

1 Utility agenda, we will begin with approval of
2 minutes from our August 21 Regular Open Meeting. I
3 understand amendments have been forwarded. Is there
4 a motion to amend the minutes?

5 COMMISSIONER McCABE: So moved.

6 CHAIRMAN SCOTT: Is there a second?

7 COMMISSIONER COLGAN: Second.

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

9 All in favor say aye.

10 COMMISSIONERS: Aye.

11 CHAIRMAN SCOTT: Any opposed?

12 (No response.)

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

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

17 COMMISSIONER COLGAN: So moved.

18 CHAIRMAN SCOTT: Is there a second?

19 COMMISSIONER McCABE: Second.

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

21 All in favor say aye.

22 COMMISSIONERS: Aye.

1 CHAIRMANS SCOTT: Any opposed?

2 (No response.)

3 The vote is five to nothing, and the
4 August 21 Regular Open Meeting minutes as amended are
5 adopted.

6 Moving into the Electric portion of
7 today's agenda, Items E-1 and E-2 can be taken
8 together. These items concern tariff changes sought
9 by ComEd and Ameren. In each case Staff recommends
10 granting the company's request by not suspending the
11 filing.

12 Is there any discussion?

13 Is there a motion to enter the Order?

14 COMMISSIONER COLGAN: So moved.

15 CHAIRMAN SCOTT: Is there a second?

16 COMMISSIONER McCABE: Second.

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

18 All in favor say aye.

19 COMMISSIONERS: Aye.

20 CHAIRMAN SCOTT: Any opposed?

21 (No response.)

22 The vote is five to nothing, and the

1 filings will not be suspended.

2 We will use this five to nothing vote
3 for the remainder of the Public Utility agenda,
4 unless otherwise noted.

5 Item E-3 is Docket 09-0592. This is
6 our rulemaking proceeding for Parts 412 and 453 of
7 Title 83 of the Administrative Code. This item will
8 be held for disposition at a future Commission
9 proceeding.

10 Item E-4 is Docket Number 10-0537.
11 This is ComEd's reconciliation case for revenues
12 collected under its energy efficiency rider. This
13 item will also be held for disposition at a future
14 Commission proceeding.

15 Item E-5 is Docket Number 12-0404.
16 This concerns MidAmerican Company's reconciliation
17 proceeding for revenues collected under its gas and
18 electric energy efficiency program riders in 2009.
19 ALJ Jorgensen recommends entry of an Order approving
20 the reconciliation.

21 Is there any discussion?

22 (No response.)

1 Are there any objections?

2 (No response.)

3 Hearing none, the Order is entered.

4 Item E-6 is Docket Number 11-0721.

5 This is ComEd's initial formula rate filing under
6 Section 16-108.5 of the Public Utilities Act. This
7 matter is currently on rehearing and will be held for
8 disposition at a future Commission proceeding. It is
9 our anticipation that this would be done at the
10 October 3 meeting.

11 Item E-7 is Docket Number 11-0742.

12 This is a complaint filed by Ultra Foods against
13 ComEd. ALJ Riley recommends entry of an Order
14 dismissing the complaint without prejudice.

15 Is there any discussion?

16 (No response.)

17 Are there any objections?

18 (No response.)

19 Hearing none, the Order is entered.

20 Item E-8 is Docket Number 12-0419.

21 This item will be held for disposition at a future
22 Commission proceeding, but I believe Commissioner

1 McCabe has some questions for ALJ Hilliard. Is the
2 Judge available?

3 JUDGE HILLIARD: Yes.

4 CHAIRMAN SCOTT: Very good.

5 COMMISSIONER McCABE: Yes. Judge Hilliard, I
6 want a little more background on this case, wondered
7 if you knew what some of the issues were between IDOT
8 and ComEd and their attempt to reach agreement on
9 this issue.

10 JUDGE HILLIARD: Yeah, I can tell you I have a
11 pretty good handle on these things. These are all
12 condemnation cases. This is an example of a
13 condemnation case involving the Department of
14 Transportation and Commonwealth Edison. And there is
15 a section of the Condemnation Act that requires the
16 Commission to approve the taking in a case like this.
17 That section does not provide any criterion as to
18 what the Commission ought to use to determine whether
19 or not the taking is appropriate, but there is
20 another section under the Condemnation Act that says
21 that the taking has to be for a public purpose, that
22 it has to be in the public interest, and that the

1 property which is taken is going to be owned or
2 controlled by a state entity after the taking.

3 So this is kind of a -- there are
4 several parts to these transactions. The parties
5 negotiate and, if they come to an agreement, then it
6 is an agreed order and the pool is given and then the
7 taking occurs. If it doesn't, the case proceeds to a
8 condemnation case.

9 And the issue in this case is -- this
10 didn't used to be an issue but it has been for a
11 period of time -- is that the affidavit that the
12 Department of Transportation wants the utility to
13 sign provides that the utility essentially warrants
14 that there are no unknown owners or claimants for the
15 property.

16 Now, almost all these cases are road
17 widening or expressway ramp type cases. And for
18 whatever reason, ComEd is not willing to, I guess,
19 undertake to say that they don't know that somebody
20 else doesn't have a claim on this property. So what
21 happens then and what's happened in this case where
22 there is no issue about compensation, that's

1 apparently agreed by the parties, is that the
2 condemnation case will be a vehicle for the State to
3 get clear title of the property.

4 This is like analogous to a
5 foreclosure case. The decree by the Court, the
6 Circuit Court, which will happen after approval by
7 the Commission, would extinguish all other claims.
8 So then the Department of Transportation would have
9 clear title of the property. That is the issue in
10 this particular case, and it is -- you know, it comes
11 up frequently in these cases recently.

12 I think the other -- another matter
13 that you expressed some interest in was a master
14 easement agreement between ComEd and the Department
15 of Transportation. And I looked at a few of these
16 cases, and every single one of the cases refers to a
17 master easement agreement. And the agreement itself
18 is not an exhibit in the case and I don't know if it
19 has ever been an exhibit in the case. But the
20 easement itself is something that I think the
21 Commission certainly would approve if it were brought
22 before them.

1 As I indicated, in most of these cases
2 ComEd continues to own at least a portion of the
3 property, and there is some equipment or building or
4 transmission lines that's on the property that
5 continues to operate after the road widening occurs
6 and during the time that the road widening is being
7 put in place. And the easement provides that IDOT
8 will make sure that ComEd's equipment remains
9 operable, is not interfered with by the construction,
10 that they will take steps to protect the equipment
11 during the installation, and after the project is
12 completed, they will take away what they can take
13 away so that it doesn't interfere with ComEd's use of
14 the property. It also provides that IDOT will make
15 sure that everybody involved has insurance and that
16 ComEd is protected from claims that, you know, that
17 might arise for any number of reasons.

18 So it seems to me that the easement
19 agreement itself is in the public interest, and the
20 Commission in my opinion would approve it if it came
21 before them.

22 COMMISSIONER McCABE: Very good. Thank you

1 very much.

