BEFORE THE
ILLINOIS COMMERCE COMMISSION

PUBLIC UTILITY REGULAR OPEN MEETING

Chicago, Illinois
January 10, 2012

Met, pursuant to notice, at 10:30 a.m.

BEFORE:

MR. DOUGLAS P. SCOTT, Chairman
MS. LULA M. FORD, Commissioner
MS. ERIN M. O'CONNELL-DIAZ, Commissioner
MR. SHERMAN J. ELLIOTT, Commissioner
MR. JOHN T. COLGAN, Acting Commissioner

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CHAIRMAN SCOTT: Pursuant to the provisions of the Illinois Open Meetings Act, I now convene a Regular Open Meeting of the Illinois Commerce Commission. With me in Chicago are Commissioner Ford, Commissioner O'Connell-Diaz, Commissioner Elliot, Acting Commissioner Colgan. I am Chairman Scott.

We have a quorum.

Before moving into the agenda, according to Section 1700.10 of the Title II of the Administrative Code, this is the time we allow members of the public to address the Commission. Members of the public wishing to address the Commission must notify the Chief Clerk's Office at least 24 hours prior to our Commission meeting. According to the Chief Clerk's Office we have 20 requests to speak at today's Regular Open Meeting.

By our rules, we allow 30 minutes of time for public participation and comment with up to 3 minutes per participant. Obviously we have more time than is allotted under our rules so we'll have to take a motion to take more time today.
I will move that we allow the
Commission to take enough time for the public comment
to accommodate the 20 speakers today.

Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN SCOTT: It's a very unusual
circumstance for us and not something that we would
normally do, but based on what we have done or will
do on other occasions. But just because of the
number of requests that we've got -- I would also
like to say that for the folks that are here with
respect to the people of North Shore, that on
September 8th there was a public comment forum that
was held here in our ICC offices with the
Administrative Law Judges that were presiding over
that particular meeting.

So it's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The vote is 5-0 and the Commission
will take beyond the 30 minutes of time to
accommodate other unusually large number of public
comments today.

The commenters should know that under
the Commission's rules you will be allowed up to 3
minutes for your public comments. In terms of order
for presentation of public comments, we're sorting
them by topic area starting with the comments on the
proposed Chicago Clean Energy Coal Gasification
facility first. We will begin our public comment
period with Senator Donne Trotter.

Senator Trotter.

SENATOR DONNE TROTTER: Thank you,
Mr. Chairman, and members of the Commission.

In keeping with our time allotment, I
would like to start with recent comments of fact.
What I will present today is going to be all facts.
The fact is, for the past 23 years I have served the
people of the south and Southeast Side of Chicago.
And in that 23 years, I have worked diligently with
the community, one, to try to bring it back to the
standard that it earned for so many years as being
one of the premier industrial sites here in the State of Illinois and in this country.

As we know, things have changed; but like the pig farmers from downstate, when I used to see that smoke building up hope and everything, I knew that was money, it just wasn't healthy. But it was money and we were utilizing one of our natural resources and that was coal to generate, not only money and economic opportunities, but also a solid lifestyle for individuals.

Today we're meeting to talk about an economic opportunity which will not rebuild or take the community back to the level it was, but it will present and give jobs to individuals and give them a sense of dignity so they can feed their families and bring their property values back up. So that being said and trying to keep with the facts, the road this administrative body has been laid out and the legislation has been enacted by the General Assembly and signed into law by the Governor.

The legislation directed the Commission to advance this project by approving the
sourcing agreement because this project is important and offers so many benefits. Those benefits are sufficiently clear and other states are actively embracing and promoting projects that are basically identical to the one being presented to you today. The State is hurting for economic activity and for additional employment. This project brings jobs and economic opportunities to communities that are in particular need of them. This is why this project is supported by constituencies all across the state who are clear on many situations that this project will be a boom for Illinois. Similar benefits, advancing of green energy technology that use an important natural resource from this state, mediation of an urban ground fill site, and the potential for billions of dollars in economic savings.

I'll also add that working in my capacity in Springfield over the budget, I know, and in looking at the numbers, that this project will generate over $1.5 billion for the new tax revenue for state and local governments. That's almost $1 billion in new state revenue. Therefore it should be
crystal clear that the legislative intent was for this Commission to advance this project by approving the sourcing agreement.

The Commission was explicitly directed to insert three numbers as precisely described in the law. The Commission was to remove two early termination provisions that were in direct contradiction with the intent of the original legislation. And the only leeway given the Commission was with regard to correcting the typographical errors and scriveners' errors.

Instead of following that guidance given by the General Assembly, the Proposed Order suggested that the Commission create and add a new term to the sourcing agreement. A term that was never contemplated in the legislation and never contemplated in the final drafting. This brand-new provision will require a new unnecessary and unachievable layer of guarantee in addition to the billions of dollars in guarantees that the General Assembly has already determined to be sufficient.

Instead of following the guidance
given by the General Assembly, the Proposed Order failed to remove one of the two early termination provisions. Instead of following the guidance again by the General Assembly, the Proposed Order seems designed to terminate this project. The language in the legislation was as clear as possible. I don't know how it could have been more explicit.

In crafting laws for administrative agencies to administer, we in the General Assembly are mindful of the words that we use. Here we tried to be very clear about the limited role of the ICC. I am fairly -- and I do not know of any other words that would have made it more clear -- yet the Administrative Law Judge was inserting his own contrary policy judgments. I respectively inform him that he was out of line.

The Administrative Law Judge felt that the legislative drafting error occurred that required him to ignore the plain dictates of this law. I can assure him that no such error occurred. It was our legislative intent to limit the role of the ICC exactly as the law prescribes. It is not the role of
this Commission to decide the terms of this project. It is definitely not the role of the Commission to terminate this project by inserting uncalled for and fatal provisions into the sourcing agreement.

