?

16 (No response.)

17 CHAIRMAN SCOTT: Are there any objections to
18 not suspending the filing?

19 (No response.)

20 CHAIRMAN SCOTT: Hearing none, the filing is
21 not suspended.

22 Item E-5 is Ameren's filing to cancel

1 Rider RTP-LI, Real-Time Pricing For Large
2 Interruptible Service. Staff recommends granting the
3 Company's request by not suspending the filing.

4 Is there any discussion?

5 (No response.)

6 CHAIRMAN SCOTT: Any objections to not
7 suspending the filing?

8 (No response.)

9 CHAIRMAN SCOTT: Hearing none, the filing is
10 not suspended.

11 Item E-6 is ComEd's filing to propose
12 revenue-neutral changes related to the rate design of
13 its performance-based formula rate pursuant to
14 Section 16-108(e) of the Public Utilities Act. Staff
15 recommends that the filing be suspended and the
16 matter be set for hearing to allow the parties time
17 to consider the proposed changes.

18 Is there any discussion?

19 (No response.)

20 CHAIRMAN SCOTT: Any objections?

21 (No response.)

22 CHAIRMAN SCOTT: Hearing none, the filing is

1 suspended.

2 Item E-7 is Docket No. 11-0588. This
3 is ComEd's petition to determine the applicability of
4 Section 16-125(e) liability to events caused by the
5 summer of 2011 storm systems. I believe there is
6 some revisions to make to the Proposed Order. I will
7 start with Commissioner McCabe.

8 COMMISSIONER McCABE: The legislation in this
9 Order properly set a high bar for claims due to
10 unpreventable damages during storm events. During
11 oral arguments, there was useful discussion on how we
12 might ensure that the right customers receive notice
13 of their eligibility to file for damages in this
14 case. In that light, this amendment directs ComEd to
15 work with our Consumer Services Division on a written
16 notice to the eligible customers. The notice will
17 let them know what kind of evidence they can provide,
18 be it in the form of receipts, photos, sworn
19 descriptions of their losses or other evidence, and
20 the notice will inform the customers of the
21 procedural next steps to file for those damages.

22 With that, I move for the adoption of

1 these changes.

2 CHAIRMAN SCOTT: The edits have been moved to
3 be adopted. Is there a second?

4 ACTING COMMISSIONER MAYE: Second.

5 CHAIRMAN SCOTT: It's been moved and seconded.
6 Any discussion?

7 (No response.)

8 CHAIRMAN SCOTT: All in favor of the revisions,
9 say aye.

10 (Chorus of ayes.)

11 CHAIRMAN SCOTT: Any opposed?

12 (No response.)

13 CHAIRMAN SCOTT: The vote is five to nothing,
14 and the revisions are adopted.

15 Commissioner Maye?

16 ACTING COMMISSIONER MAYE: I added language
17 that laid out the burden of proof. I thought it was
18 extremely necessary to state that the burden of proof
19 does lie with the consumer in proving damages.
20 Therefore, I indicated language that was taken from
21 Staff's brief in the proceeding, and with that, I
22 move the -- for the amendment of these changes.

1 CHAIRMAN SCOTT: The revisions have been moved.

2 Is there a second?

3 COMMISSIONER McCABE: Second.

4 CHAIRMAN SCOTT: It's been moved and seconded.

5 Any further discussion?

6 Commissioner del Valle.

7 ACTING COMMISSIONER DEL VALLE: Commissioner
8 McCabe indicated that the legislature set a high bar.
9 I would like to make sure that that high bar doesn't
10 become an unreachable bar. I agree with this -- with
11 the language, but I want it to be clear that the
12 language calls -- says that the evidence provided
13 must provide a reasonable basis for determining the
14 nature and extent of any damages or costs. Who
15 determines what is a reasonable basis?

16 ACTING COMMISSIONER MAYE: Well, what the
17 language is saying is that there does need to be a
18 causal connection between the actual interruption or
19 outage and the damages. I guess in determining if
20 that was a reasonable basis or if there is an actual
21 causal connection, that would go through the
22 procedure that the utility, in this case ComEd, uses

1 for their procedure in refunding or addressing
2 claimants.

3 ACTING COMMISSIONER DEL VALLE: So the utility
4 really defines reasonable basis?

5 CHAIRMAN SCOTT: Well, ultimately, it would
6 come to us if the --

7 ACTING COMMISSIONER DEL VALLE: And that's the
8 point I want to get at.

9 CHAIRMAN SCOTT: Right.

10 ACTING COMMISSIONER DEL VALLE: So that it's
11 clear, I want the record to show that if the
12 individual making the claim determines that he or she
13 is not being treated fairly by the utility, they can
14 file a complaint in the Consumer Division, and if
15 they are not satisfied, the complaint can come
16 directly to us.

17 CHAIRMAN SCOTT: That would end up coming to
18 us.

19 ACTING COMMISSIONER DEL VALLE: Because I think
20 it's important to note that this is the first time
21 that we deny a waiver, right, under this statute,
22 under this law? And so there is no precedent here.

1 We don't know how this process is going to play out.

2 JUDGE DOLAN: Commissioner, if I may, Section
3 16.125(h) actually defines how they are supposed to
4 file a claim, and it actually indicates that they
5 should file it just as if they were filing a consumer
6 complaint. So it will go through that same process
7 with the Commission, so --

8 ACTING COMMISSIONER DEL VALLE: I understand
9 that, but this is -- this is different. This is the
10 first time that individuals are going to be asked to
11 dig up receipts for losses that they are claiming,
12 right?

13 JUDGE DOLAN: Yes, you are correct.

14 ACTING COMMISSIONER DEL VALLE: And so because
15 it is the first time that people will be doing this,
16 and maybe the last time, I hope, because with all
17 this great modernization that's taking place, this is
18 theoretically not going to happen again, right, for
19 more than four hours. It shouldn't happen. It's not
20 as likely as it was during those days when we had
21 serious problems with the system.

22 I want to make sure that people are

1 treated fairly, and that they have recourse, because
2 if it's the utility that's defining reasonable basis
3 and the claimant feels that it's not reasonable, then
4 they have to have a place to go to, and we are that
5 place where they can go to. I just want the record
6 to show that.

7 ACTING COMMISSIONER MAYE: Chairman, if I can
8 speak on that?

9 CHAIRMAN SCOTT: Of course.

10 ACTING COMMISSIONER MAYE: Again, I think the
11 key thing here is causal connection. I think -- I
12 wanted to stress that in my mind what we don't want
13 is an administrative nightmare. We don't want to
14 give any consumer the false sense of expectation
15 that, okay, because this Order has passed, you know,
16 we are going to get such and such amount of dollars
17 back. We wanted to make it very clear or I wanted to
18 make it very clear that you do have to be able to
19 connect this interruption to your damages. And, of
20 course, we are now years later, and perhaps people
21 don't have receipts, and people don't have -- I don't
22 know -- anything to show that they did actually incur

1 this damage, but what we didn't want was to -- I
2 wanted to narrow the sense of expectation in that,
3 you know, 100,000 people think that they can come and
4 file a claim and be successful with that.