2 CHAIRMAN SCOTT: Any questions? Discussion?

3 JUDGE HILLIARD: Commissioner, I also could
4 provide your assistant with a copy of the easement if
5 you would want, a blank easement.

6 COMMISSIONER McCABE: Okay, thank you.

7 CHAIRMAN SCOTT: Thank you, Judge.

8 Item E-9 is Docket Number 10-0579.

9 This is Rock Island Clean Line's petition seeking
10 certification as a transmission public utility. The
11 company has moved to withdraw its petition, and ALJ
12 Jones recommends granting the withdrawal.

13 COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman?

14 CHAIRMAN SCOTT: Yes.

15 COMMISSIONER O'CONNELL-DIAZ: Excuse me. Are
16 we voting on E-8 or is that being held?

17 CHAIRMAN SCOTT: E-8 was being withheld.

18 COMMISSIONER O'CONNELL-DIAZ: Okay. Thank you.

19 CHAIRMAN SCOTT: Thank you. ALJ Jones
20 recommends granting withdrawal of the petition in
21 Item E-9.

22 Is there any discussion?

1 (No response.)

2 Are there any objections?

3 (No response.)

4 Hearing none, the motion to withdraw
5 is granted.

6 Items E-10 through E-14 (11-0587,
7 12-0103, 12-0028, 12-0206, 12-0259) can be taken
8 together. These items concern customer complaints
9 against ComEd or Ameren. In each case the parties
10 apparently settled their differences and have brought
11 a joint motion to dismiss which the ALJ recommends we
12 grant.

13 Is there any discussion?

14 (No response.)

15 Are there any objections?

16 (No response.)

17 Hearing none, the motions to dismiss
18 are granted.

19 Item E-15 is Docket Number 12-0001.
20 This is Ameren's initial formula rate case filed
21 under Section 16-108.5 of the Public Utilities Act.
22 ALJ Albers recommends entry of an Order setting new

1 rates for the company resulting in a decrease in
2 rates. We also have a petition for interlocutory
3 review brought by the company concerning references
4 to a recent Illinois House resolution addressing a
5 couple of the issues in this matter.

6 First of all, Judge Albers, could you
7 give us an update on the comments received in the
8 case?

9 JUDGE ALBERS: Certainly. We have still only
10 two comments opposing any rate increase since the
11 company came in asking for a decrease. So not too
12 much concern there.

13 CHAIRMAN SCOTT: Next we will take up the
14 petition for interlocutory review. Is there any
15 discussion on the petition?

16 (No response.)

17 Is there a motion to grant the
18 petition?

19 COMMISSIONER McCABE: So moved.

20 CHAIRMAN SCOTT: Is there a second?

21 COMMISSIONER COLGAN: Second.

22 CHAIRMAN SCOTT: Is there further discussion?

1 (No response.)

2 It's been moved and seconded. All in
3 favor say aye.

4 COMMISSIONERS: Aye.

5 CHAIRMAN SCOTT: Any opposed?

6 (No response.)

7 The vote is five to nothing, and the
8 petition is granted.

9 We have a number of proposed revisions
10 to consider today. We will start with Commissioner
11 McCabe.

12 Commissioner?

13 COMMISSIONER McCABE: I am going to propose
14 three changes. The first concerns Account 190 Asset
15 - Unamortized IPCs. We accept Staff's recommendation
16 to remove language criticizing Staff for revising its
17 approach as a result of testimony in hearings.

18 The second change would be on
19 regulatory asset amortization, to adopt Staff and
20 Ameren's recommendation to retain the amortization
21 schedule for merger and severance costs previously
22 established in Docket 09-0306. The Proposed Order

1 would analyze or normalize these costs.

2 Third is a minor edit to include in
3 the interest on under and over collections IIEC's
4 position in the record which was, I think,
5 inadvertently left out.

6 CHAIRMAN SCOTT: You are moving those revisions
7 then. Is there a second?

8 COMMISSIONER COLGAN: Second.

9 CHAIRMAN SCOTT: It's been moved and seconded.
10 Is there discussion on those three revisions?

11 (No response.)

12 All in favor say aye.

13 COMMISSIONERS: Aye.

14 CHAIRMAN SCOTT: Any opposed?

15 COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman, I
16 vote no on the Account 190.

17 CHAIRMAN SCOTT: Okay. So the vote on Account
18 190 is four to one. The vote on regulatory asset
19 amortization was five to nothing, and on the interest
20 on under and over collections is five to nothing.

21 Commission McCabe?

22 COMMISSIONER McCABE: Okay. The next one is on

1 consistency of formula rate tariffs co-sponsored with
2 Commissioner O'Connell-Diaz. We recommend adopting
3 IIEC's suggestions to make the two formula rate
4 orders consistent. And I would like to thank IIEC
5 for bringing this to our attention, albeit a little
6 late into the record.

7 CHAIRMAN SCOTT: You are moving that revision?

8 COMMISSIONER McCABE: Yes.

9 CHAIRMAN SCOTT: Is there a second?

10 COMMISSIONER COLGAN: Second.

11 CHAIRMAN SCOTT: It's been moved and seconded.
12 Discussion?

13 COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman,
14 just to follow up on Commissioner McCabe's comments
15 with regard to this, while we have the language grant
16 the request of IIEC which was in its initial brief,
17 we do point out that it is important that all parties
18 have an opportunity to comment on the position of the
19 parties. And bringing it up in the initial brief
20 really does foreclose that opportunity. In this
21 instance it was not a controversial matter. But if
22 it was something of great controversy, it would put

1 the Commission in a bad spot to have to be ruling on
2 something where there is not full vetting through our
3 hearing process. The record is closed at that point
4 in time. So we do point that out.

5 So it does conclude the IIEC's, their
6 suggestion, in their initial brief is accepted. But
7 in the future we would like to see that a little
8 earlier certainly in accordance with our rules.

9 CHAIRMAN SCOTT: Is there further discussion?

10 (No response.)

11 It's been moved and seconded on this
12 revision. All in favor say aye.

13 COMMISSIONERS: Aye.

14 CHAIRMAN SCOTT: Any opposed?

15 (No response.)

16 It carries five to nothing, and that
17 revision is also adopted.

18 Commissioner O'Connell-Diaz, I believe
19 you have a revision?

20 COMMISSIONER O'CONNELL-DIAZ: I didn't think
21 you were going to get to me until after you did
22 yours.

1 CHAIRMAN SCOTT: I can do that if you would
2 like.

3 COMMISSIONER O'CONNELL-DIAZ: That would be
4 fine.

5 CHAIRMAN SCOTT: Okay. I have three revisions.
6 The first is to the section on charitable
7 contributions. The revision that I would make would
8 allow their company recovery of their charitable
9 contributions with one exception, and the revision
10 explains the reason behind that allowance which is
11 the disallowance for contribution to the City of
12 Springfield under the reasoning that the City is not
13 served by Ameren for electricity purposes and,
14 therefore, the Ameren electric customers don't get a
15 benefit from the contribution.

