

Docket No.: 12-0649
Bench Date: 12-04-12
Deadline: 12-31-13

MEMORANDUM

TO: The Commission

FROM: Larry M. Jones, Administrative Law Judge

DATE: November 19, 2013

SUBJECT: Illinois Commerce Commission
On Its Own Motion
-vs-
Mt. Carmel Public Utility Company ("Mt. Carmel")

Reconciliation of revenues collected under fuel adjustment charges with actual costs prudently incurred.

RECOMMENDATION: Entry of the attached Order Approving the Reconciliation.

Mt. Carmel is a combination electric and gas utility serving customers in various communities in Wabash and Lawrence Counties. Mt. Carmel has no generation facilities; it purchases all electric power and energy from others. The electric supply is delivered to Mt. Carmel at Ameren Illinois substations located in Albion and Lawrenceville, and is then transported upon Mt. Carmel's transmission lines to its distribution system which is used to serve its 5,401 electric customers.

For the 2012 reconciliation year, Mt. Carmel purchased all of its electric power and energy requirements from Ameren Energy Marketing ("AEM") pursuant to a three-year full-requirements contract with that supplier which became effective on June 1, 2010.

According to Mt. Carmel, the proposal submitted by AEM was the least-cost offer provided in response to a Request for Proposals ("RFP") issued by Mt. Carmel.

Descriptions of the RFP process, forecasting methods and Midwest Independent Transmission System Operator (MISO) charges, and other information, were provided.

The Commission Staff did not dispute the prudence of Mt. Carmel's power purchases. Staff did make an adjustment reducing recoverable costs to reflect correction of an error in Mt. Carmel's calculations. The attached order would approve the reconciliation as adjusted by Staff.

The deadline for a Commission decision is December 31, 2013.

LMJ/js