Reject the Proposed Order. Accept the recommendations of Chicago Clean Energy and Economic Development Intervenors. Those recommendations reflect the intention of the General Assembly on behalf of the people of Illinois, people of my community, and those recommendations follow the law which we have enacted. Thank you.

CHAIRMAN SCOTT: Thank you, Senator.

Next we have Representative Marlow Colvin.

Representative Colvin.

REPRESENTATIVE MARLOW COLVIN: Thank you, Mr. Chairman, and ladies and gentlemen of the Commission. In keeping in the allotted time slot, I'd like to read a brief statement and then make a few comments at the end and we'll be done in short order.

Last year the General Assembly twice
passed legislation regarding the Chicago Clean Energy Project both times by super majorities in both chambers, which the Governor signed into law. These pieces of legislation, five in total, represent the clear policy of the State of Illinois and its elected representatives with regard to this important project.

In a time of economic distress, this project represents a very significant investment that will bring jobs, economic activity, consumer savings, revenue, and environmental benefit to an economically starved portion of our State of Illinois, the great Southeast Side of the City of Chicago.

The project enjoyed widespread support from the Illinois AFL-CIO, the Building Trades Council of Chicago and Cook County, the International Brotherhood of Electrical Workers, IBEW, Illinois Coal Association, the Black United Funds of Illinois, Coalition of Black Trade Unionists, Hispanic-American Construction Industry Association, Mechanical Contract Association, Passage United for Change, and the South Chicago Chamber of Commerce are just a
small fraction of the countless number of groups that we took this to and asked them to vet it based on its policy, based on its economic benefits, and based on its environmental integrity, all of which signed on in support and was proud to read. Again, this is just a small fraction of the number of groups that have signed on in support of our project on the south side of Chicago.

Today you may even hear from entities that oppose the Chicago Clean Energy Project. As a legislature, I'm not deaf or not new to the idea of opposition to things we do in Springfield; but think when you assess the overall viability of what we're trying to do, bring a $3 billion investment to the South Side of Chicago, which, quite frankly, I'm not sure has ever happened, and have a chance to go for it with a clean energy source that's homegrown, that brings benefits to both Southern Illinois as well as the City of Chicago and our region where we live.

As is the case with all significant bills, their view, quite frankly, was a minority viewpoint. It did not carry the day in debate before
the General Assembly, their view is not reflected in
the planned meeting of the legislation, and their
position certainly don't reflect the legislative
intent.

This legislation spelled out a
specific role for the Commission in advancing this
project, to fill in the blanks in the final draft
sourcing agreement based on previously established
capital costs, operation and maintenance costs, and
the rate of return for this project, all of which was
fully vetted through the field studies that was
initiated more than four years ago. Remove the
unauthorized early termination provisions from the
final draft Sourcing Agreement which was, again,
vetted and discussed, debated in the committee and on
the House floor, and signed by the Governor, and
correct typographical errors and scrivener errors.
As a legislature, I don't know how this could have
been more plainly stated.

The Commission was directed to modify
the contract only as necessary and to remove two
early termination provisions. The Commission was
directed to approve a Sourcing Agreement containing all of the items and conditions, rights, provisions, exceptions, and limitations contained in the final draft Sourcing Agreement. This does not mean that the Commission is to amend those terms and conditions. It does not mean that the Commission is to add new terms and conditions. Again, this is what we did over the last four and a half years through the legislative process, its elected representatives, and our chief executive, the Governor of the State of Illinois.

And when we said that the Commission is to provide that the gas utilities do not have the right to terminate the Sourcing Agreement, we did not mean that the Commission should leave a provision that would allow the gas utilities to terminate that agreement. Perhaps there is some perception that there is an area in drafting this legislation. I'm here to say in the strongest terms possible that that is simply not true. That is a complete, I think, misrepresentation of where we started in the beginning. I don't think there's anybody that wanted
to be heard, that wanted to be part of this process that was shut out.

Quite frankly, working with my Senator, Don Trotter, the folks who brought this to us in the first place, clearly we wanted community input from a lot of different stakeholders who would be subject or who could benefit from such project of economic and environmental integrity on the South Side of Chicago. All voices were heard in either support or opposed to it. So in the strongest possible terms, there was no error in terms of this drafting, including the energy companies who started this process with us and down the road through two iterations of this Bill that we sent to the Governor.

The Proposed Order is in direct contradiction of the plain language of the legislation as enacted by the duly elected representatives of the State of Illinois. The Proposed Order should be rejected. The amendments as requested by Chicago Clean Energy represent a return to the policy which we have established and the Commission should make those changes. Thank you very
In closing, I simply would like to say that I, like my colleagues, try to believe in the legislative process. And those individuals who are duly elected and represent the interests of people -- the near 13 million people that live in the State of Illinois. We asked them to consider this project on its merits both in the House and the Senate twice with supermajority and both of those Chambers agreed with us that this would bring tremendous economic benefit, provide the environmental safeties, and add the type of consumer protections in the Bill that would keep energy companies and those end users, those who use natural gas, run the business in their homes protect them from any additional or potential spikes in the cost of energy.

Both Chicago Clean Energy and Leucadia International have in a very painstakingly way put provision in this Bill and put their money where their mouth is in terms of guaranteeing that we would be able to protect those energy companies and those consumers. We believe in this. We literally went
through 41 different scenarios in which there may be some increased costs and we have found ways to protect all those constituents. We laid this out clearly for everyone to see and they agreed with us, both our colleagues and the Governor and people who vetted this bill and the Governor's Office. We're simply asking the Commission to allow the duly elected officials of the State of Illinois who have gone through this process with us to allow it to stand as it was passed into law.