16 I do want to say in terms of
17 introducing this, it is in essence putting back a lot
18 of what was taken out of the -- in the Proposed
19 Order, a lot of the charitable contributions. One of
20 the things that was done in the Proposed Order was to
21 rely on 501(c)(3) as kind of a bright line. To me
22 that distinction doesn't really work.

1 The statute talks about public
2 welfare, religious, scientific, educational, as we
3 have talked about on many occasions. And I think
4 that under that definition in the statute there are
5 501(c)(3)s and 501(c)(6)s, for that matter, that can
6 qualify for charitable contributions. To qualify the
7 key is what the money is to be used for, is it
8 actually to be used for those purposes.

9 And as I have said many times before,
10 I am not certainly against the charitable
11 contributions. The Public Utilities Act obviously
12 allows for it. The idea is to show compliance with
13 Section 9-227 and what the money is to be spent on.

14 And I do want to commend AIC in this
15 case, much better than in the last case when they
16 were before us, in terms of laying out what the
17 dollars were to be used for. I do think there is
18 probably some work to be done in the future on some
19 of the dual label, dual purpose kind of labeling,
20 that we got in the testimony and the charts that were
21 here. But I think that the company did a good job in
22 this case of explaining what it was for.

1 And in reviewing all of the
2 contributions, with the one exception that I already
3 highlighted with the City of Springfield, I think all
4 of those contributions deserve to be allowed under
5 the Order, and I would move that revision.

6 COMMISSIONER COLGAN: I will second that.

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

8 Is there any discussion?

9 COMMISSIONER COLGAN: I just want to say that I
10 agree with what you just said. I think these
11 contributions are really important. While they are
12 not that large, they are not that large in
13 contributions in most cases, a lot of these
14 organizations really depend on these contributions.

15 And I think the key that you pointed
16 out and that I agree with is the purpose that the
17 different organizations are going to use the
18 contributions for.

19 And I also want to thank Staff and ALJ
20 Albers and Yoder for, you know, going to some lengths
21 to try to make a distinction here that we have duly
22 considered. But I think that the best course is the

1 one that is in front of us here in this motion.

2 CHAIRMAN SCOTT: Further discussion?

3 COMMISSIONER FORD: I certainly agree with what
4 you said, John, because most of these organizations
5 are small and any kind of contribution they get is
6 certainly needed. So I am glad that the ALJs
7 revisited that issue.

8 CHAIRMAN SCOTT: Further discussion?

9 COMMISSIONER O'CONNELL-DIAZ: Yes, Mr.
10 Chairman.

11 CHAIRMAN SCOTT: Yes, go ahead. Sure,
12 Commissioner.

13 COMMISSIONER O'CONNELL-DIAZ: Thank you for
14 your edits on this. I was quite concerned when I saw
15 a new rule being imposed with the 501(c)(3) which
16 clearly is not part of the statute. I think I have
17 spoken in other cases that have been up; I am very
18 proud that our state has this type of a statute to
19 help those in need. And when you look at what the
20 annual cost on someone's bill, I think it is like 20
21 cents in this instance or it is probably even less
22 than that, I was quite concerned with our Staff's

1 position in this proceeding. I think the statute is
2 quite clear. I had concern about the rulemaking. I
3 think that the rulemaking that's been initiated could
4 in fact be contrary to what the statutory provisions
5 are that the General Assembly has provided to us. I
6 think it is quite clear what they want out of that.

7 Certainly having more in the record is
8 a good thing. The company in fact did that and,
9 hence, your revisions reflect that. But given the
10 fact that it is somewhat encompassing the 9-227
11 provisions, you know, it fits a lot of feet, if you
12 will. And in this economic climate I am happy to see
13 that we all join in and help each other.

14 And when I see the moneys that flow
15 out with energy efficiency programs that are on a
16 ratepayer's bill, these are costs that are in the
17 communities that assist people and I think it makes
18 the state a more human state.

19 So our General Assembly in their
20 wisdom enacted that provision, and we should continue
21 to approve these type of expenditures. Thank you.

22 CHAIRMAN SCOTT: Thank you, Commissioner.

1 Further discussion?

2 (No response.)

3 All in favor of the revision vote aye.

4 COMMISSIONERS: Aye.

5 CHAIRMAN SCOTT: Any opposed?

6 (No response.)

7 The motion carries five to nothing,
8 and the revision is adopted.

9 My second proposed revision revised
10 the conclusion on the interest rate to be used for
11 reconciliation. I believe that Ameren's rate for
12 short-term debt is the interest rate best supported
13 by the record evidence and propose adopting using
14 that rate for the reconciliation balance, and I want
15 to explain that just a little bit.

16 First of all, the language in the
17 statute and, again, as has been pointed out in many
18 occasions is a statute of first interpretation by us.
19 The language for this particular section just says
20 with interest. There has been -- so it is left to us
21 to decide exactly what "with interest" means and
22 there are several different theories that were

1 posited during the course of this case. I am just
2 going to talk very briefly about them and what my
3 rationale is with the revision.

4 So one of the -- the weighted average
5 cost of capital, or the WACC, was proposed by the
6 company. But that's referred to other places in the
7 statute and referred to as an investment return, not
8 as an interest rate. WACC, as you know, draws on
9 long-term debt and equity, but here we are talking
10 about something that is collected in the year
11 following the determination of a reconciliation
12 amount.

13 On the other side of that, on the
14 other end of the spectrum, we have the customer
15 deposit rate, but I don't believe that that
16 adequately reflects the short-term financing need for
17 the company in this case. And I realize in the ComEd
18 case we did an averaging, but that averaging also
19 includes long-term debt. So for the reason I talked
20 about with WACC, I don't think that that's
21 appropriate.

22 So I believe the short-term rate is --

1 this methodology is not only supported by the record
2 but it gives best possible interpretation to the
3 phrase "with interest" in the statute as it relates
4 to the reconciliation balance then.

5 I would move that revision. And I
6 appreciate the help from both Commissioner Colgan and
7 Commissioner McCabe on this set of revisions. So I
8 will move the revision.

9 COMMISSIONER McCABE: Second.

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

11 Further discussion?

12 (No response.)

13 All in favor of the revision vote aye.

14 COMMISSIONERS: Aye.

15 CHAIRMAN SCOTT: Opposed?

16 COMMISSIONER O'CONNELL-DIAZ: No.

17 COMMISSIONER FORD: No.

18 CHAIRMAN SCOTT: Motion carries on a three to
19 two vote, and the revision is adopted.

20 COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman, if
21 I might?

22 CHAIRMAN SCOTT: Yes, please.

1 COMMISSIONER O'CONNELL-DIAZ: With regard to
2 this revision, with all due respect to my colleagues,
3 I believe that the ALJs got this correct. I think
4 the statute is quite clear with what this is. And
5 also the notion that this somehow will be
6 appropriately reflected by short-term debt, I believe
7 is an impossibility, given the time frame of the
8 statutory scheme under the EIMA. And so, therefore,
9 I just cannot go beyond what is contained in the
10 statute.