5 ACTING COMMISSIONER DEL VALLE: And I think
6 time has -- so much time has passed that the group
7 has been narrowed quite a bit anyway. What we don't
8 want is to end up with a process that makes the
9 entire group disappear and makes it virtually
10 impossible to win a claim. So I support the
11 language. I just wanted the record to show that.
12 Thank you.

13 CHAIRMAN SCOTT: Any further discussion?

14 (No response.)

15 CHAIRMAN SCOTT: The revisions from
16 Commissioner Maye have been moved and seconded. All
17 in favor, say aye.

18 (Chorus of ayes.)

19 CHAIRMAN SCOTT: Any opposed?

20 (No response.)

21 CHAIRMAN SCOTT: The ayes have it five to
22 nothing, and the revisions are adopted.

1 And finally, I have two sets of
2 revisions, neither of which change the conclusion of
3 the Proposed Order. One is found in Section 4(e) of
4 the Order on Pages 15 and 16. It indicates that the
5 legislative history advanced by the Company is not
6 supported by the record. There were no examples
7 cited of cases where more than 30,000 customers had
8 been interrupted before the legislation. So it seems
9 fairly unsupportable to say that the General Assembly
10 passed legislation that was responding to a problem
11 that nobody had testified existed before the time
12 they passed the legislation, and the types of
13 equipment that could cause the interruption of 30,000
14 or more customers, the evidence of that in the record
15 was lacking as well.

16 And I believe that the Company's
17 interpretation if that were to be upheld would
18 actually swallow the law that it was intended to be
19 advancing, and so we have just added language that
20 further supports the decision that was reached by the
21 Judges.

22 The second set of revisions are two

1 different pieces in Section 5(e) on pages 29 and 30.
2 The first is that we are clarifying that we are
3 rejecting the ComEd argument that their compliance
4 with the maintenance plan absolves them of any
5 responsibility under Section 16-125. The interesting
6 part here is that the EIMA, the Energy Infrastructure
7 Modernization Act has a tremendous amount of money
8 that's ratepayer money investments to steel the grid,
9 extra money in certain places where there have been
10 more interruptions and theoretically more problems.
11 And performance metrics, which have been added, they
12 are tied to the length and the number of
13 interruptions, and to say here that all of the
14 actions on maintenance that the Company undertakes
15 would make all weather related interruptions
16 unprevent- -- unpreventable to me ignores EIMA and
17 the Company's actions with respect to that
18 legislation.

19 Also, the other set that we -- the
20 other piece to that second set of revisions is
21 reemphasizing the burden of proof in the case here
22 lies with the Company throughout the entire process.

1 I think that's incredibly important. As we make
2 decisions on these waivers, the use of coding to try
3 to find the exclusions is what we have on the record
4 here, but is certainly not ideal. I think in looking
5 at the record I think we can find that that's not an
6 ideal system for that. The Company can't escape the
7 burden that they have, and in the future, you know,
8 as the Company tries to prove up these waivers, if
9 the Company doesn't think that coding is a very good
10 system, as they said in oral argument, they are going
11 to need to be mindful of that in terms of what
12 evidence they actually put forward to prove up these
13 waivers in the future.

14 So the revisions again do not change
15 the ultimate conclusions, but they just draw out some
16 of the points that were made both during the course
17 of the case, the arguments and also in the oral
18 argument as well, and with that, I would move those
19 two sets of revisions.

20 Is there a second?

21 ACTING COMMISSIONER DEL VALLE: Second.

22 CHAIRMAN SCOTT: It's been moved and seconded.

1 Any discussion on those revisions?

2 (No response.)

3 CHAIRMAN SCOTT: All in favor, say aye.

4 (Chorus of ayes.)

5 CHAIRMAN SCOTT: Any opposed?

6 (No response.)

7 CHAIRMAN SCOTT: The ayes have it five to
8 nothing, and the revisions are adopted. Is there now
9 a motion to enter the Order as amended?

10 COMMISSIONER McCABE: So moved.

11 CHAIRMAN SCOTT: Is there a second?

12 ACTING COMMISSIONER DEL VALLE: Second.

13 CHAIRMAN SCOTT: It's been moved and seconded.

14 Any further discussion?

15 (No response.)

16 CHAIRMAN SCOTT: All in favor of approving the
17 Order as amended, say aye.

18 (Chorus of ayes.)

19 CHAIRMAN SCOTT: Any opposed?

20 (No response.)

21 CHAIRMAN SCOTT: The vote is five to nothing,
22 and the Order as amended is entered.

1 Item E-8 is Docket No. 11-0662, which
2 is ComEd's petition to determine the applicability of
3 Section 16-125(e) liability to events caused by
4 winter of 2011 storm systems. The ALJ recommends
5 approval of an Order granting the waiver.

6 Is there any discussion?

7 (No response.)

8 CHAIRMAN SCOTT: Any objections to that Order?

9 (No response.)

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

12 Item E-9 is Docket No. 12-0030. This
13 is Serethea Matthew's complaint against ComEd as to
14 billing charges. This item will be held for
15 disposition to a future Commission proceeding.

16 Item E-10 is Docket No. 12-0372. This
17 is Patrick Dillon's complaint against ComEd as to the
18 location and the removal of the utility pole on his
19 property. ALJ Riley recommends entry of an Order
20 denying the complaint.

21 Is there any discussion? I believe
22 there is some revisions.

1 Commissioner McCabe?

2 COMMISSIONER McCABE: This case involves a
3 customer who complains that a utility pole was placed
4 improperly on his driveway. My amendments do not
5 change the outcome of the case, but do change the
6 rationale used in reaching the outcome. In this
7 case, the parties argued in some detail about the
8 definition of highway as used in some of our rules.
9 Mr. Dillon, the complainant, relied on the Illinois
10 Department of Transportation definitions. The
11 Company disagreed. While the Proposed Order rejected
12 Mr. Dillon's definition of highway, we find it
13 informative and are not so willing to reject it.

14 In this case, no conclusive evidence
15 was presented as to which came first, the utility
16 pole or the driveway. Thus, we need not adopt any
17 definition of highway. With that, I move for the
18 adoption of these changes.

19 CHAIRMAN SCOTT: Is there a second?

20 ACTING COMMISSIONER MAYE: Second.

21 CHAIRMAN SCOTT: It's been moved and seconded
22 to adopt the revisions set forth by Commissioner

1 McCabe.

2 Is there any discussion on the
3 revisions?

4 (No response.)

5 CHAIRMAN SCOTT: All in favor of the revisions,
6 say aye.

7 (Chorus of ayes.)

8 CHAIRMAN SCOTT: Any opposed?

9 (No response.)