    Thank you very much for your time.

CHAIRMAN SCOTT: Thank you, Representative Colvin.

Next up we will hear from Donald W. Maley, Jr., and that will be followed by Kevin Reilly.

    So, Mr. Reilly, you want to be ready and on deck.

MR. DONALD MALEY: Good morning.

    My name is Don Maley. I'm the vice president in charge of energy investments for Leucadia National Corporation and vice president of
Chicago Clean Energy, LLC. I have over 31 years of experience in the energy sector including over 21 years as a banker to the business. In my position as vice president of Leucadia, I oversee the development of Chicago Clean Energy, our proposed gasification project as well as three similar projects in other parts of the United States.

I wanted to discuss today some key provisions of the Proposed Order that in its present form in my opinion would simply kill our project, a project that's been under development now for over eight years in the state. In all ways Illinois is an ideal state for a gasification project, a large and skilled work force, a ground fill site with valuable infrastructure, abundant local sources of fuel, and the political world to advance clean coal technology. And yet after receiving the green light from the Illinois General Assembly, the Illinois Power Agency, the Capital Development Board and the Governor himself, the road may come to a dead end here at the Illinois Commerce Commission.

We want to point out that the positive
The economics of the project have been confirmed by a $10 million study performed by a world-class engineering firm, as well as by independent reviews, performed by the Illinois Power Agency, its outside experts. The Illinois Capital Development Board, and its own set of outside experts. The key issue in front of us in trying to put this project together is putting -- having a sales agreement for our substitute natural gas that we can take to the financial markets and get the financing raised.

I think that if we were in front of you today and talking about a $100 million project or a $200 million project, some of the issues that we are faced with are issues that we might be able to deal with. We might be able to get to a small group of lenders who might be able to get their hands around some of the risks that are posed in this contract and we might be able to get it done.

That's not what we're talking about here. We're talking about a world-scale project, world-class project, $3 billion of investments and basically we're going to have to find every lender in
the world and ask them to come in and participate in
the financing of this project. Unfortunately, that
leads us to the problem of the lowest common
denominator, the most conservative lender really
basically driving the ability to raise financing.

I'd like to quickly touch on three
issues that are of particular concern. It's simply
not possible to borrow the $2 billion necessary to
finance the project if we just have 84 percent
recovery of our costs. The legislation recognizes
that a hundred percent of the debt payment should
come under the term of the Sourcing Agreement. Now
this is an issue raised by the utilities and Staff
and I think it's a very legitimate concern on their
part.

We'd be asking the consumer to step up
to cover maybe a $30 or $40 million of costs not
directly attributable to their gas bills. But we
recognized that in structuring the deal and have
offered up 50 percent of the revenues that we get
from our sources of the project and we project those
to be $80 to $100 million a year of revenues from
other sources. So the consumer gets credit for $40
to $50 million a year of those revenues. So we
believe in asking consumers to step up and help us to
finance the project that we replace that cost with
something of either equal or greater value.

The second issue, lenders cannot get
comfortable with a Sourcing Agreement that contains
provisions for early termination outside of the
project's control. The General Assembly endorsed
this point last when they voted to have all such
provisions removed from our contracts.

The third issue that causes us great
concern is a new idea that came out recently that
there had been a further guarantee to back the $100
million of guaranteed savings to the consumer. This
is something that -- an unlimited, ill-defined
guarantee is not something that companies are willing
to stand up to. That's not somebody that would be
available for us to find in the marketplace. But,
again, I think it is a legitimate issue, a legitimate
concern.

What is the value of the guarantee
that Chicago Clean Energy is providing to backstop this risk to the consumer in the guarantee of savings? And we really have to look at two pieces of the structure, one is the consumer protection reserve account. If you look at how that was structured against what the energy information agency of the Department of Energy, they look annually at future projections of gas prices and they start with a low case, a base case, and a high case of what they reasonably expect gas prices to be in the future. And those cases we structure a consumer protection reserve account so that in that realm of reasonable expectations the consumer is protected in all cases. So we structure into our transaction a way to protect the consumers there.

Secondly, the energy information agency runs 45 other scenarios to look at our possibilities -- a lot of them remote possibilities, but possibilities -- and we took that, kind of their worst, worst, worst case and we compared that to what's the residual value of this plant at the end of the 30 years of the contract within the guarantee
comes through. And we had an appraisal done by American Appraisal, one of the leading appraisal firms in the country. They put the value of this plant 30 years from now at $4.5 billion. In today's dollars that's about $1.8 billion value for the plant 30 years from now against a billion dollar worst-case liability that EIA would project.

So in closing, I'm trying to make the point that we understand the issues that were raised by the issue and Staff, but we believe that our proposal did address those concerns and does adequately protect the consumer against those risks. So I would like to respectfully urge the Commission to reject the Proposed Order and to approve the alternative language that would enable that project to advance.

Thank you.

CHAIRMAN SCOTT: Thank you, Mr. Maley.

Next up is Kevin Reilly and after that would be Ted Stalnos. I've been very lenient. I'm going to have to start being not as lenient in terms of time. So if you could please keep it to the 3
minutes and when you're getting close I'll remind you now.

Mr. Reilly.

MR. KEVIN REILLY: Thank you, Mr. Chairman, honorable Commissioners.

I work for a firm called American Appraisal Associates. Mr. Maley just referred to my firm. We're one of the leaders in the industry. We currently have about 900 employees worldwide operating in 25 countries throughout the world. Over the last 5 years our firm has provided multiple thousands of appraisals to clients of various natures. The group that I practice in focuses on large complex industrial properties primarily in the energy sector, Petra chemical facilities, refineries, power generation facilities, plants similar to the Chicago Clean Energy plant that is being proposed.