11 Additionally, now that we have
12 recognized this resolution, I think it comes from the
13 folks that drafted it, they talk about that it is the
14 weighted cost, average cost. It is certainly not the
15 customer deposit, because that's zero. Short-term
16 debt does not cover this. And the thrust of the EIMA
17 is to provide a situation where the Company can
18 recover their costs. We are talking about the time
19 value of money. There is cost to that. And the cost
20 of that, as the ALJs properly found, was the weighted
21 average costs.

22 So with all due respect to my

1 colleagues, I will follow what the law says and I am
2 compelled to vote no.

3 CHAIRMAN SCOTT: Okay. Further discussion?

4 (No response.)

5 My final revision, given that we voted
6 earlier to grant the petition for interlocutory
7 review which was just referenced, my final revision
8 has language that makes it clear that the Commission
9 has given House Resolution 1157 the weight afforded
10 to it under the laws, as is similar to what we did in
11 the Chicago Clean Energy case fairly recently where
12 we had another set of resolutions. I think we had
13 two in that particular case. But this would have
14 language in there since we just voted on the
15 interlocutory review to make reference to Resolution
16 1157, and I would move that provision as well.

17 Is there a second?

18 COMMISSIONER COLGAN: Second.

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

20 Further discussion?

21 (No response.)

22 All in favor say aye.

1 COMMISSIONERS: Aye.

2 CHAIRMAN SCOTT: Any opposed?

3 (No response.)

4 Motion is granted, and the revision is
5 adopted.

6 Now, Commissioner O'Connell-Diaz?

7 COMMISSIONER O'CONNELL-DIAZ: Yes, thank you,
8 Chairman. I have proposed revisions to the average
9 or year-end conclusions in the Order at page 173.
10 This reflects the same treatment that I suggested and
11 was not the winner of the day in the ComEd situation.
12 However, I believe the statute again guides us in
13 this. It is extremely clear. It is unambiguous. It
14 leaves nothing to the imagination, as is suggested in
15 the Order, or manipulation I guess might be a better
16 word that is used.

17 It is clear that it talks about the
18 final historical data. It also provides for that it
19 come from a certain document. It also suggests that
20 it would be updated with regard to the depreciation
21 reserve and expense, so that is covered.

22 And so given the confines of this new

1 law that we are operating under, I think we need to
2 be in accordance with what that is. And the
3 conclusion that is reached in the Proposed Order does
4 not bring us to that appropriate legal conclusion.

5 I think the General Assembly enacted
6 this provision, these new provisions, to act in
7 concert with one another. I think it is tantamount
8 to our job as the Commission to implement what the
9 General Assembly has put on our plate, not to
10 recreate it. That is something that the General
11 Assembly does in its deliberations, and those days
12 are over with. We have before us the law that we are
13 asked to implement, and we must implement it in
14 accordance with what the General Assembly has given
15 us.

16 Additionally, I cite to the resolution
17 that we have, giving it the appropriate weight before
18 the authors of this. They tell us what their intent
19 was, and it again suggests that we should not use
20 average numbers. "Average" does not appear anywhere.

21 And in this situation what we do is we
22 set up a situation where the company will never be

1 made whole. They will always be catching up. When
2 you use an average, it is not the true number. It is
3 not the actual number. And that is how inappropriate
4 is finding any other way than what is contained in
5 the statute, and the General Assembly understood that
6 and directed us to use the final historical data that
7 is reflected on FERC Form 1.

8 So I would suggest that my colleagues
9 take up my changes and vote yes.

10 CHAIRMAN SCOTT: I assume you are moving that?

11 COMMISSIONER O'CONNELL-DIAZ: I am. I am.

12 CHAIRMAN SCOTT: Is there a second?

13 COMMISSIONER FORD: Second.

14 COMMISSIONER O'CONNELL-DIAZ: That was a
15 deliberate speech.

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

17 Is there further discussion?

18 Commissioner McCabe.

19 COMMISSIONER McCABE: I support the Proposed
20 Order's use of year-end rate base balances for
21 setting future rate components of formula rates and
22 average for the reconciliation. And as discussed in

1 the record, I think this will reduce regulatory lag
2 and lesson the gap to be reconciled.

3 CHAIRMAN SCOTT: And I am not going to support
4 your motion, Commissioner. Two quick points. One is
5 the language of the statute is very interesting
6 because it talks about the applicable rate, the
7 inputs shall be based on final historical data plus
8 projected plant additions. The word "based on" or
9 the words "based on" are very curious in their
10 application there. I would arguing that averaging is
11 absolutely based on the data that is required under
12 the statute.

13 And I will take the flip side of the
14 argument that you made, Commissioner, and just say
15 that by going to year-end every year, you will always
16 result in an over-charge unless somehow the company
17 miraculously figures out a way to make all of their
18 investments on January 1 of any given year, which I
19 think we all know probably isn't going to happen, and
20 I have a difficult time believing that that was the
21 actual legislative intent.

22 So, respectfully, I won't be

1 supporting your motion.

2 Further discussion?

3 COMMISSIONER FORD: And my not being a lawyer,
4 I do see where there is no authority, statutory
5 authority, was given to the Illinois Commerce
6 Commission to set rate base in capital structures
7 using average numbers that do not represent final
8 year-end values reflected in the FERC Form 1, and the
9 Illinois Commerce Commission uses such averages
10 contrary to the statute. That's also in our
11 resolution.

12 Now, remember, I am not a lawyer.

13 CHAIRMAN SCOTT: Further discussion?

14 Commissioner Colgan?

15 COMMISSIONER COLGAN: Well, yeah, I just
16 briefly want to say that -- I want to thank my
17 colleagues that argued on both sides of this issue.
18 You know, this has been a tough issue to wrestle to
19 the ground here and come to a conclusion on. And I
20 think there are -- and I appreciate, certainly
21 appreciate, Commissioner O'Connell-Diaz's point of
22 view on it.

1 I am not going to support that point
2 of view because -- and I am not going to repeat
3 arguments that Chairman Scott has made. But after
4 due deliberation which has been very considerable and
5 back and forth just debating issues on this with
6 several assistants, my own assistant, trying to come
7 to the best conclusion that we can possibly come to,
8 I am not going to support this amendment.

9 But I want everybody to know that I
10 appreciate everybody's due diligence that did the
11 best that we could on this issue.

12 CHAIRMAN SCOTT: Further discussion?

13 (No response.)

14 All in favor of the motion say aye.

15 COMMISSIONERS: Aye.

16 CHAIRMAN SCOTT: Opposed?

17 COMMISSIONER COLGAN: No.

18 CHAIRMAN SCOTT: No.

19 COMMISSIONER McCABE: No.

20 CHAIRMAN SCOTT: Motion fails on a vote of
21 three to two -- two to three.

22 Are there further revisions or further

1 discussion on this matter?

2 (No response.)