10 CHAIRMAN SCOTT: The vote is five to nothing,
11 and the revisions are approved.

12 Is there now a motion to approve the
13 Order as amended?

14 ACTING COMMISSIONER DEL VALLE: So moved.

15 CHAIRMAN SCOTT: Is there a second?

16 COMMISSIONER McCABE: Second.

17 CHAIRMAN SCOTT: It's been moved and seconded.
18 Any discussion?

19 (No response.)

20 CHAIRMAN SCOTT: All in favor, say aye.

21 (Chorus of ayes.)

22 CHAIRMAN SCOTT: Any opposed?

1 (No response.)

2 CHAIRMAN SCOTT: The vote is five to nothing,
3 and the Order is entered.

4 Items E-11 and E-12 can be taken
5 together. These are customer complaints against
6 ComEd as to billing charges. In the first case, the
7 ALJ recommends entry of an Order dismissing the
8 complaint, and in the second, the parties have
9 apparently settled their differences and have brought
10 a Joint Motion to Dismiss, which the ALJ recommends
11 we grant.

12 Is there any discussion?

13 (No response.)

14 CHAIRMAN SCOTT: Any objections?

15 (No response.)

16 CHAIRMAN SCOTT: Hearing none, the Orders are
17 entered and the complaints are dismissed.

18 Item E-13 is Docket No. 12-0556. This
19 is Ameren's petition regarding its reconciliation of
20 revenues collected under Rider TS, Transportation
21 Services. ALJ VonQualen recommends entry of an Order
22 approving the reconciliation.

1 Is there any discussion?

2 (No response.)

3 CHAIRMAN SCOTT: Any objections?

4 (No response.)

5 CHAIRMAN SCOTT: Hearing none, the Order is
6 entered.

7 Item E-14 is Docket No. 13-0034. This
8 is Phase 2 of the FutureGen clean coal project and
9 sourcing agreement arising out of the Commission's
10 Order and recent power procurement plan proceeding.
11 This item will be held for disposition at a future
12 Commission proceeding.

13 Item E-15 is Docket No. 13-0188. This
14 is Ameren's request for waiver of certain contract
15 provisions set forth in Part 466 of our
16 administrative rules, which are applicable to
17 interconnection of DG facilities. Because Part 466
18 does not contain a waiver provision, ALJ Albers
19 recommends entry of an Order granting the Company's
20 request through a declaratory ruling.

21 Is there any discussion?

22

1 (No response.)

2 CHAIRMAN SCOTT: Any objections?

3 (No response.)

4 CHAIRMAN SCOTT: Hearing none, the Order is
5 entered.

6 Item E-16 is Docket No. 13-0302. This
7 is Ethical Electric Benefit's application for a
8 certificate of service authority to operate as an
9 ARES in Illinois pursuant to Section 16-115 of the
10 Public Utilities Act. ALJ Jorgenson recommends entry
11 of an Order granting the requested certificate.

12 Is there any discussion?

13 (No response.)

14 CHAIRMAN SCOTT: Any objections?

15 (No response.)

16 CHAIRMAN SCOTT: Hearing none, the Order is
17 entered.

18 Item E-17 is Docket No. 13-0285. This
19 item is our investigation regarding ComEd's progress
20 in implementing its AMI deployment plan. S.B. 9
21 became law on May 22nd, 2013 and amends certain
22 portions of the EIMA to increase the amount of

1 funding that ComEd will receive through that
2 legislation. It also provides that the utilities
3 shall accelerate the commencement of their meter
4 deployment schedules. ALJs Sainsot and Kimbrel
5 recommend entry of an Interim Order authorizing the
6 implementation so that ComEd can deploy the smart
7 meters as soon as possible.

8 Is there any discussion?

9 (No response.)

10 CHAIRMAN SCOTT: Any objections?

11 (No response.)

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

14 And I really want to say we appreciate
15 the Judges' hard work. Like we talked about with E-1
16 and E-3, this was very quick turnaround time to get
17 this to us. We really appreciate that very much,
18 that -- again, two weeks after the veto was
19 overridden to have that in front of us was really
20 good work, and so we really appreciate the Judges'
21 work on that as well.

22 Items E-18 through E-28 can be taken

1 together. These items are petitions for the
2 confidential and/or proprietary treatment of
3 petitioners' reports. In each case, the ALJ
4 recommends entry of an Order granting the requested
5 protective treatment.

6 Is there any discussion?

7 (No response.)

8 CHAIRMAN SCOTT: Any objections?

9 (No response.)

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

12 Turning now to Natural Gas, Item G-1
13 is Docket No. 01-0705, 02-0067, 02-0725 consolidated.
14 This is Nicor's Performance Based Regulation (PBR)
15 program and reconciliation under Rider 6, Gas Cost
16 Supply.

17 There are some revisions that I would
18 propose to the Order. On the issue of storage
19 manipulation, although we recognize that Section
20 9-224(c) and (d) of the Public Utilities Act does
21 allow for Commission review to asses whether the
22 program in this case was meeting its objectives and

1 was implemented in accordance with the Commission
2 Order approving the program, after very carefully
3 considering the evidence presented by all the
4 parties, it was very difficult to determine whether
5 indeed there was an issue with the way the GCPT was
6 operating.

7 Further, we felt it was important to
8 note that our analysis was based on the entire
9 three-year program rather than a limited one-year
10 period and may have presented an unrealistic picture
11 of the program as a whole.

12 And on the issue of refund allocation
13 methodology, we felt it was important to address the
14 stipulation between Nicor and the Retail Energy
15 Supply Association. Although RESA raised some valid
16 concerns about the impact of this methodology on
17 transportation customers, ultimately the stipulation
18 did not provide substantial evidence for the
19 Commission to adopt a different solution than the one
20 proposed by Staff and adopted by the Proposed Order.
21 So while neither of these revisions changes the
22 conclusion, we think they add some clarification to

1 the rationale in the decision.

2 And with that, I would move to approve
3 the revisions. Is there a second?

4 COMMISSIONER McCABE: Second.

5 CHAIRMAN SCOTT: It's been moved and seconded.
6 Any discussion on the revisions?

7 (No response.)

8 CHAIRMAN SCOTT: All in favor, say aye.

9 (Chorus of ayes.)

10 CHAIRMAN SCOTT: Any opposed?

11 (No response.)

12 CHAIRMAN SCOTT: The vote is five to nothing,
13 and the revisions are approved. Is there now a
14 motion to enter the Order as amended?

15 ACTING COMMISSIONER MAYE: So moved.

16 CHAIRMAN SCOTT: Is there a second?

17 COMMISSIONER McCABE: Second.

18 CHAIRMAN SCOTT: It's been moved and seconded.
19 All in favor, say aye.

20 (Chorus of ayes.)

21 CHAIRMAN SCOTT: Any opposed?

22

1 (No response.)