As you are aware the legislation for this project Chicago Clean Energy has guaranteed consumer savings of at least $100 million over the 30-year contract period. If the savings aren't achieved by the year 2047, the project company would
have to make up the shortfall. This could mean
selling the plant. That's where an appraisal or
concept of value comes in at the end of the contract.
We were hired and prepared a valuation, as Mr. Maley
had mentioned for Leucadia in a similar project known
as Indiana Gasification Facility. It had a very
similar contract, guaranteed contract savings over
the same 30-year term period. We were asked to
determine the value of the facility at the end of the
contract. Our analysis determined the value as of
June 30th, 2046, in nominal dollars was $4.5 billion.

I've reviewed design and economics
data for Chicago. I have not performed an appraisal
for the facility, but the projects are very similar.
Given -- as you are aware -- the legislative
structure was not provided in time for the evidence
rehearing before the ICC as they were in Indiana. If
we were hired -- American Appraisal and my team were
hired to do a valuation for the Chicago project, the
same methodology that we used in Indiana would be
applied to this facility. We would apply both the
course approach, looking at the cost of building the
facility at the end of the 30-year time period, 
taking in all forms of depreciation.

    We would also use the income approach, 
which is a valuation methodology, where we look at 
anticipation -- theory of anticipation looking at 
cash flow over a period of time. I think the one 
thing that's important to stress that we dealt with 
the Indiana project was that it's really not uncommon 
for a facility either Petra Chemical or petroleum 
process industry to have significant value at the end 
of a 30-year life. It's evident in plants that are 
still operating today that have reached 70, 80 years. 
As long as investments are made throughout that 
process and capital expenditures are put into the 
facility, they can have a significant value after the 
30 years. This was proven in the case of the Indiana 
gasification valuation that we performed where I 
mentioned that we had determined the value at $4.5 
billion. This ultimately provided a significant 
basis towards securing the obligation for the $100 
million guaranteed savings.

    Thank you.
CHAIRMAN SCOTT: Thank you, Mr. Reilly. Next we have Ted Stalnos and up next would be Jorge Perez. Mr. Stalnos.

MR. TED STALNOS: Mr. Chairman, and Honorable Commissioners, my name is Ted Stalnos. I'm the president of the Calumet Area Industrial Commission, which represents the businesses of the Calumet area and the more than 5000 employees of other members. I am also a resident of the neighborhood where the plant is scheduled to be built.

I respectfully urge you to revise the Proposed Order as we and other members of the economic development intervenors have requested. The General Assembly has repeatedly and overwhelmingly endorsed this project. The language of the Public Utilities Act and the intent of the legislature was clear. The Commission was not to change or add to the structure of the agreement which it received from the Illinois Power Agency and the Commission should ensure that this project moves forward.

For too long our community has suffered the effects of disinvestment in Chicago.
The Chicago project represents $3 billion in investment in my community. It will bring jobs, business opportunities, and environmental benefits to our neighborhood. And it will bring economic benefits to both the City of Chicago and the southern part of the State of Illinois. I respectfully urge you to act in accordance with the plain language of those laws, to respect the intentions of the General Assembly and the Governor, and to do the right thing for the working people of this state that need jobs that this program will bring.

Thank you.

CHAIRMAN SCOTT: Thank you, Mr. Stalnos. I apologize for mispronouncing your name.

Next we have Jorge Perez followed by Reverend Dr. Walter P. Turner, III.

Mr. Perez.

MR. JORGE PEREZ: Good morning.

CHAIRMAN SCOTT: Good morning.

MR. JORGE PEREZ: My name is Jorge Perez and I am from South Chicago. I'm also the executive director of the Hispanic-American Construction
Industry Association known as HACIA and I'm here to respectfully request that you revise the Proposed Order in accordance with the requests that HACIA and other economic involvement intervenors have made.

The legislative and statutory framework which supports this project represents a thoughtful balancing of interest forged over years of negotiation and the legislation recognizes this careful balance by plainly indicating the limited ability for agencies to modify that balance. The revisions we suggest are in keeping with that language and with a clear legislative intent.

The legislature and the Governor have also made it plain that they wish for this project to be developed. As the executive director of HACIA, the largest Hispanic construction association in the Midwest, I can speak to the many benefits that that $3 billion project will bring to the state. As a lifelong resident of the Southeast Side of Chicago where this plant will be located, I can speak to the many benefits it will bring to the community. I grew up in that area and for many years I had worked in
that development along the Calumet River.

For probably 80 years or a little bit longer, that area was a strategic standpoint for steel that built this nation. And those steel manufacturers moved to that area and the railroad is moved to that area. In fact, all the major class of railroads still cross through that area. All the shipping maritime operations that operate there still continue to this day. But they went there for this specific reason, and that is a strategic location for their business to thrive and it did for many, many years.

Unfortunately the last 30 years there has been a considerable amount of -- in fact, I think it's competition that really helped provide for the downfall for the last 30 years of that community. However, I still believe that that area is still strategically positioned to provide economic benefit and business development opportunities for the next 80 years. And I believe this project will provide that stimulus.

There has been significant -- some
investments recently with the Ford Manufacturing Campus out there, you've got other companies looking at that area. Why? Because they know strategically it's a good location for their business. Also the area's economic development is in dire need as well because you've got a growing population of the Hispanic community in that specific area and it would be tragic that this type of opportunity not be looked at in terms of what the growing opportunities would be for that community specifically right across the street from that plant.