3 Is there a motion to enter the Order
4 as amended?

5 COMMISSIONER McCABE: So moved.

6 CHAIRMAN SCOTT: Is there a second?

7 COMMISSIONER COLGAN: Second.

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

9 Is there further discussion on the Order as amended?

10 (No response.)

11 All in favor say aye.

12 COMMISSIONERS: Aye.

13 CHAIRMAN SCOTT: Opposed?

14 COMMISSIONER O'CONNELL-DIAZ: No.

15 COMMISSIONER FORD: No.

16 CHAIRMAN SCOTT: The vote is three to two, and
17 the Order as amended is entered then.

18 On behalf of the Commission I'd really
19 like to thank Judges Albers and Yoder, and I really
20 appreciated -- I know it was a tremendous amount of
21 work, and we have talked about the deadlines and how
22 difficult they are. So we really appreciate both of

1 your hard work on this case. So thank you very much,
2 gentlemen.

3 Item E-16 is Docket Number 12-0212.
4 This is a proceeding to develop certification
5 requirements for electric vehicle charging station
6 vendors. I believe we are receiving a briefing from
7 Judge Albers on this matter, no less.

8 So, Judge, go right ahead.

9 JUDGE ALBERS: At your request, here we go. On
10 March 21 of this year the Commission initiated its
11 rulemaking in compliance with Section 16-128(a) of
12 the Act. Subsection (b) required a rulemaking to
13 establish certification requirements for vendors that
14 install electric vehicle charging stations.

15 Since our first status hearing on
16 April 17, we have the following intervenors:
17 Commonwealth Edison, Mt. Carmel Public Utility
18 Company, Citizens Utility Board, MidAmerican, IBEW,
19 American -- I am sorry, Ameren Solar -- I am sorry,
20 Ameren Illinois Company, Illinois Solar Energy
21 Association, the Environmental Law and Policy Center,
22 Associated Builders and Contractors, and the Illinois

1 Chamber of Commerce. The City of Chicago and the
2 Attorney General have also entered appearances.

3 Staff and these parties have held
4 workshops and have had various informal discussions
5 on various occasions. They have had workshops on
6 July 13, July 26, August 27, and September 17. And
7 in addition on August 28 the Governor signed House
8 Bill 5071 into law which became Public Act 97-1128.
9 This new law added several specific elements for the
10 rule to consider and imposed a deadline which is
11 February 28, 2014. Prior to that there was no
12 deadline in this case.

13 Fortunately, the parties were aware of
14 House Bill 5071 during their workshops, so they did
15 contemplate its enactment as they discussed proposals
16 for inclusion in the rule.

17 I happen to have a status hearing
18 scheduled this afternoon, actually. So I hope to get
19 an update then and find out if the parties are any
20 closer to an agreed-upon rule.

21 If you have any other questions, feel
22 free.

1 CHAIRMAN SCOTT: Questions?

2 (No response.)

3 Very good. Thank you very much, John.
4 Appreciate it.

5 Items E-17 and E-18 (12-0464, 12-0481)
6 can be taken together. These items are applications
7 for licensure as an Agent, Broker and Consultant
8 filed under Section 16-115(c) of the Public Utilities
9 Act. In each case ALJ Albers recommends entry of an
10 Order granting the certificate.

11 Is there any discussion?

12 (No response.)

13 Any objections?

14 (No response.)

15 Hearing none, the Orders are entered.

16 Item E-19 is Docket Number 12-0471,
17 Phalanx Energy Services, LLC's, application for
18 licensure as an Alternative Retail Electric Supplier.
19 ALJ Yoder recommends entry of an Order granting the
20 license.

21 Is there any discussion?

22 (No response.)

1 Any objections?

2 (No response.)

3 Hearing none, the Order is entered.

4 Item E-20 is Docket Number 12-0477.

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

7 Turning now to Natural Gas, Items G-1
8 and G-2 can be taken together. These items concern
9 tariff changes filed by Ameren and Nicor. In each
10 case Staff recommends granting the request by not
11 suspending the filing.

12 Is there any discussion?

13 (No response.)

14 Any objections?

15 (No response.)

16 Hearing none, the filings will not be
17 suspended.

18 Items G-3 and G-4 (09-0545, 09-0546)
19 can be taken together. These items are
20 reconciliation cases for Peoples and North Shore for
21 revenues collected under gas adjustment charges in
22 2009. In each case ALJ Sainsot recommends entry of

1 an Order approving the reconciliation.

2 Is there any discussion?

3 (No response.)

4 Any objections?

5 (No response.)

6 Hearing none, the Orders are entered.

7 Item G-5 is Docket Number 11-0671.

8 This is a rulemaking proceeding for Title 83, Part
9 596, of the Administrative Code concerning public
10 availability of information contained in pipeline
11 inspections. ALJ Teague recommends entry of an Order
12 adopting the rules with an effective date of October
13 1, 2012.

14 Is there any discussion?

15 (No response.)

16 Any objections?

17 (No response.)

18 Hearing none, the Order is entered.

19 Item G-6 is Docket Number 12-0177.

20 This is Claudette Rogers' complaint against Nicor.
21 The parties have apparently settled their differences
22 and brought a joint motion to dismiss which ALJ

1 Haynes recommends we grant.

2 Is there any discussion?

3 (No response.)

4 Any objections?

5 (No response.)

6 Hearing none, the joint motion to
7 dismiss is granted.

8 Item G-7 is Docket Number 12-0396.

9 This is FTR Energy Services' application for
10 licensure as an Alternative Gas Supplier. This item
11 will be held for disposition at a future Commission
12 proceeding.

13 Item G-8 is Docket Number 12-0469.

14 This is Iron Energy's application for licensure as an
15 Alternative Gas Supplier. The company has moved to
16 withdraw its application, and ALJ Von Qualen
17 recommends granting withdrawal.

18 Is there any discussion?

19 (No response.)

20 Any objections?

21 (No response.)

22 Hearing none, the motion to withdraw

1 is granted.

2 Moving on to Telecommunications, Item
3 T-1 is Docket Number 12-0406. This is a joint
4 petition for the approval of an amendment to an
5 Interconnection Agreement. ALJ Riley recommends
6 entry of an amendatory Order making minor corrections
7 to the Order previously entered by the Commission.

8 Is there any discussion?

9 (No response.)

10 Any objections?

11 (No response.)

12 Hearing none, the amendatory Order is
13 entered.

14 Item T-2 is Docket Number 12-0447.

15 This is a joint petition by New Cingular Wireless PCS
16 and Illinois Consolidated Telephone Company seeking
17 approval of an amendment to their Interconnection
18 Agreement. ALJ Jorgensen recommends entry of an
19 Order approving the amendment to the agreement.

20 Is there any discussion?

21 (No response.)

22 Any objections?

1 (No response.)

2 Hearing none, the Order is entered.

3 Items T-3 through T-10 (11-0623,
4 11-0622, 11-0624, 11-0626, 11-0627, 11-0628, 11-0629,
5 11-0625) will be taken together. These are
6 rulemaking proceedings for revisions to various
7 telecommunications portions of Title 38 due to recent
8 changes to the Public Utilities Act. In each case
9 the ALJ recommends entry of an Order adopting
10 amendments to the rule with an effective date of
11 October 1, 2012.