2 CHAIRMAN SCOTT: The vote is five to nothing,
3 and the Order as amended is entered.

4 Item G-2 is Docket No. 12-0347. This
5 is Endbridge's application pursuant to Sections
6 8-503, 8-509 and 15-401 of the Public Utilities Act
7 and Common Carrier Pipeline Law, for a certificate of
8 good standing, authority to construct and operate a
9 petroleum pipeline and eminent domain authority in
10 connection with the construction of that pipeline.
11 Petitioner and Staff filed a Joint Motion to Reopen
12 the Record and amend the Final Order to account for
13 an error in the right of way granted for that
14 pipeline. ALJ Hilliard recommends that the
15 proceeding be reopened and that an Amendatory Order
16 be entered.

17 Is there any discussion?

18 (No response.)

19 CHAIRMAN SCOTT: Are there any objections?

20 (No response.)

21 CHAIRMAN SCOTT: Hearing none, the record is
22 reopened, and the Amendatory Order is entered.

1 Item G-3 is Docket No. 12-0507. This
2 is 8L26 Restaurant Corporation's customer complaint
3 against Peoples Gas. ALJ Riley recommends entry of
4 an Order dismissing the complaint without prejudice.

5 Is there any discussion?

6 (No response.)

7 CHAIRMAN SCOTT: Any objections?

8 (No response.)

9 CHAIRMAN SCOTT: Hearing none, the Order is
10 entered, and the complaint is dismissed.

11 Item G-4 is Docket No. 12-0511 and
12 12-0512. This is North Shore Gas Company and Peoples
13 Gas Light and Coke Company's proposed general rate
14 increase for gas distribution services. This item
15 will be held for disposition at a future Commission
16 proceeding.

17 Moving on to Telecommunications, Item
18 T-1 is Docket No. 10-0218. This is WideOpen West
19 Illinois' notification regarding the expansion of its
20 cable service area footprint in accordance with
21 Section 21-401(g) of the Cable and Video Competition
22 Law of 2007.

1 Is there any discussion?

2 (No response.)

3 CHAIRMAN SCOTT: Is there any objection to
4 accepting the notification?

5 (No response.)

6 CHAIRMAN SCOTT: Hearing none, the notification
7 is accepted.

8 Items T-2 and T-3 can be taken
9 together. These are citations for a failure to
10 maintain a corporate status with the Illinois
11 Secretary of State. In both cases, ALJ Jorgenson
12 recommends entry of an Order revoking respondent's
13 authority to operate in Illinois.

14 Is there any discussion?

15 (No response.)

16 CHAIRMAN SCOTT: Any objections?

17 (No response.)

18 CHAIRMAN SCOTT: Hearing none, the Orders are
19 entered.

20 Item T-4 is Docket No. 12-0699. This
21 is Innovative Security Information System's petition
22 to withdraw its certificate of service authority in

1 the State of Illinois. ALJ Baker recommends entry of
2 an Order granting the Company's request.

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, and the certificate is withdrawn.

9 Item T-5 is Docket No. 13-0198. This
10 is Time Warner Cable's application pursuant to
11 Section 13-403 of the Public Utilities Act for
12 authority to operate as a facilities based provider
13 of telecommunications services in the State of
14 Illinois. ALJ Benn recommends entry of an Order
15 granting the requested certificate of authority.

16 Is there any discussion?

17 (No response.)

18 CHAIRMAN SCOTT: Any objections?

19 (No response.)

20 CHAIRMAN SCOTT: Hearing none, the Order is
21 entered.

22 Item T-6 is Docket No. 13-0304. This

1 is ItsOn's application pursuant to Section 12-401 of
2 the Public Utilities Act for a certificate of
3 authority to operate as a wireless telecommunications
4 reseller in the State of Illinois. ALJ Riley
5 recommends entry of an Order granting the requested
6 certificate.

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 Items T-7 through T-9 can be taken
14 together. These are petitions for modification of
15 the 9-1-1 Emergency Telephone Number Systems. In
16 each case, ALJ Haynes recommends entry of an Order
17 granting the requested modifications.

18 Is there any discussion?

19 (No response.)

20 CHAIRMAN SCOTT: Any objections?

21 (No response.)

22 CHAIRMAN SCOTT: Hearing none, the Orders are

1 entered.

2 Items T-10 through T-13 can be taken
3 together. These items are petitions for the approval
4 of 9-1-1 Emergency Telephone Number Systems resulting
5 from the dissolution of the North Suburban Joint
6 ETSB. In each case, ALJ Haynes recommends entry of
7 an Order approving the petitions and granting the
8 relief requested.

9 Is there any discussion?

10 (No response.)

11 CHAIRMAN SCOTT: Any objections?

12 (No response.)

13 CHAIRMAN SCOTT: Hearing none, the Orders are
14 entered.

15 Item T-14 is Docket No. 12-0550. This
16 is Sprint's Petition For Arbitration pursuant to
17 Section 252(b) of the Telecommunications Act. This
18 item will be held for disposition at a future
19 Commission proceeding.

20 Items T-15 through T-19 can be taken
21 together. These items are joint petitions by
22 telecommunications carriers seeking the approval of

1 new interconnection agreements or amendments to
2 existing interconnection agreements. In each case,
3 the ALJ recommends entry of an Order approving the
4 agreement or the amendment.

5 Is there any discussion?

6 (No response.)

7 CHAIRMAN SCOTT: Any objections?

8 (No response.)

9 CHAIRMAN SCOTT: Hearing none, the Orders are
10 entered.

11 Item T-20 is Docket No. 12-0685. This
12 is our rulemaking proceeding for Title 83, Part 735
13 of the Administrative Code. The second notice of the
14 proposed amendment was submitted to JCAR and JCAR has
15 no objection to these amendments. ALJ Wallace
16 recommends entry of an Order adopting the proposed
17 amendments with an effective date of July 1st, 2013.

18 Is there any discussion?

19 (No response.)

20 CHAIRMAN SCOTT: Any objections?

21 (No response.)

22 CHAIRMAN SCOTT: Hearing none, the Order is

1 entered, and the amendments are adopted.

2 Item T-21 is Docket No. 13-0225. This
3 is Nextlink Wireless' petition for the confidential
4 and/or proprietary treatment of its 2012 annual
5 report. This item will be held for disposition at a
6 future Commission proceeding.

7 Items T-22 through T-29 can be taken
8 together. These items are petitions for the
9 confidential and/or proprietary treatment of annual
10 reports. In each case, the ALJ recommends entry of
11 an Order granting the requested relief.

12 Is there any discussion?

13 (No response.)

14 CHAIRMAN SCOTT: Any objections?

15 (No response.)

16 CHAIRMAN SCOTT: Hearing none, the Orders are
17 entered.

18 Onto Water and Sewer. Item W-1 is
19 Aqua Illinois' filing seeking approval of QIP
20 surcharge riders for various Sewer Divisions
21 throughout Illinois. Staff recommends that the
22 filing be suspended and the matter set for hearing.

1 Is there any discussion?

2 (No response.)

3 CHAIRMAN SCOTT: Any objections?

4 (No response.)

