
**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

LAZ Parking LTD, LLC

Petitioner,

and

**COMMONWEALTH EDISON
COMPANY**

Respondent.

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Docket No 12-0324

**DIRECT PANEL TESTIMONY
OF ANTONIO P. DIPAOLO AND STUART VIETH ON BEHALF OF
LAZ PARKING LTD, LLC**

February 18, 2016

1 **Q. Mr. DiPaolo, would you please state your name, title and business address?**

2 A. My name is Antonio P. DiPaolo, and I am the Senior Vice President for the Midwestern
3 Region of LAZ Parking Ltd, LLC. My business address is 33 West Monroe St., Chicago,
4 IL 60603.

5 **Q. Mr. Vieth, would you please state your name, title and business address?**

6 A. My name is Stuart Vieth, and I am the General Manager of LAZ Parking, Ltd, LLC. My
7 business address is 33 West Monroe St., Chicago, IL 60603.

8 **Q. Messrs. DiPaolo and Vieth, on whose behalf are you testifying today?**

9 A. We are testifying on behalf of of LAZ Parking LTD, LLC, an Illinois limited liability
10 company (“LAZ Parking”).

11 **Q. What is the purpose of your testimony?**

12 A. The purpose of our testimony is to provide a brief background on LAZ Parking and the
13 billing matters that led up to the present dispute with Commonwealth Edison Company
14 (“ComEd”).

15 **Q. Would you please describe the business of LAZ Parking?**

16 A. LAZ Parking is a provider of automobile parking services, both for the general public and
17 through managed parking services provided to both government and private customers.
18 LAZ Parking serves a wide range of customers, including city public parking facilities,
19 street parking, airports, office building parking facilities, hospitals, hotels, and stadiums
20 and arenas. The business began in the mid-1970s when the founder and now Chief
21 Executive Officer, Alan Lazowski, started a parking valet service for a restaurant in San
22 Diego, California. With two close friends and business associates, other facilities were
23 opened in Boston, Massachusetts and Hartford, Connecticut. The business grew steadily
24 over the years, and LAZ and its affiliates now operate hundreds of thousands of parking
25 spaces in locations across the United States. Some of LAZ Parking’s more well-known

26 parking operations include the Beverly Hilton Hotel in Los Angeles, Yale University, and
27 the XL Center (a sports and special events stadium) in Hartford, Connecticut. In 2006,
28 LAZ Parking won the contract to manage the Millennium Park Garages for the City of
29 Chicago, which is one of the country's largest parking facilities. In 2008, working with a
30 consortium led by Morgan Stanley, LAZ Parking won the contract to manage Chicago's
31 street parking meter operations. LAZ Parking currently employs more than 450 persons
32 in the Chicago area.

33 **Q. Mr. DiPaolo, would you please describe your professional background?**

34 A. As I mentioned, I am the Senior Vice President for LAZ Parking's Midwestern Region,
35 and I have been with the company since 2005. I have led teams to open several new
36 markets for LAZ Parking, including Boston, Washington, D.C., Chicago, Michigan,
37 Denver, and Indiana. We opened the Chicago regional office in 2006, and since then we
38 have developed successful parking operations that include the two public-private
39 partnerships that were mentioned earlier, the Millennium Park Garages and Chicago
40 parking meters. I hold an MBA in Sports Management from the University of New
41 Haven, and a Bachelor's degree in Business Administration from the University of
42 Northern Colorado.

43 **Q. Mr. Vieth, would you please describe your professional background?**

44 A. I am the General Manager for LAZ Parking, and in that role I am responsible for, among
45 other facilities, the Millennium Park Garage at 25 N. Michigan, which is also known as
46 the Grant Park North Garage (the "GPNG"). I have been with LAZ Parking since 2008. I
47 hold a B.B.A. degree in Accounting from Western Michigan University.

48 **Q. Would you please describe your experience in managing and operating the Grant
49 Park North Garage?**

50 A. The GPNG is located at 25 North Michigan Avenue, in Chicago, and it is the parking

51 facility involved in the present dispute with ComEd. This parking facility has spaces for
52 1,850 cars and occupies approximately 830,000 square feet on two underground levels.
53 GPNG has entrance ramps that allow direct garage access to traffic on Michigan Avenue,
54 which helps alleviate downtown street congestion.

55 Beginning in July 2008, GPNG took electricity supply service from MidAmerican
56 Energy Company (“MidAm”). In particular, the arrangement with MidAm was known as
57 “single billing,” meaning that MidAm sent us a monthly bill that included both its
58 electricity supply service and ComEd’s delivery services charges. The electricity supply
59 arrangement with MidAm reached its scheduled termination in or about December 2012.
60 Since the termination of the MidAm electricity supply arrangement, LAZ Parking has
61 taken both electricity supply service and delivery service from ComEd. Attached to this
62 testimony as **LAZ Exhibit 1.1** is a copy of a recent bill that reflects this. As shown in
63 LAZ Exhibit 1.1, the ComEd account number is 2931008045 (the “Account”). There are
64 presently four meters on the account, though back in 2008 there were eight meters, one of
65 which was Meter number 141362866 (the “Meter”).

66 **Q. You mentioned that the electricity supply arrangement with MidAm began in July**
67 **2008. Can you describe the electricity supply arrangement that preceded that one?**

68 A. Prior to the the MidAm electricity supply contract that began in July 2008, LAZ Parking
69 took electricity supply service from Pepco Energy Services, Inc. (“Pepco”). The Pepco
70 supply arrangement was slightly different, in that LAZ Parking received two bills, rather
71 than one, namely, a bill for electricity supply service from Pepco and a separate bill from
72 ComEd for delivery services charges.