12 Is there any discussion?

13 (No response.)

14 Are there any objections?

15 (No response.)

16 Hearing none, the Orders are entered.

17 Item T-11 is Docket Number 11-0668.

18 This is Dex One's petition seeking a variance from
19 the requirements of Title 83, Section 735.180, of the
20 Administrative Code concerning white pages directory
21 distribution. This item will be held for
22 distribution at a future Commission proceeding.

1 On to Water and Sewer, Item W-1 is
2 Docket Number 11-0677. This is Jeremy Laramore's
3 complaint against Illinois-American Water Company.
4 We will also be holding disposition of this item
5 until a future Commission proceeding.

6 Item W-2 is Docket Number 11-0767.
7 This is Illinois-American Water Company's rate case
8 under Section 9-201 of the Public Utilities Act. ALJ
9 Jones recommends entry of an Order setting new water
10 and sewer rates for the company. Judge Jones, if you
11 could, could you update us on any of the comments
12 received on the case?

13 JUDGE JONES: Thank you, Mr. Chairman. Since
14 this was last discussed, there have been some
15 additional comments, and the total is now 33.

16 CHAIRMAN SCOTT: Do you want to say that just
17 one more time?

18 JUDGE JONES: Thank you. Since this was last
19 discussed at a Commission meeting, additional
20 comments have raised the number of comments from
21 customers as filed on e-Docket to 33. Sorry about
22 that.

1 revision is adopted.

2 Commissioner McCabe?

3 COMMISSIONER McCABE: Second, I propose to
4 adopt Illinois-American and Staff's position to allow
5 full recovery of the supplemental audit expenses.
6 The Commission ordered a management audit of IAWC in
7 Docket 09-0319 and that audit is being discussed in a
8 pending case. In addition to the actual amount of
9 the audit, the company incurred implementation costs
10 due to the audit. I agree with Staff that the
11 company justified these costs and hope the audit will
12 address some of the concerns that led to its
13 approval.

14 So I move that we accept the full
15 supplemental audit expenses.

16 CHAIRMAN SCOTT: Is there a second?

17 COMMISSIONER O'CONNELL-DIAZ: Second.

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

19 Discussion on this item?

20 COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman?

21 CHAIRMAN SCOTT: Yes, Commissioner.

22 COMMISSIONER O'CONNELL-DIAZ: I would just kind

1 of -- the question of the audit, you know, audits are
2 extremely expensive. But if this Commission
3 undertakes ordering a company to conduct an audit,
4 which we did on April 13 which I would direct
5 everyone to the minutes from that meeting where
6 Commissioner Ford and I were very vociferous with
7 regard to our opposition to this audit, this does
8 become a ratepayer expense when we direct them to do
9 so.

10 And I thank Commissioner McCabe for
11 working on the edits for this. When you do this,
12 there are costs that are involved. We exercise that
13 option to direct companies and order them to do
14 audits. In this instance there is an audit in this
15 proceeding addressing a demand study that I am not
16 too sure what we will get out of having spent the
17 ratepayer money in the manner that we have. But
18 given the fact that the horse is out of the barn
19 because the Commission directed the audit, it is up
20 to us to approve the costs that the company has in
21 fact proved up and the Staff has reviewed. And so
22 that's where we find ourselves.

1 CHAIRMAN SCOTT: Opposed?

2 COMMISSIONER COLGAN: No.

3 COMMISSIONER FORD: No.

4 CHAIRMAN SCOTT: The vote is three to two, and
5 the revision is adopted.

6 Are there further revisions to be
7 made?

8 (No response.)

9 Any further discussion on the Order as
10 amended?

11 Commissioner McCabe.

12 COMMISSIONER McCABE: On capital structure, I
13 just wanted to note that Staff offered an alternative
14 for the first time at briefing so there wasn't an
15 opportunity for full cross examination or responsive
16 evidence. But it would have been interesting to see
17 this alternative more fully explored.

18 CHAIRMAN SCOTT: Just really quickly on the
19 consultant's hourly rate which was an issue in the
20 case, and I am going to support the Order and not
21 offer revisions on that, but it is a little bit
22 problematic. Essentially, it says that the lawyer

1 was very expensive and so we found another occupation
2 that could perform the same task, took their rate and
3 averaged it with the lawyers to come up with a rate
4 in this case.

5 I would suggest that, while that is
6 supportable by the record -- as I said, I am not
7 seeking to change that -- I think in the future the
8 questions are: Did the company prove up the expense
9 of the person that they chose to use in this case,
10 did that person have the requisite skills, what are
11 the skills and experience he has or she has, what is
12 that value in the community for those skills, and did
13 they spend the hours on it that they said they did.
14 You know, in that case -- what we have in this case
15 is that the person was by all accounts very expert in
16 his knowledge and his skill and his experience, but
17 the rest of it was a little bit lacking.

18 So while I think that the Judge was
19 very good about crafting a compromise there that
20 would work and be supportable in this case, I would
21 hope in the future we would see something a little
22 bit different in terms of proving up expenses for

1 consultants.

2 Further discussion?

3 COMMISSIONER O'CONNELL-DIAZ: Just on that
4 point...

5 CHAIRMAN SCOTT: Yes.

6 COMMISSIONER O'CONNELL-DIAZ: ..Mr. Chairman, I
7 believe you were talking about Mr. Warren's costs.

8 CHAIRMAN SCOTT: Correct.

9 COMMISSIONER O'CONNELL-DIAZ: Yes, and I do
10 note that that was quite a hefty fee. However, kind
11 of like us, I think it is a situation where they
12 needed the, I think, the best person, because there
13 was such a complex question. I believe the AG even
14 agreed with that. Their witness agreed that it was a
15 very complex question. So the universe of folks that
16 do that type of work, I would imagine, is quite
17 small.

18 And, yes, I think the record could be
19 improved with a comparison of what, you know, what
20 that specialist really costs. This is not just a
21 regular CPA. And when you get into those areas of
22 the world and those specialties, you do get into

1 pretty high fees for their expertise.

2 So I believe that it was required in
3 this instance and this is due to the audit. So I
4 will just keep saying that audit. I did not vote for
5 it, and here we are. You cannot order a company to
6 do an audit and then say you can't collect the
7 amounts that you prove up.

8 So certainly there could be more with
9 regard to these type of specialists because that is
10 kind of eye popping when you see those numbers. And
11 I just wish I was one of those experts making that
12 kind of money, so.

13 Thank you.

14 CHAIRMAN SCOTT: Further discussion?

15 (No response.)

16 Is there a motion to enter the Order
17 as amended?

18 COMMISSIONER McCABE: So moved.

19 CHAIRMAN SCOTT: Is there a second?

20 COMMISSIONER O'CONNELL-DIAZ: Second.

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

22 All in favor say aye.

1 COMMISSIONERS: Aye.

2 CHAIRMAN SCOTT: Any opposed?

3 (No response.)