5 CHAIRMAN SCOTT: Hearing none, the filing is
6 suspended.

7 Item W-2 is Docket No. 10-0738. This
8 is IAWC's revised petition to reopen the record and
9 for issuance of an Amendatory Order authorizing
10 certain financial transactions and accepting the
11 payment of certain fees pursuant to Section 6-102(d)
12 of the Public Utilities Act. ALJ Jones recommends
13 entry of an Order reopening the proceeding and
14 approving the relief sought.

15 Is there any discussion?

16 (No response.)

17 CHAIRMAN SCOTT: Any objections?

18 (No response.)

19 CHAIRMAN SCOTT: Hearing none, the Order is
20 entered.

21 Items W-3 through W-6 can be taken
22 together. These items are petitions for approval of

1 annual reconciliations of Purchased Water Surcharges
2 pursuant to Section 9-220.2 of the Public Utilities
3 Act. In each case, the ALJ recommends the entry of
4 an Order approving the reconciliation.

5 Is there any discussion?

6 (No response.)

7 CHAIRMAN SCOTT: Any objections?

8 (No response.)

9 CHAIRMAN SCOTT: Hearing none, the Orders are
10 entered.

11 We have one miscellaneous item on the
12 agenda today, which is our rulemaking proceeding to
13 implement the provisions of the Carbon Dioxide
14 Transportation and Sequestration Act. Staff
15 recommends entry of an Order initiating the
16 proceeding and authorizing the first notice period.

17 Is there any discussion?

18 (No response.)

19 CHAIRMAN SCOTT: Any objections?

20 (No response.)

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

1 We have other -- one other item of
2 business today, which is a meeting to address various
3 administrative matters before the Commission.

4 First, let me ask Judge Wallace, are
5 there any other matters to come before this part of
6 the Commission meeting today, sir?

7 JUDGE WALLACE: Well, Mr. Chairman, I just
8 wanted to back up. On T-18 and T-19, I think those
9 were Motions to Withdraw, rather than Orders. I just
10 wanted to note that, but other than that, there is
11 nothing else on the Bench Session today.

12 CHAIRMAN SCOTT: You just clarified that T-18
13 and T-19, the Motions to Withdraw, were accepted. Is
14 that correct?

15 JUDGE WALLACE: Yes.

16 CHAIRMAN SCOTT: Okay. Thank you, sir. We
17 will -- seeing there is no other business to come
18 before this portion of the meeting, we will take a
19 short recess and reconvene in about ten minutes. I
20 have to give our court reporter time to get down the
21 hall to the video conference room where we will have
22 an administrative meeting to discuss internal

1 Commission business. So thank you, everyone, and we
2 will reconvene in about ten minutes in the
3 videoconference room.

4 (Whereupon, a short break was
5 taken and the Administrative
6 Meeting commenced in the
7 videoconference room whereupon
8 the Commission Members were
9 joined by Staff; Director
10 Jonathan Feipel, Randy Nehrt,
11 Leigh Ann Myers, Jane Fields and
12 Karl Pound.)

13 CHAIRMAN SCOTT: It's 11:19. Let the record
14 reflect that we are back in session from our recess.
15 We are still in Open Meeting. We have four items on
16 our agenda today. First, a legislative update, and
17 that's going to be -- John, is that you or Randy?

18 MR. FEIPEL: I think I was just going to give
19 an overall for each one of these.

20 CHAIRMAN SCOTT: Okay. That's fine.

21 MR. FEIPEL: And then as we get into questions
22 in Springfield, key folks, right, and for -- you

1 know, we've got Randy, of course, Leigh Ann, Jane and
2 Karl for questions on these issues as they come up.
3 So we can go through that.

4 Sent around yesterday -- and obviously
5 the legislative is kind of tied into the budget. So
6 there is the two documents for legislative. One
7 gives like a little paragraph summary for each of the
8 bills that was sent to the Governor. There is also a
9 chart that went along with it that shows all of the
10 different legislation that we followed and tracked
11 this past session.

12 The very short version is I would say
13 that we had a very successful session; major
14 initiatives that we worked on, you know, hand in
15 glove with a number of different members, write
16 language, help out. Key kind of just highlights and
17 as we give questions or we can follow-up on this
18 later on, too, but at the top, the budget. Our
19 budget is successful enough to continue with our
20 standard operations both for Public Utilities and
21 Transportation side.

22 One of the key issues there was making

1 sure that we got a transfer from that Wireless
2 Carrier Reimbursement Fund of the \$9 million to keep
3 Public Utility's budget whole. We were successful in
4 doing that and holding off some other attempts to use
5 the dollars for other things.

6 One of the most exciting things was we
7 actually got our own legislation passed. That's the
8 Senate Bill 1458 that sets up an expedited pipeline
9 safety process so every one of those cases doesn't
10 have to become a formal docketed complaint in front
11 of the Commission. It allows us to do some kind of
12 negotiation with the companies. If they feel that
13 they were actually wrong in the process, we can get
14 those resolved and we don't have to go through a long
15 drawn out thing. So that -- obviously, we just
16 talked about Senate Bill 9 --

17 ACTING COMMISSIONER DEL VALLE: Was that our
18 only --

19 MR. FEIPEL: Yes.

20 ACTING COMMISSIONER DEL VALLE: -- legislative
21 initiative?

22 MR. FEIPEL: Senate Bill 1458 was our own

1 initiative.

2 ACTING COMMISSIONER DEL VALLE: 100 percent?

3 MR. FEIPEL: Absolutely.

4 COMMISSIONER McCABE: It wasn't our only one,
5 was it?

6 MR. FEIPEL: Well, technically, yeah. This is
7 the only one that was 100 percent Commerce Commission
8 driven. We have our hands in these other things,
9 but, yeah.

10 COMMISSIONER McCABE: Okay.

11 MR. FEIPEL: So we just talked about the ComEd
12 Senate Bill 9 and the override two weeks ago. From
13 there, a number of different bills went through, like
14 the -- you know, and just to pick some of the high
15 points, we turned a water bill here that was going to
16 do some, you know, capping of rate increases and the
17 like. Instead it provides good notice now for
18 customers as they are -- you know, before, during and
19 after a water rate case. That passed and has moved
20 forward. There is this wind energy task force that
21 we are going to be a part of to look at offshore wind
22 and Lake Michigan.

1 Just skipping through quickly, this
2 House Bill 2856 is a 9-1-1 call transfer bill. This
3 was originally some legislation that was talking
4 about task forces and then studies and that, and
5 instead we helped the representative craft it into a
6 bill that actually now is going to address the
7 problem of transfers between 9-1-1 systems.

8 Apparently, there were some serious
9 problems in one area that drove this legislation in
10 the first place. The Nicor depreciation rate bill,
11 you will see that. That gets us approving these
12 cases within four months as long as a whole slew of
13 information is filed on the front end. These cases
14 we typically do in about three months anyways. So
15 that works out well.

16 Of course there is the big telecom
17 rewrite, the AT&T bill, that passed with kind of a
18 balance between what are important things to leave in
19 place in terms of our regulatory oversight and what
20 were some things that were, you know, kind of okay to
21 let slip or change or do in a different way.