I respectfully urge that you act to advance this project by revising the Proposed Order. It brings the promise of great opportunity for the businesses HACIA represents. It brings the promise of increased tax revenue for this state and for local government, and it will help revitalize a community that deserves it. And in conclusion it really helps reposition that community for the next 40, 50 years which is truly needed.

Thank you.

CHAIRMAN SCOTT: Thank you, Mr. Perez.
Next will be Reverend Dr. Turner, to be followed by the AFL-CIO, which will be represented by Jason Keller or Michael Carrigan. Reverend Dr. Turner.

REVEREND DR. WALTER TURNER: Good morning, Mr. Chairman and Commissioners.

My name is Reverend Dr. Walter P. Turner, III. I am the president of the Illinois Faith-Based Association which represents a coalition of churches throughout the State of Illinois from Chicago to Rockford all the way down to the southern parts of Illinois. My church is within the southeast area of Chicago. We have a number of churches within the southeast area of Chicago and we are totally, wholeheartedly behind and support the Clean Energy Project.

One of the reasons why we are supporting this project is because when you look at our community and when you look at what is going on in our community, we know that that will be a solution for economic development, but this is a project that will help save our children's children.
This is a project that will help preserve, help develop, will help solidify, but will also help preserve our children's future. This is a project that will help enhance the disadvantaged communities that we live in, but will also be an answer where many of our parishioners, our congregates come each and every week asking about jobs, asking about solutions of how to have a better way of living.

Well, the Clean Energy Project will be one that will help give that solution. It will help ease and help give somewhat of a solution to the violence that is affecting our communities because it will begin to put jobs, it will begin to help them fulfill dreams, it will begin to help them fulfill the goals that they are setting for their families.

So I am asking that you will allow us to be able to -- once again, at a time where our legislators, the people that represent us in the State of Illinois, our Governor who has put together a blueprint, a plan with the Clean Energy Project and the Leucadia team and all the powers that be to help make sure that referring has been put in language so
that we can make sure that we have an opportunity to
not just be a customer, but to begin to be an owner.
We can own our future. We can own our lives. We can
own the dreams that we have set.

So I respectfully ask that you will
honor the intentions and the plain language of the
legislation that has repeatedly and overwhelmingly
been passed by the representatives that represent us
and that you would set aside the Proposed Order in
favor of the revisions that we have suggested.

Thank you so much for your time.

CHAIRMAN SCOTT: Thank you so much, Reverend
Turner.

Mr. Keller, to be followed by Henry
English.

Mr. Keller.

MR. JASON KELLER: Thank you very much. My
name is Jason Keller. I'm the legislative director
for the Illinois AFL-CIO. I'm here to appear on
behalf of our president Michael Carrigan who had a
longstanding appointment for today, so I'm here to
read a statement on his behalf.
The Illinois AFL-CIO represents nearly 9 million new members in 1500 affiliate member unions all across Illinois who represent workers of all backgrounds and education levels, young and old, male and female and work on their behalf to bring them quality jobs and working conditions. It is because of the opportunities that the Chicago Clean Energy Project will bring forward to those hardworking men and women and their families that I respectfully urge you to revise the Proposed Order as we and our economic development intervenors have requested. We were intimately involved in the years of negotiations and the legislative process which created the statutory framework for this project. The sweeping majorities by which each piece of legislation passed is evidence of the powerful mandate to bring this project to fruition.

The language in those bills are clear and consistent regarding the limited role of the Commission. While the original Chicago Clean Energy enabling statute, Public Act 97-0096, was clear about the restrictive responsibilities of the Commission
when developing the Sourcing Agreement, that limited Commission role became even more clear with the enactment of the Trailer Bill which was Public Act 97-630. Specifically the economics now has three narrow tasks: One, fill in the blanks in the final draft Source Agreement based upon the previously established capital costs, operation and maintenance costs and the rate of return for the project. Two, remove the unauthorized early termination provisions from the final draft Source Agreement. And three, correct typographical and scriveners' errors. Going any further than this narrow statutory charge is beyond the Commission's legal authority and corresponding legislative intent.

The Illinois AFL-CIO strongly urges the Commission to reject the overreaching elements of the Proposed Order and adopt the revisions filed by the Chicago Clean Energy and thereby preserve this important economic development and its associated jobs. I respectfully urge you to act in accordance with the plain language of those laws, to respect the intentions of the General Assembly and the Governor,
and to do the right thing for the working people of this state who need the jobs that that project will bring.

Thank you very much.

CHAIRMAN SCOTT: Thank you Mr. Keller.

And finally on this particular subject -- although we have other speakers -- but on this particular subject we'll hear from Henry English.

Mr. English.

MR. HENRY ENGLISH: Good morning, Mr. Chairman and fellow Commissioners. My name is Henry English, president of the Black United Fund of Illinois, a not-for-profit tax-exempt federated organization working to improve the quality of life in the African-American community through health and self-reliance.

We are a statewide organization with a particular strength in the South Chicago region. For more than 26 years we have offered a broad range of nationally celebrated programs dealing in economic capacity, job skills, and association stability in
the African-American community. We support the Clean Energy Project because of the opportunity it offers or people in our community. Along with the General Assembly, the Governor, we have been clear that this is a vital investment to our community and the State of Illinois. Our primary mission is to change lives.

This project will move us toward that mission of changing lives. When you offer people an opportunity at a job, you sincerely have an impact on their life, not only on their life, but the communities that they live in. This is why I respectfully request that you honor the straightforward language of the legislation. The Proposed Order put forward a clear attempt of the General Assembly, the Governor and the underlying $3 billion investment that our community needs and deserves. And you know that given these economic times and where we're located on the South Side of Chicago, we need every opportunity and every job opportunity possible.