4 The vote is five to nothing, and the
5 Order as amended is entered.

6 Again, on behalf of the Commission,
7 Judge Jones, thank you very much for all your work in
8 this case. We really appreciate it. Thank you very
9 much.

10 JUDGE JONES: Thank you, Mr. Chairman.

11 CHAIRMAN SCOTT: We have two miscellaneous
12 items today. Item M-1 (12-0528) concerns initiating
13 a proceeding for the approval of the statewide
14 technical reference manual for Illinois gas and
15 electric energy efficiency programs. Staff
16 recommends entry of an initiating Order to commence
17 the proceeding with a status hearing.

18 Is there any discussion?

19 (No response.)

20 Any objections?

21 (No response.)

22 Hearing none, the initiating Order is

1 entered.

2 Item M-2 is Docket Number 06-0703, and
3 this is a rulemaking proceeding for Title 83, Part
4 280, of the Administrative Code. We will be holding
5 this item for disposition at a future Commission
6 proceeding. However, we do have a request for oral
7 argument from the AG/AARP to consider the door knock
8 sections of the proposed rule.

9 Commission Colgan, you want to make a
10 statement briefly?

11 COMMISSIONER COLGAN: Well, as some of you are
12 aware, I participated in several of the meetings that
13 were the workshop process concerning Part 280
14 revisions. So on the counsel of the Office of
15 General Counsel and with some regret, I decided that
16 I need to recuse myself on this issue. So I am not
17 going to be voting on the interlocutory review -- or
18 the oral argument, sorry, or on the Part 280 issue at
19 all.

20 CHAIRMAN SCOTT: Is there any discussion on the
21 request for oral argument?

22 (No response.)

1 Is there objection to denying the
2 request for oral argument?

3 (No response.)

4 Hearing none, the request for oral
5 argument is denied.

6 As I just said, we will hold the item
7 for disposition at a future Commission proceeding.

8 COMMISSIONER COLGAN: If that could be
9 reflected in the report.

10 CHAIRMAN SCOTT: Yes, very good. Thank you for
11 catching that. The vote on the denial will be four
12 to nothing. Thank you, Commissioner Colgan.

13 We have a couple of items of other
14 business for consideration today. First up is our
15 annual Communications Competition Report that we will
16 submit to the General Assembly pursuant to Section
17 13-407 of the Public Utilities Act. Is someone from
18 Staff available for briefing on this?

19 Mr. Zolnierек, how are you today, sir?

20 MR. ZOLNIERЕК: Pretty good.

21 CHAIRMAN SCOTT: Go right ahead.

22 MR. ZOLNIERЕК: Good morning, Chairman,

1 Commissioners. This is a report to the General
2 Assembly pursuant to Section 13-407 of the Public
3 Utilities Act which requires the Commission to
4 collect and report telecommunications competition
5 information to the General Assembly each year. This
6 is the eleventh such report to the General Assembly.

7 One note of interest, Item T-9 on this
8 agenda actually had a rule that requires the
9 companies to produce data each year. Previous years
10 we have submitted an Order for your approval each
11 year and the companies submitted data in response to
12 that Order. From here on out, it will be submitted
13 pursuant to a rule, so I will need to issue that
14 Order that year. And it also nails down the
15 information collected each year. After ten years I
16 believe we have sort of settled on a set of data that
17 works for us.

18 Just a brief summary on the report,
19 the trends and patterns we have seen over the past,
20 last few years have continued. There is a decline in
21 the number of reported lines that we see which we
22 have seen every year since we started collecting this

1 information. There is line lost due to VoIP --
2 unreported voice over internet protocol lines, line
3 lost to wireless, and none of these should come as a
4 surprise to anyone. Maybe the only surprise is that
5 it keeps -- the pace at which line loss occurs keeps
6 growing so quickly.

7 Estimated losses from the 9-1-1 data
8 base that we estimate on the residential side for
9 VoIP lines is about 224,000. That's just
10 residential. We don't really have a good way to
11 estimate the number of unreported business VoIP
12 lines.

13 Estimates of residential losses with
14 wireless on the residential side, again, CDC as we
15 talked about last year collects data, some survey
16 data, and they estimate that 32.3 percent of the
17 whole population in Illinois live within households
18 that only have wireless service. So wireless
19 substitution keeps increasing year to year.

20 ILEC lines have decreased. CLEC lines
21 remain relatively flat. The overall share of the
22 CLEC reported lines went up with the ILEC line

1 decrease. Mobile subscribership, no surprise, has
2 seen an increase. We have about 12.3 million mobile
3 lines at mid-year 2011. The number of broadband
4 lines also continues to increase. There are
5 estimated about 8.6 million broadband lines in
6 Illinois at year end 2011.

7 According to numbers collected here at
8 the state level by the Partnership to Connect
9 Illinois and reported to the federal government,
10 approximately 99.9 percent of the population has
11 access to some form of broadband with speeds at 769
12 kilobits download speeds. At this point that's a
13 pretty relatively low speed, but we have do have a
14 high percent of coverage that are --

15 COMMISSIONER O'CONNELL-DIAZ: Mr. Zolnierrek, I
16 couldn't hear that first part of your statement.

17 MR. ZOLNIERREK: Sure. According to information
18 collected through the Partnership to Connect Illinois
19 and reported to the federal government, 99.9 percent
20 of the population in Illinois has access to broadband
21 at speeds of 769 kilobits download or faster. 97.8
22 percent has access to speeds of 3 megabits per second

1 download or faster. And that is the same thing about
2 price. Some of the prices for those speeds can be
3 quite high.

4 And that's one of the things we have
5 observed in the data, that even though 97.8 percent
6 of residential households have access to 3 megabits
7 download, only 39 percent of connections in Illinois
8 are at that speed. So that suggests customers are
9 selecting lower speeds presumably for price and other
10 reasons. That's about --

11 COMMISSIONER O'CONNELL-DIAZ: What happens to
12 those you are just kind of left back in the stone
13 ages? What can we do about that?

14 MR. ZOLNIEREK: There are currently several
15 efforts, both at the federal level and the state
16 level, to identify and fill those holes. There are
17 still -- the report summarizes several subsidy
18 deployment programs out there. Sierra Funding is
19 still going to several projects around the state that
20 we summarized. The Partnership to Connect Illinois
21 continues to look for ways to find holes and fill
22 those holes through partnerships with carriers, both

1 incumbents, competitors. So the State continues to
2 pursue that and we have an active role in that both
3 through this reporting and through our involvement in
4 the broadband deployment council. So the State
5 continues efforts along those lines.

6 CHAIRMAN SCOTT: When you say availability,
7 Mr. Zolnierek, is that availability at home or just
8 availability generally? You could go to school or
9 they have it through a church or --

10 MR. ZOLNIEREK: This is measured at the home.
11 But it can be -- a lot of the coverage is, for
12 example, you could buy a wireless card and have
13 wireless access which may be something sufficient for
14 somebody who needs satellite access. There is going
15 to be coverage there. That took -- actually, the
16 numbers I quoted, that excludes the satellite. They
17 do include the wireless, so.