22 So that turned out well, and, of

1 course, one of the biggest ones is this rider, the
2 Senate Bill 2266, the gas bill. That sets up very
3 much like the Peoples rider for their advanced main
4 replacement program. This codifies our authority to
5 approve those riders for the three gas utilities,
6 focusing on public safety.

7 So that's kind of the high points.
8 Again, there is this -- the chart we also included.
9 That gives you an overview of all of the different
10 legislation that we looked at and worked through. If
11 you've got any questions right now or later, feel
12 free, but I think that's the broad overall.

13 CHAIRMAN SCOTT: Well, I just want to
14 congratulate you and Randy and Peggy and Mike, the
15 whole staff, because there -- you kind of glossed
16 over them, and I realize for time you have to, but
17 there were some things that I thought were really
18 potentially very damaging to us, to the Commission,
19 to ratepayers, to customers throughout the state.
20 And you all did great work getting the Commission's
21 points of view heard and coming off of the session,
22 where, you know, obviously, you know, what we had to

1 say didn't necessarily always carry the day.

2 I mean, following up in this session
3 with the work that you did I think was great, and
4 then when you add in the budget, which for
5 Commissioner del Valle and Commissioner Maye, what a
6 disaster that would be if those \$9 million in funds
7 weren't transferred into the Public Utilities Fund.
8 It basically would have meant literally dozens of
9 people gone from the Public Utilities Fund, which
10 would mean the operations as we know it pretty much
11 couldn't happen.

12 And so convincing the legislators --
13 convincing legislators at any time that there is a
14 fund out there that's not being completely, fully
15 utilized for the purpose it's there, but to just
16 shift it within -- you know, within the agency and
17 not to use it for some other purpose, because they
18 have got lots of needs they are all looking at, I
19 think that was great work. And there were lots of
20 people who were trying to lay claim to those monies,
21 and so congratulations to everybody. Because this,
22 you know, getting a bill passed and getting the

1 budget looks fairly modest, but it's not, because
2 that session and all of these bills that end up
3 getting sent to the Governor, all of them had Staff's
4 hands in it to get the language right or to get it in
5 a way so that it wasn't really objectionable. So
6 congratulations.

7 ACTING COMMISSIONER DEL VALLE: I want to add
8 to that. I think you did a tremendous job in working
9 with the legislators and with staff, legislative
10 staff, to craft language on a lot of these bills and
11 to make sure that they know that the Commission is
12 here to assist in the process and not to stand in the
13 way of the process. So that's a tone that I think
14 you have set, and it's a very positive tone.

15 COMMISSIONER COLGAN: Can you hear me?

16 CHAIRMAN SCOTT: John, you are -- yeah. You've
17 got a lot of background noise, so --

18 COMMISSIONER COLGAN: Sorry. I just had a
19 couple of quick questions for Jonathan.

20 No. 1, is what's the word out of the
21 Governor's Office in terms of his signing or vetoing
22 the gas bill?

1 MR. FEIPEL: I don't think we have got a good
2 sense yet in terms of -- and there is, you know --
3 we're also trying to work through the issue of
4 obviously the ComEd Senate Bill 9 getting overridden
5 in the same week that the gas Bill passed, trying to
6 sort through which is which and the differences
7 between the two.

8 I haven't heard a specific direction
9 yet. I think they are still reviewing that and
10 taking a look. Obviously lots of interest in some of
11 the other big issues like the pensions and guns and
12 that continues to still take some focus away. So no
13 word yet.

14 COMMISSIONER COLGAN: Okay. Another question
15 about that same bill, that bill doesn't have any
16 bearing on the outcome of the existing rate case,
17 right?

18 MR. FEIPEL: Right. Separate issue.

19 CHAIRMAN SCOTT: Yeah.

20 COMMISSIONER COLGAN: Separate issue, okay.

21 If they had passed that formula rate
22 model bill, that may have had some significant impact

1 on the rate case, I think, right?

2 MR. FEIPEL: Right. And I don't want to get
3 too far into this since the --

4 CHAIRMAN SCOTT: Since the rate case is --

5 MR. FEIPEL: -- case is still open.

6 COMMISSIONER COLGAN: Yeah, right.

7 MR. FEIPEL: And I think that's starting to go
8 toward that. If you guys have questions about what's
9 the impact of this, I would suggest we deal with that
10 in the case, and maybe even request a supplemental
11 filing or something, but, yeah, let's be careful
12 about --

13 CHAIRMAN SCOTT: But the rider type bill, the
14 infrastructure replacement bill that did pass,
15 specifically makes allowance for the rate case --

16 MR. FEIPEL: Right.

17 CHAIRMAN SCOTT: -- that's ongoing now. So
18 they -- that bill recognized that there is a rate
19 case that's going on and made allowances for it in
20 the bill.

21 MR. FEIPEL: Right.

22 COMMISSIONER COLGAN: Okay. All right. That

1 answers my question. And I won't add to, but I just
2 want to ditto the comments that the Chairman and
3 Commissioner del Valle made in terms of
4 congratulating you on a job well done, you and Randy
5 and Peggy and Mike and everybody involved.

6 MR. FEIPEL: Great. Other questions on the
7 legislative stuff?

8 CHAIRMAN SCOTT: No.

9 MR. FEIPEL: Okay. We have already touched on
10 the budget. I'm just trying to move quickly, because
11 I know we are time constrained.

12 The budget, we have got the one page
13 there. Again, the very short version is this budget
14 works, versus some of the, you know, disastrous
15 outcomes that were possible. So the high points --
16 and remember again, too, that this top chart is
17 really talking about our appropriation and remember,
18 for the very quick right -- the General Assembly sets
19 the appropriation level.

20 That's the maximum amount we can
21 spend, but that's very different from our cash
22 balance, and the cash balance is what we get from

1 our, you know, fees and the like, you know, including
2 this transfer from the wireless fund. That's the
3 dollars that we actually get to spend, right?

4 So our appropriation levels are more
5 than enough to cover operations. Our cash is
6 something we continue to watch very closely, because,
7 you know, as we talked before, the problem of the
8 Commission is the same problem as the rest of the
9 state where pension costs increase, contract costs
10 for employees increase, and that's very quickly
11 giving us an ever-growing structural deficit on the
12 Public Utility side, and we are starting to see
13 trends that that similar trend will happen on the
14 Transportation side as well.

15 Especially some of the Collateral
16 Recovery Act revenues aren't coming in as strong as
17 we expected. So it's still something we are
18 continuing to watch very closely in terms of the cash
19 side and looking at potential permanent fixes,
20 certainly on the Public Utility side, but then also
21 on the Transportation side as well to see what we can
22 do to get the cash balances to even out.

1 CHAIRMAN SCOTT: And that's where the 9 million
2 comes in?

3 MR. FEIPEL: That's right. The 9 million
4 covers our deficit problem on the Public Utility
5 side. We don't yet have a problem on Transportation,
6 but again, something we are watching.