73 **Q. Can you describe the location of the meters at GPNG?**

74 A. All of the meters are in a locked room at the GPNG. LAZ Parking has access to this
75 room, but the only things in there are the ComEd meters. Consequently, unless there is

76 some specific reason to access that room, such as a visit from a ComEd technician, it is
77 always locked.

78 **Q. Does LAZ Parking know what loads at GPNG are connected to each of these eight**
79 **meters?**

80 A. No. The HVAC, lighting, fire alarms, administrative space, entry and exit machines
81 (which dispense and collect parking stubs), and any other electrical equipment at GPNG
82 are served through these meters, but the meters themselves don't indicate the specific
83 equipment each one serves. If there were some problem with the GPNG electric service
84 through one of the meters, then LAZ Parking would need to have an electrician or
85 engineer identify the specific equipment served by a particular meter.

86 **Q. Can you describe LAZ Parking's process for handling electric bills?**

87 A. Once the electric bill is received, it typically is reviewed by Matt Gray, LAZ Parking's
88 Project Engineer, within a few days to a week. As with all utility bills, the amount of the
89 electric bill for the GPNG fluctuates from month to month, depending on various factors
90 such as weather, the volume of traffic using the garage, the occurrence of a special event
91 downtown, and the like. Recently, these bills have been in the range of \$10,000 to
92 \$40,000, and we would expect to receive bills that are more or less in this range. With
93 regard to electricity bills for the GPNG, LAZ Parking views them as presumptively
94 accurate, since we rely on ComEd or the electricity supplier to bill GPNG correctly. If
95 something unusual appeared in the bill, LAZ Parking would investigate it with the
96 supplier, but otherwise it would just be placed in accounts payable for payment.

97 **Q. Does LAZ Parking read the meters in the locked room or otherwise track the usage**
98 **on any of the individual meters?**

99 A. No. As mentioned earlier, unless something unusual appears on the bill and is
100 investigated as appropriate, LAZ Parking presumes that bills received from a supplier or a

101 utility are correct. Like any business getting its utility bill, the accounts payable function
102 focuses on the total amount of the bill rather than any kilowatt hour usage figures that go
103 into the bill.

104 **Q. Do you have knowledge of any unusual events regarding the electricity billing?**

105 A. Yes, in 2010 there were such events.

106 **Q. Would you please provide your knowledge of these billing events in 2010?**

107 A. Yes. Attached to this testimony as **LAZ Exhibit 1.2** is a MidAm bill dated July 12, 2010,
108 in which MidAm claimed that LAZ Parking owed it \$861,756.06. That certainly was very
109 unusual.

110 **Q. Did the July 12, 2010 MidAm bill indicate a reason for this large bill?**

111 A. No. As LAZ Exhibit 1.2 shows, the bill is dated July 12, 2010, and one of the columns on
112 the bill is titled "End Read Date." These End Read Dates went back to August 2008, but
113 there was no explanation of what the charges were for, or what these dates meant.

114 **Q. Did the July 12, 2010 MidAm bill make any reference to the Meter?**

115 A. No, there is no reference to meter no. 141362866 on this bill.

116 **Q. Did the July 12, 2010 MidAm bill identify the usage on any specific one of the eight
117 meters at GPNG, in particular meter no. 141362866?**

118 A. No. If you look at the "Summary" table in LAZ Exhibit 1.2, there are three columns to the
119 right of End Read Date: "kWh," "Energy Charges," and "Utility Charges." For each End
120 Read Date that's listed in the Summary table, all of the figures for those three columns
121 are presented for the Account as a whole, not meter-by-meter. Nothing in this bill
122 indicates that that there was a problem with meter no. 141362866, or any other meter for
123 that matter.

124 **Q. Do you know what happened after LAZ Parking received the July 12, 2010 MidAm
125 bill?**

126 A. Yes, LAZ Parking investigated the matter with MidAm by contacting them and asking for
127 clarification. MidAm then sent to us a breakout by month of the backbilled amount, a
128 copy of which is attached to this testimony as **LAZ Exhibit 1.3**.

129 **Q. Did this additional information from MidAm make clear that the problem allegedly**
130 **was with meter no. 141362866?**

131 A. No. While the breakout in LAZ Exhibit 1.3 was at least chronological and somewhat
132 more detailed, it still reflected amounts billed, as well as usage, for the Account as a
133 whole. MidAm did not provide any meter-by-meter breakout of data.

134 **Q. Were there other events regarding electricity billing that occurred in 2010?**

135 A. Yes. On September 28, 2010, LAZ Parking received a disconnection notice from ComEd,
136 a copy of which is attached as to this testimony as **LAZ Parking Exhibit 1.4**. As this
137 notice shows, ComEd claimed that LAZ Parking owed ComEd the sum of \$36,625.07,
138 which was due immediately, and stated that if this amount were not paid ComEd would
139 shut off the electricity to the GPNG on or after September 30, 2010.

140 **Q. What happened after LAZ Parking received this ComEd disconnection notice?**

141 A. Following some communications between ComEd and LAZ Parking, ComEd waived
142 about \$400 in claimed late fees and LAZ Parking paid about \$36,200 to ComEd to avoid
143 a shutoff.

144 **Q. Can you describe what happened after this payment was made to ComEd?**

145 A. On October 28, 2010, LAZ Parking received a letter from ComEd referring to the Meter
146 and stating that the amounts being back billed were because of an incorrect meter
147 constant. A copy of that letter is attached to this testimony as **LAZ Parking Exhibit 1.5**.

148 **Q. Was ComEd's letter of October 28, 2010 the first time LAZ Parking was informed**
149 **about any problem with the Meter?**

150 A. Yes, until LAZ Parking received ComEd's letter at the end of October 2010, we had no

151 notice that there was an issue or problem specifically with the Meter.

152 Q. Does this conclude your direct panel testimony?

153 A. Yes.