

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
	:	
-vs-	:	
	:	
MidAmerican Energy Company;	:	14-0726
Mt. Carmel Public Utility Company	:	14-0727
	:	
	:	
Reconciliation of revenues collected under	:	
fuel adjustment charges with actual costs	:	
prudently incurred.	:	

ORDER COMMENCING FAC RECONCILIATION PROCEEDINGS

By the Commission:

Section 9-220(a) of the Public Utilities Act (the "Act") provides that the Illinois Commerce Commission ("Commission") may authorize the increase or decrease in rates and charges based upon changes in the cost of fuel used in the generation or production of electric power, changes in the cost of purchased power, or changes in the cost of purchased gas through the application of a fuel adjustment clause or a purchased gas adjustment clause.

For utilities having the clauses, Section 9-220(a) requires the Commission to initiate annual public hearings "to determine whether the clauses reflect actual costs of fuel, gas, power, or coal transportation purchased[,] to determine whether such purchases were prudent, and to reconcile any amounts collected with the actual costs of fuel, power, gas, or coal transportation prudently purchased. In each such proceeding, the burden of proof shall be upon the utility to establish the prudence of its cost of fuel, power, gas, or coal transportation purchases and costs."

It is now appropriate to begin the thirty-seventh round of investigations for the electric utilities listed as Respondents in this proceeding, which had a fuel adjustment clause during the fiscal year that began January 1, 2014, and will end December 31, 2014. Calendar year 2014 will thus be the reconciliation period for this proceeding.

Each electric utility shall reconcile total revenue collected under the fuel adjustment charge ("FAC") with total cost of fuel, power, and coal transportation, if applicable, under

Section 9-220. The reconciliation balance shall be the difference between (1) costs as recorded in the books and records, and (2) applicable revenues. For utilities with a base cost in their FAC, the revenues shall include those revenues from base rate charges that recover fuel, power, and transportation costs includible in the FAC. Each utility shall also demonstrate that its fuel, power, and coal transportation, if applicable, purchased during the reconciliation period were prudently purchased.

The reconciliation of the FAC shall reflect the following information in the format shown below:

1. Balance of Factor Ra at December 31, 2013, per 2013 Reconciliation;
2. Factor Ro Collected/(Refunded) During 2014;
3. Balance to be Collected/(Refunded) During 2014 from prior periods (Sum of Lines 1 and 2);
4. 2014 FAC Recoverable Costs;
5. 2014 FAC Revenues;
6. 2014 Base Fuel Cost (BFC) Revenues;
7. Under/(Over)-recovery for 2014 (Sum of Lines 4 to 6);
8. FAC Reconciliation Balance at December 31, 2014 (Line 3 + Line 7);
9. Balance of Factor Ra at December 31, 2014; and
10. Requested Ordered Reconciliation Factor (Factor Ro) (Line 8 - Line 9).

The revenue and cost data presented herein are to be audited by an independent auditor prior to submission, as required by 83 Ill. Adm. Code Section 425.50(b). The audit report on reconciliation and its supporting working papers shall be made available to the Commission's staff for review.

An electronic copy of the utility's testimony and exhibits shall be filed via e-Docket with the Chief Clerk's Office on or before April 16, 2015. Notice of the filing with the Commission shall be made by the utility in accordance with the requirements of 83 Ill. Adm. Code Part 255, in the manner the rules prescribe that notice be made for a general rate increase. One copy of the filing shall be made available to persons seeking a copy upon request to the utility. Utilities listed herein shall be named Respondent.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the above captioned public utilities are hereby named Respondent to these proceedings.

IT IS FURTHER ORDERED that Respondents are hereby directed to appear before the Commission on prehearing conference and hearing dates to be scheduled in this docket, and shall present evidence to show the reconciliation of FAC and BFC revenues with the actual cost of fuel, power, and eligible coal transportation obtained through purchases demonstrated by the utilities to be prudent, all as is more fully described above. In connection therewith, and prior thereto, Respondents shall file copies of its prepared testimony and exhibits on the dates and in the manner described above in the prefatory portion of this Order, and shall provide notice thereof in the manner described above.

IT IS FURTHER ORDERED that each Respondent provide to the Chief Clerk of the Commission, no more than seven business days after the date of this Order, a complete list of all municipalities within which the Respondent provides service. The list shall include all such municipalities irrespective of whether the municipality is itself a customer, and irrespective of whether all or merely a fraction of the residents and other entities within the municipality are customers of the Respondent. The purpose of this ordering paragraph is to allow the Commission to fulfill the notice requirements of Section 10-108 of the Public Utilities Act.

IT IS FURTHER ORDERED that the Chief Clerk be, and is hereby, directed to serve a copy of this Order on the designated agent of each Respondent.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code Section 200.880, this Order is not final and is not subject to the Administrative Review Law.

By order of the Commission this 17th day of December, 2014.

(SIGNED) DOUGLAS P. SCOTT

Chairman