So we go with the revised language represented by the course of action set forth by
Clean Energy so this order will certainly -- this project will have a tremendous impact on the Southeast Side of Chicago. I've lived and worked in that area for many, many years. I've seen it when it was up and I've seen it when it was down. This certainly will be a shot in the arm for that community now and in the future.

Thank you.

CHAIRMAN SCOTT: Thank you very much, Mr. English.

We will now hear from Mr. Richard Passarelli.

Mr. Passarelli, we know you were going to make it last week and we're sorry about the death in the family. Please go right ahead.

MR. RICHARD PASSARELLI: Thank you, Mr. Chairman and Commissioners.

My name is Richard Passarelli. I'm the business manager for Local 18007 in Chicago. I'm also the National Veterans Chair for Washington, D.C., and represent veterans committees here in the State of Illinois. Our membership is employed by
Peoples Gas and works on its Accelerated Main Replacement Program, affectionately known as the AMRP Project.

Nearly 1,000 of our members are employed by Peoples Gas, so we take seriously any issues that may affect the stability of the company and the men and women it employs. In Peoples Gas last rate case in 2009, we intervened and voiced our support for Peoples Gas and the AMRP Project. This would help ensure that Peoples Gas get implemented.

As the people who work directly on and with Peoples Gas distribution system, we know the importance of the AMRP Project in enhancing the safety of the system generally and for our workers specifically. As promised, the AMRP has created many new jobs. A lot of these jobs were set aside for veterans coming back from Afghanistan and from Iraq. A very important part of this project was carved out throughout collective bargaining with Peoples Gas, with our Local and our National and many more of these jobs will be promised to our veterans that are coming home.
We agreed with many of these points and unanimously voted to approve the Rider ICR to support the AMRP Project. Now, however, we understand that the Rider ICR is in jeopardy in the courts. It is also our understanding that the two critical issues in that case are the rate of return and capital structure.

The Union is, therefore, concerned that Peoples Gas will not be able to continue the AMRP Project if its return is set too low or its capital construction is weakened. While we understand your need to consider the impact of your decision that will have on your customers paying their gas bills, we strongly and respectfully urge you to also balance that with the impact your decision will have on the continuation of the AMRP Project and the jobs it has created and will continue to create.

There is a deeper concern that if you give Peoples Gas a return that is the lowest that's been given to any gas utility in 40 years by also changing its capital structure in a way that hurts
its credit rating, you may be jeopardizing the AMRP Project and the many more jobs to come. That will mean many jobs lost and as a result we cannot afford, given the state of the economy unemployment in our country today. The Utility Workers Union of America, the AFL-CIO, Local 18007, and the National Veterans respectfully request that the Commission leave the capital structure of Peoples Gas unchanged.

We ask that you give the company a reasonable rate of return in range that has been requested. We believe this will create an environment that will allow the continuation of the AMRP Project and the jobs it has created and will continue to create in the future.

Thank you for your time.

CHAIRMAN SCOTT: Thank you very much, Mr. Passarelli.

Next we'll hear from Dylan Hayworth-Weste and that will be followed by Pablo Garcia.

MR. DYLAN HEYWORTH-WESTE: Good morning. I would like to speak today in strong opposition to the
proposed rate increase for the North Shore Peoples Gas Company. The working poor and underclass of Chicago and neighborhoods that face hardships relating to economic and racial disparities in our city cannot stand another cost increase. Many Chicagoans are forced to choose between necessities such as healthcare, housing, education, and even food. The proposal to raise the acceptable cost of heat and electric and thereby forced to be marginalized in our city to choose between these needs is an unjust proposition.

Additionally, I would like to highlight how a decision approving this rate increase would adversely affect families with parents and children who are undocumented immigrants and precarious workers. If you are unfamiliar with the term, "precarious workers" are the unemployed, undocumented, and the underpaid. Those whose labor is fragmented, informal and invisible, yet contribute to the economic livelihood of Chicago and the State of Illinois. However, because they're disenfranchised and oftentimes unfairly criminalized
status cannot express themselves to official governing bodies.

In Pilsen, my neighborhood, many families facing the hardships of economic difficulties are caught in this precarious condition and, therefore, cannot come to the Commission meetings such as this one to voice their concerns. Their silence is due to the violent and unfounded stigmatization surrounding the political and racial stereotypes attached to immigrants and the unemployed. Nonetheless, their survival will be directly threatened by a sufficient rate increase.

According to the State of Illinois Public Utilities Act of 2001, the goals and objectives of the ICC's regulatory oversight is "to ensure the rates for utility services are affordable and, therefore, preserve the availability of such services to all." Thus the raising of rates would contradict the stated goal of the State of Illinois to provide service to those who are forced into silence in our communities and cannot afford to pay more for heating. Because oftentimes these
hardworking members of our community cannot participate in our Democratic assemblies for fear of police and governmental oppression, I will speak on their behalf.

We demand that the Board deny the these rate increases on the grounds that they would adversely Affect these crucial members of our city.

I implore the members of this Commission to act in the interest of our neighbors and not in the interest of corporate profits.

Thank you.

CHAIRMAN SCOTT: Thank you very much.

Next is Pablo Garcia to be followed by Alexandra Mazzoccoli.

Mr. Garcia.

MR. PABLO GARCIA: Good morning. My name a Pablo Garcia. I'm here to speak on behalf of the Cook County Workers Benefit Council, a delegate body that represents the needs and interests of low-paid workers in Cook County. We demand that you, the ICC, deny any rate increase to Peoples Gas. State law clearly defines this as your duty. The Illinois
General Assembly Public Utilities Act of 2001 states that the ICC is a State agency to regulate utilities. That -- and I quote -- The goals and objectives of such regulations must be to ensure the rates for utility services are affordable and, therefore, reserve the ability of such services to all citizens. Heating gas is not affordable and available to all in our city.