7 The other kind of companion piece of
8 the budget is our head count, and if you see there at
9 the bottom, authorized head count, we actually got an
10 increase. That's to respond to the Collateral
11 Recovery Act. The biggest issue there is, as you
12 kind of look through, we are -- even though we have a
13 much higher head count than our current 242, even to
14 spend out all of the dollars that we have, the cash
15 we have, if you will, we would need to lock in
16 somewhere around 267 as a maximum, leaving that room
17 in the head count, that head room, if you will,
18 because of having to absorb some of the contract
19 raise increases and the like.

20 So even though we have got a much
21 higher head count, we will never get up to it, and we
22 will probably -- you know, it best behooves us to

1 stay really kind of where we are at for a while just
2 because of the unknown of what the budget is going to
3 be in the future.

4 CHAIRMAN SCOTT: But you still want the head
5 count to be high enough so that if revenues do come
6 in --

7 MR. FEIPEL: Then we'd have the ability to do
8 it.

9 CHAIRMAN SCOTT: We have said the number of
10 people we need to fully operate --

11 MR. FEIPEL: Right.

12 ACTING COMMISSIONER DEL VALLE: And we are
13 still going to fill the Collateral Recovery
14 positions, the four positions?

15 MR. FEIPEL: We are looking at those. It might
16 be that -- and this is, again, watching that
17 Transportation balance. The goal is to get to all
18 four of those. If we do two immediately and then
19 look for two later on, that might be a way to do it.

20 CHAIRMAN SCOTT: John, can you mute?

21 ACTING COMMISSIONER DEL VALLE: Okay. So we
22 are -- there is no plans to fill all four?

1 MR. FEIPEL: Not right away.

2 ACTING COMMISSIONER DEL VALLE: It's not
3 because we don't want to, but because we have to
4 stretch it?

5 MR. FEIPEL: Right. And the issue -- this is
6 just in terms of where Collateral Recovery Act is.
7 It's a lot of the money that we expected to come in
8 from, you know, things like setting the little
9 tickets that you have to have to be able to repo
10 something in the state now. We were -- the original
11 projections were much higher, that we would be
12 getting lots more interest and selling lots more of
13 these little pads of stickers, in short, but the
14 demand has been less.

15 And right now we are not sure. There
16 is an assumption that we are not getting the entire
17 universe of repossession outfits in the state, right?
18 So there is --

19 ACTING COMMISSIONER DEL VALLE: So there is a
20 dedicated fund for this?

21 MR. FEIPEL: It's part of the Transportation
22 fund overall.

1 ACTING COMMISSIONER DEL VALLE: Overall.

2 MR. FEIPEL: But trying to watch obviously, you
3 know, the other Transportation funds, plus blending
4 in Collateral Recovery funds, we don't want to get
5 too far ahead of ourselves and then be looking at a
6 structural problem there either.

7 So it's hire a couple more police
8 officers right away, ramp up enforcement, drive more
9 revenue, and then we can then continue to staff up
10 from there.

11 CHAIRMAN SCOTT: Because it's kind of a chicken
12 and egg thing, isn't it?

13 MR. FEIPEL: Right, yes.

14 CHAIRMAN SCOTT: If you don't hire the extra
15 staff, you are not likely to capture --

16 MR. FEIPEL: You will never --

17 CHAIRMAN SCOTT: -- this revenue that we think
18 is out there, but that we are not getting.

19 ACTING COMMISSIONER MAYE: Jonathan, I have a
20 question. Is this 242 number as of June 4th, is that
21 physical head count, we have 242, or is that
22 positions available?

1 MR. FEIPEL: That's people.

2 ACTING COMMISSIONER MAYE: Oh, really.

3 CHAIRMAN SCOTT: So there is -- in essence,
4 there is 33 -- you know, we would technically have
5 authorization from the General Assembly to hire 33
6 more people, but what Jonathan is saying, we can't do
7 that, because we won't be in a cash position to go
8 that high.

9 MR. FEIPEL: Right.

10 ACTING COMMISSIONER MAYE: I see. And my
11 second question was, under 4(c) you talked about the
12 merit comp increases. And I haven't been here long,
13 but what I do hear daily is that merit comp people
14 haven't had raises in, you know, ten years or
15 something. So I'm curious to know, does that mean
16 that all merit comp people -- which are people
17 outside of the union, right?

18 MR. FEIPEL: Right.

19 ACTING COMMISSIONER MAYE: They will all be
20 receiving raises on July 1st?

21 MR. FEIPEL: We have the approval to do that.
22 Now it's sorting through the -- how that looks

1 given -- you know, we have stole -- basically, we
2 have taken \$9 million from a different fund and --

3 ACTING COMMISSIONER MAYE: What would be the
4 perception of then giving raises to them?

5 MR. FEIPEL: Right. So that's something we've
6 got to talk through and work through.

7 ACTING COMMISSIONER MAYE: Yes. I just wasn't
8 sure if it was guaranteed. I was a little confused.
9 Okay.

10 MR. FEIPEL: Yeah. It is guaranteed in that we
11 have got approval to do it. Now, the decision rests
12 on whether it's the good thing to do.

13 ACTING COMMISSIONER MAYE: Right. Got you.
14 Okay. Thank you.

15 MR. FEIPEL: Sure. Other questions
16 budget-wise?

17 COMMISSIONER McCABE: Will there be anticipated
18 retirements that could help on that front?

19 MR. FEIPEL: I think so. It seems to be
20 especially -- you know, you hear constantly as a
21 potential pension deal gets closer, that may get some
22 people who are considering retirement to retire

1 quicker to lock in current benefits rather than
2 taking potential reductions. So we are looking at
3 constantly, yeah, there is all kinds of people
4 eligible for retirement, yeah.

5 CHAIRMAN SCOTT: And the lag, even if you
6 refill those, helps some with your budget.

7 MR. FEIPEL: Right.

8 CHAIRMAN SCOTT: Because as we know, it
9 doesn't -- approval doesn't happen right away. That
10 was just for you guys back there.

11 ACTING COMMISSIONER DEL VALLE: Sometimes it
12 does.

13 MR. FEIPEL: A couple days, right?

14 Other budget questions?

15 CHAIRMAN SCOTT: Anything we missed, Jane?

16 MS. FIELDS: No. I think Jon covered it all.

17 MR. FEIPEL: Okay. Well, the next issue we
18 have got is I wanted to talk quickly about the new
19 AFSCME contract. That's been ratified here recently
20 by the union. So now we move into the next one. The
21 very short version of this is as it impacts us, there
22 is not a lot of change. In terms of kind of the

1 overall position on this, it was actually -- if I say
2 management, you know, that's CMS and the agencies
3 under the Governor, right? It's what CMS was pushing
4 in terms of changes were very, very drastic in terms
5 of the way their contract would be structured.

6 In the end, what turned out were not a
7 lot of changes at all to how actual employee
8 functioning works, because obviously the big focus
9 was on the economic part of the contract, right,
10 pensions and raises and potential -- you know, all
11 that kind of stuff, because, of course, the state was
12 looking for ways to cut back some of the costs,
13 because the state is facing some of the same budget
14 issues that we are, right?