18 COMMISSIONER O'CONNELL-DIAZ: And, of course,
19 those costs would be quite expensive for a typical
20 home to have, even if you could get good wireless
21 coverage and that's always the question, but some of
22 these alternate providers in those areas, it is quite

1 costly to have that type of service, isn't it?

2 MR. ZOLNIEREK: Absolutely. And that is
3 something that I think is ripe for further
4 examination by the council and everyone involved.

5 CHAIRMAN SCOTT: Further questions? Further
6 discussion?

7 COMMISSIONER McCABE: In addition to sending
8 the report to the General Assembly, will there be any
9 offerings of briefings?

10 MR. ZOLNIEREK: To the general public?

11 COMMISSIONER McCABE: No, to the General
12 Assembly members or Staff that might be interested.

13 MR. ZOLNIEREK: We are always available. If
14 they request explanation or discussion, we are happy
15 to do that. We haven't scheduled anything generally,
16 but we are always available for questions.

17 CHAIRMAN SCOTT: Anything further?

18 (No response.)

19 Thank you very much. Are there any
20 objections to approving the report and having it sent
21 to the General Assembly?

22 (No response.)

1 Hearing none, the report is approved
2 and it will be sent to the General Assembly.

3 And next up is a briefing from our
4 Executive Director Jonathan Feipel in regard to
5 questions that have been raised regarding AMI meter
6 installations and a potential connection to an
7 overheating issue. We talked about this last week.

8 Mr. Feipel?

9 DIRECTOR FEIPEL: Good morning. And just to
10 kind of bridge the gap between the discussion last
11 week and our actions to date, like I pointed out last
12 week, we have also expanded those discussions
13 regarding Smart Meter potential problems to our other
14 utilities, Ameren, MEC and Mt. Carmel.

15 So far there is no indication that
16 they are experiencing similar problems. ComEd has
17 also responded to our more detailed questions that we
18 submitted a while back now, and we are still going
19 through those. To date we have no evidence that
20 suggests that the Smart Meters that were actually
21 installed in Illinois have inherently any problem in
22 and of themselves. So at this point we are really

1 focusing in on things like installation, other pieces
2 of equipment on the network, and the like.

3 We still continue to view this as two
4 distinct issues, one being those meters that are
5 currently installed in ComEd's territory based on the
6 pilot program, the 130,000 or so odd that are out
7 there, those AMI meters. The second piece is, of
8 course, going forward we have got more time to deal
9 with that. So our real focus is turning toward
10 making sure that those that are already installed are
11 absolutely safe.

12 Next step is we have got another
13 follow-up meeting with ComEd. We are going to be
14 issuing them some more follow-up questions to the
15 responses that we have received so far, and that
16 takes us in through the next week.

17 CHAIRMAN SCOTT: Is there any -- I know one of
18 the issues that came up was about the reporting of
19 these. We have a little bit different system now
20 than maybe we did a few weeks ago in terms of
21 reporting, these instances being reported to us.

22 DIRECTOR FEIPEL: That's right. All of the

1 utilities now are on notice that we are very
2 interested and want to know immediately if there are
3 any more incidents of this kind.

4 CHAIRMAN SCOTT: I just wanted to also say that
5 I had an opportunity last week at a discussion I was
6 at to speak with both the chairman of the
7 Pennsylvania and of the Maryland public utility
8 commissions about this issue and opened up that line
9 of communication with them, and we are continuing to
10 gather information from them as they are -- to the
11 extent we can, given their docket, their open docket
12 limitations as well, but I think that will be a
13 useful source of information to us as well, although
14 the technology may not be exactly the same, but the
15 issues are obviously the same.

16 Commissioner Colgan.

17 COMMISSIONER COLGAN: Well, I'm glad to hear
18 that you had those discussions. That was going to be
19 my question, that have we reached out to other
20 jurisdictions. You know, having followed this issue,
21 this evolving issue, of smart metering for several
22 years, I think all of us have. It kind of caught me

1 by surprise to hear these newspaper stories about
2 Smart Meters and potential fire hazards that might be
3 somehow associated with the meters. So I think maybe
4 we should take a look at it with a, you know, a broad
5 view to see if there are -- it seemed like out of the
6 ordinary, out of the norm in terms of something I had
7 never thought about or anticipated.

8 But if -- I also think that you need
9 to make sure that if there is a problem here, we need
10 to try to, you know, get to the root of it and make
11 sure that we are not jeopardizing people's health and
12 safety as a result. And not even beginning to try to
13 say that I think that that is what's happening, I
14 just want to make sure that we know what the lay of
15 the land is. And I think a bigger outreach to other
16 jurisdictions might be in our best interests.

17 DIRECTOR FEIPEL: Agreed, and we are in contact
18 on the Staff side as well.

19 COMMISSIONER O'CONNELL-DIAZ: Mr. Feipel, just
20 to clarify, the meters in question are both
21 traditional meters and the newer meters, isn't that
22 correct?

1 DIRECTOR FEIPEL: That's right. We took a
2 broader view of this from the beginning to make sure
3 that it is not just a potential Smart Meter AMI
4 problem, but to make sure that there is no
5 across-the-board installation problems, and we
6 continue to treat this that way, too.

7 COMMISSIONER O'CONNELL-DIAZ: But my question
8 is that there has been -- there is occurrences on
9 meters other than the Smart Meters, correct?

10 DIRECTOR FEIPEL: There have been issues
11 throughout the state over time, yes.

12 COMMISSIONER O'CONNELL-DIAZ: I think that's an
13 important distinction so, you know, the Smart Meters
14 don't get tagged solely. We are looking at the whole
15 universe of meters that have ever had this type of a
16 situation which certainly is concerning. And since
17 our Staff became aware of it, they have been doing
18 their job in their analysis and will continue to do
19 so. And I -- you know, it is great to reach out to
20 other commissions, but I think we need to figure out
21 what's going on in our own backyard and figure out
22 what exactly is the problem on the older meters and

1 the Smart Meters, and certainly collaborate once we
2 have that foundational information and also create a
3 safe -- a feeling of safety for the people that have
4 those on their homes, shooting communications from
5 the company with regard to those affected customers.

6 So this is an ongoing search for
7 scientific information, I think, and I know our Staff
8 is up to the job working with the company to get us
9 to a better place where we can actually have the full
10 information we need.

11 Thank you.

12 CHAIRMAN SCOTT: Further discussion? Further
13 questions?

14 (No response.)

15 Director Feipel, thanks very much.

16 Judge Wallace, are there any other
17 matters to come before the Commission today?

18 JUDGE WALLACE: That's it.

19 CHAIRMAN SCOTT: Thank you, sir. Hearing none,
20 this meeting stands adjourned. Thank you, everyone.

21 BENCH SESSION CONCLUDED

22