Right now according to the Chicago Tribune, Peoples Gas shut off service for about 12,000 residents in September and October alone in 2011. That's almost 200 families per day losing their ability to heat their homes. Low-income families are the ones who suffer the most when you add an increase to Peoples Gas. We are trying to support families on jobs that pay far less than living wage when have not worked at all. When our utility bills go up, we are forced to cut back on food, short our landlords on rent, or go without necessary medicines. We have less money to spend in our stores so they suffer, too. But Peoples Gas has not suffered. Their parent company, Integrys, gave
their top two executives over $12 million last year
and they still enjoy over $200 million in profits.

ICC, you have no right to give Peoples
Gas another rate increase when already very few
people enjoy millions of dollars at the expense of
tens of thousands of families who have no heat. The
Cook County Workers' Benefit Council calls you to
fulfill your mandate, to ensure utility service is
affordable and available to all. We demand the ICC
to reject any rate increase for Peoples Gas. We
demand the ICC direct Peoples Gas to cease all
shutoffs on households whose income is 300 percent of
the federal poverty line or less. We demand the ICC
direct Peoples Gas to immediately reconnect service
without charge to households whose income is
300 percent of the federal poverty line or less.

We demand that the ICC direct Peoples
Gas to work out for customers unable to pay their
bills in full at the time of the receipt payment
plans that will not force a family to suffer without
sufficient food, Medicare or shelter because of the
size of their utility bill. Again, we demand the ICC
make utilities affordable and available to all.

Reject any increase for Peoples Gas.

Thank you.

CHAIRMAN SCOTT: Thank you.

Next we have Alexandra Mazzoccoli followed by Beth Wagner.

Ms. Mazzoccoli.

MS. ALEXANDRA MAZZOCCOLI: Good morning. I'm Alexandra Mazzoccoli. I have to start out by saying that this 10:30 a.m. meeting is ridiculous. I had to take off work to speak on something that affects all residents in Chicago, millions of whom who cannot afford to leave their job for even half a day; but I digress.

I'm here today because I've been a Chicago resident for more than eight years and I will not stand for any increase for Peoples Gas. My rent goes up when my landlord's utility bills go up. But my pay has not gone up. In fact, it has decreased over the last year which is a common problem in this city. I know because I volunteer with an association of low-income workers and I meet dozens of families
each week who are not able to afford basic survival needs.

This fall I did an advocacy for a family of four facing a heating gas disconnection because the father's employer was two weeks late paying him for a construction job. Like most Chicago families, they were barely making ends meet. And without the pay that he was due, the only money the family had to the dollar was money for rent. I explained this situation to Peoples Gas requesting a one-week extension to pay the bill. Peoples Gas refused and referred us to state agencies that when I called did not provide assistance in preventing the shut off. I finally phoned ICC Support and one of your reps, Mary, told me, and I quote, I cannot stop this shut off. Pay the company what they ask. Instead of wasting time talking with me on the phone, you should be helping the family come up with the money that they need.

ICC, it is your duty to ensure utilities are affordable and available to all, not to grant and then enforce profiteering rate increases by
Peoples Gas. Giving Peoples Gas yet another rate increase will only deny more families the ability to safely heat their home or to afford other things they need to survive. For you to even consider this rate increase is criminal. Granting this increase only shows us, the people, that, in fact, the only interest you're serving is that of Peoples Gas shareholders. Granting even one more dollar to Peoples Gas is denying a basic human right to even more families than the tens of thousands already suffering without heating gas all to increase the profits of a very few.

ICC, I demand you to protect the people, not Peoples Gas. Deny any rate increase to Peoples Gas. Stop these disconnections and reconnect service for all.

Thank you.

CHAIRMAN SCOTT: Beth Wagner to be followed by Alex Fitzgerald.

Ms. Wagner.

MS. BETH WAGNER: Thank you for the opportunity to speak today. My name is Beth Wagner. I've lived
in Pilsen in an old building that was built in 1879. In the building I have 3 tenants and 2 businesses that I've operated for the last 25 years. I also have about 35 employees, so I'm really kind of representing the small business community.

Peoples Gas is a basic commodity. It is something that we all -- nearly everybody in the City of Chicago needs. It's not something that you can say, Well, maybe I won't take that. In fact, I know in Pilsen, since I've lived there for a long time -- one time I had a school call me and ask me to do a wellness check on a family down the street. I went in to see the family and they had no heat. The one little girl that I pulled out, she was about 6 years old, her lips were blue. I put her in the bathtub and warmed her up. She tells everybody I saved her life and now she's a really valued employee. She's 24 years old.

That happens every day to people in Pilsen and it's really -- it happens every day in places all over and it's easy for us to forget because as Peoples Gas raises their prices, so does
ComEd, so does the real estate taxes, and suddenly we have inflation. That means that loaf of bread is more expensive. That means the sandwich in my husband's restaurant is more expensive. That means the rent for anybody in the neighborhood is more expensive. That's a really crushing blow to a lot of people.

What I'd really like to ask -- it's like a vicious circle that can't be stopped unless we really look at the poorest of the poor. They are the least able to cope and so are the small businesses. They are the ones that are dealing with people that are right on the line. My employees all the time I've got to lend this one money for a dentist appointment, help them out with rent every once in a while. It really is -- small businesses really feel this a lot.

My gas bill could be up to $20,000 a year. So I'm not talking about $200 a month or something. I pay about $1,400 a month in a plan that I usually have to fall off of at some point in the winter because I just can't afford it and start a new
plan April 1st when I'm just about to be
disconnected, and I run two successful businesses.
I'm hurting just as much as everybody else.