15 So in the end, there was a deal cut
16 that locked in some raises for AFSCME folks in
17 exchange for some serious savings in terms of, you
18 know, overall retirement costs for retirees, and that
19 meant that a lot of the day-to-day functionality of
20 how the contract covers employees, most of that
21 stayed the same. There were some, you know, changes
22 around the edges like to travel policies and the

1 like, but it's all stuff that we were already doing
2 anyway. So in terms of day-to-day, how this impacts
3 our folks, there really won't be a lot of change.
4 That's kind of the overall.

5 Leigh Ann, anything to add to that,
6 too? Leigh Ann was, of course, in the trenches all
7 throughout in the negotiation process, so --

8 MS. MYERS: The only other major thing that
9 affects our employees was the -- our signing an MOU
10 for working supervisors. A lot of our first line
11 supervisors went into the bargaining unit. So the
12 working supervisor MOU, which we don't have a copy of
13 yet -- but it gives our managers the ability to
14 perform the duties that they historically performed
15 in supervisory and managerial functions. So it's not
16 really going to change things for our people, because
17 they were already doing them, but the contract now
18 allows them to do that.

19 CHAIRMAN SCOTT: Leigh Ann, how many people do
20 we have that aren't in the union out of our
21 workforce? How many aren't in?

22 MS. MYERS: I think the last time it was like

1 50. Out of our workforce there's about 50.

2 CHAIRMAN SCOTT: Okay. And are there any of
3 the labor board cases that are still pending that
4 would affect that? I'm getting some nods here.

5 MS. STEPHENSON-SCHROEDER: I am here, Leigh
6 Ann. This is Mary.

7 MS. MYERS: There are a couple. There is the
8 Senate Bill -- and I can't remember the number on it,
9 the management bill that could affect some of those
10 pending cases, and we still don't know the outcome of
11 that yet.

12 CHAIRMAN SCOTT: Right. And that would
13 actually keep more people out of the union, right?

14 MS. MYERS: Well, some of the titles that
15 hadn't yet been decided were in that legislation as
16 well. So it could take some out, and it also could
17 keep some out that never went in.

18 MR. FEIPEL: And that bill or the way it's
19 structured or law at this point, right, it's fairly
20 discretionary on the part of the Governor to remove
21 titles, and it's our understanding that a deal was
22 made to limit the potential pool of those titles. So

1 CMS and the Governor's Office are still working
2 through which ones to add up to the total number
3 that's the kind of -- even though there is a much
4 bigger number in the statute, there is a smaller
5 number that's the agreement to number, and so going
6 forward, we keep talking to push to say, hey, look,
7 you know, this is what we have got in this, but we'll
8 see what happens in the end.

9 CHAIRMAN SCOTT: Okay. Thank you.

10 MS. MYERS: You're welcome.

11 MR. FEIPEL: Other questions there? Okay.

12 Last one -- this is probably the most
13 fun -- is Tanzania. Just for extra background, the
14 Commission over the years mostly through NARUC, but
15 also through the U.S. federal government has been
16 partnered with various other countries. Kazakhstan
17 comes to mind. We did --

18 CHAIRMAN SCOTT: Kosovo.

19 MR. FEIPEL: Kosovo, we did. And it's, in
20 essence, a small group, typically, you know, a
21 Commissioner and a couple of staff would go over and
22 help support the efforts of these countries to

1 improve their regulatory policies, open up markets
2 and those kinds of things. Tanzania is the latest,
3 and we were chosen by USAID, you know, a U.S.
4 economic development organization, right -- by USAID
5 and NARUC to be the partnering country with Tanzania.

6 So we have got to quickly assemble a
7 team. Again, what they have really asked us for is
8 somebody high level like a Commissioner and then two
9 staff people to work through -- I have been leaned on
10 pretty heavily right now as of this point by the
11 NARUC and USAID folks, and the other thing, too, that
12 they are saying is different about this approach than
13 it has been in the past is instead of a lot of just
14 meetings, there is going to be really a push for
15 strong deliverables to be -- you know, like actually
16 draft the RFP, draft enabling legislation for, you
17 know, the government of Tanzania to do X, Y and Z,
18 write legal contracts for renewable energy to partner
19 with this country.

20 So supposedly -- at least what I'm
21 being told -- is it's a much more in depth process
22 than it's been in the past.

1 The dates that they are looking at are
2 mid-August, like the week of August 12th for the
3 first delegation to go over, and that one would
4 actually be our folks going to Tanzania to go through
5 a signing ceremony that locks in the partnership, and
6 then through a series of meetings where the first
7 round of deliverables would be done, and then
8 potentially in the fall a delegation from Tanzania
9 coming here, and we would work through some issues.

10 My understanding is there would be one
11 or two other states that send a couple of folks also,
12 but we would be the lead state. So the key is if
13 there is interest from Commissioners and one in
14 particular in going, that would be good. Otherwise,
15 we have got to also look at who our staff people are
16 and what the team skill set looks like to meet the
17 needs. I know that so far they have been talking
18 about renewables is a very strong area of interest.

19 CHAIRMAN SCOTT: Energy efficiency.

20 MR. FEIPEL: Energy efficiency is another
21 strong area of interest.

22 CHAIRMAN SCOTT: Procurement.

1 MR. FEIPEL: And procurement of power are the
2 two big -- three -- the two -- are the big three
3 issues they are very interested in talking over.

4 CHAIRMAN SCOTT: And again, Jonathan, can you
5 send the work plan and the invitation letter around?

6 MR. FEIPEL: Absolutely. Yeah, yeah.

7 So that's on that. If anybody is
8 interested -- or I will send around the documents
9 that we have got so far. Let me know, and I think
10 they want us to make a decision here pretty quickly.

11 ACTING COMMISSIONER MAYE: Well, I thought the
12 Chair -- I thought you were going.

13 CHAIRMAN SCOTT: It doesn't have to be. It
14 could be -- just a Commissioner and then probably two
15 staff people.

16 MR. FEIPEL: Right.

17 CHAIRMAN SCOTT: One of them probably ought to
18 be a lawyer, I'm guessing, given what they want us to
19 do. If the deliverable is actually what they are
20 saying they want it to be, but so --

21 MR. FEIPEL: Yeah. Okay.

22 CHAIRMAN SCOTT: Anything else?

1 MR. FEIPEL: That's all I have got.

2 CHAIRMAN SCOTT: Anything else from
3 Springfield?

4 MR. POUND: No.

5 MS. FIELDS: No.

6 CHAIRMAN SCOTT: Okay.

7 MR. FEIPEL: As always, if you have got any
8 questions on any of these things, feel free to give
9 me a call or stop by my office over the next couple
10 of days.

11 CHAIRMAN SCOTT: If there is no other business
12 to come before the Commission, this meeting stands
13 adjourned. Thanks, everyone.

14 (END OF PROCEEDINGS.)

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