I'm assuming that you guys have been
put here because you really have the ability to
listen. You must be really good listeners. And you
really need to also be people that can look at
history and -- history repeats itself over and over
again. And, you know, when we look at people -- when
we push poor people to the limit, when we put them --
and, by the way, every one of you sitting here, every
one of us sitting here is one tragedy away from being
homeless. One tragedy away from not being able to
pay our Peoples Gas bill. A fire in my business; you
know, my husband dying; all of these things could
bring me down to a level of living on the streets and
it's true of everybody here.

So when we think like that, if you can
really think like that about the poorest of the poor
because that's who all of us have to protect, you
really need to remember history. If we do not take
care of them, they will come back to kill us. I know
that sounds really harsh, but look around the world at the uprisings. We really need to really watch this. We really need to watch that inflation doesn't beat the poorest of our people and that it doesn't destroy small businesses because small businesses are what actually keeps those people working.

I really think that you guys are -- that's exactly what you guys are able to listen for. And, you know, when I have problems with Peoples Gas -- they provided me with an $8,000 bill that made absolutely no sense. You did come and help me. I do believe that that's what your job is. And I do have the heart to know that you can do that again for us. Please try to realize that once we start the wave rolling of ComEd and Peoples Gas increases, we really hurt everybody on all different levels. So please try to remember that when you're making your decision.

Thank you very much for the opportunity to talk.

CHAIRMAN SCOTT: Alex Fitzgerald followed by Sharon Grant.
MS. ALEX FITZGERALD: Good morning. I'm here this morning speaking on behalf of the Coalition Against Corporate Higher Education, which is a citywide coalition of university students, staff and faculty of every major university in this city. I'm here today to explain in a very stark way exactly how devastating a rate increase on basic utilities will be for the student population of this city as well as for adjunct faculty.

The fact is that when you look around over the past 30 or 40 years while wages have remained stagnant for the most part, tuition at universities has increased by 400 percent on average. The fact is that the average low-income family is taking out in student debt an equal amount to their annual household income to send one child to a university. And many of these families have more than one child. What we're looking at is the fact that students across the country and in this city are making what we would call negative income. No matter how much they work, they're still taking out more money each year in student debt than they're able to
earn because let's face the facts, they're in school full-time and then they're also trying to find jobs on the side when there are jobs for them to apply for and to at least get in any case.

The plight of low-income students and individuals living below the poverty line has reached a completely untenable amount. There is a huge study that came out 3 weeks ago showing that 50 percent, 1 in 2 Americans now are either low income or lives below the poverty line. This is not the plight of a small section of the American people or people of Chicago or the State of Illinois, this is 1 in 2. When we look at the plight of students on the university level, we can see that this has devastating impacts on their ability to pay their bills, to go to school, to go to class, and to try to build a better future for themselves. But when we look at students in K through 12 education, the picture gets more devastating.

Of any city in the country, Chicago has the highest child poverty rate of any city in this country. What that means is you have over 3 in
5 children in this city born below the poverty line.

62 percent of children born into households, born into families that may not be able to pay their basic utility bills. And we know that every moment a child is shivering in a corner, every moment a child is hungry, every moment a child is thinking about their inability to take a hot shower, those are moments that a child is not learning to read. That a child is not learning their multiplication tables, that a child is not learning the very basic skills that they need in order to get a job later to support a family, to invest in their own future.

What we're talking about in terms of raising prices on utilities is literally and absolutely a mortgage on the future of this city and of this state. And I think all of us can see that there are so many problems with the economic system that we cannot afford, we cannot allow one more mortgage to be taken out on our future. I urge this Commission to ardently, stridently, and without exception oppose any rate increase for the sake of the children and the students of this city and this
CHAIRMAN SCOTT: Sharon Grant.

MS. SHARON GRANT: Hello. My name is Sharon Grant. I live at 5218 South Lowe. I'm from the Englewood community. And what I'm here to say is it's bad to say that -- I don't understand how you can give Peoples Gas a raise when we suffer. We don't have no heat. I know people that's heating their house by oil, kids in the corner freezing. When our gas gets cut off, our hot water gets cut off, our cooking gas gets cut off, that means we're eating cold cuts. We need help, not the Peoples Gas. I strongly advise you to help us.

Don't help them. We got -- it's terrible how people are living in the corner. You hear every day how fires break out and people are dying trying to keep warm on the strength that they can't pay their gas bill.

I'm on a fixed income. I get $700 a month. My rent is $650 a month and my gas bill is $106 a month. Now you tell me what am I supposed to
do? I can't do it. So that means my gas gets cut, my kids go to bed in the cold, then have to get up in the morning and go to school in the cold. Pretty soon that's all they're going to know is cold.

So I'm asking before you make your decision, think about -- I don't have a big income. I don't have a $60,000 yearly income. I can't afford to pay. We do have CEDA. CEDA does that one time a year, then you're back to where you started at again. It's hard to say. You have to think about people that have these kids. That's why it's so many fires, they're trying to keep warm and throw a rag in the oil -- the oil lamp or that propane gas, and that's not good to inhale.

It's hard out here. I'm a struggling person. Like I said, I'm on a fixed income. My rent takes up the majority of my money. It's either I want to eat or I want to be warm. I want to have both. I have a grandmother who has worked all her life and right now she's sitting in the cold. She's done so much for the community all her life and what is the community doing for her? Nothing but giving
her a raise on her gas. She's worked all her life, 35 years, and now she's got nothing to show for it but a cold house. I can't help her because I need help myself.

So I'm asking you to kindly -- you all look like some very intelligent people and I know you're going to do the right thing. So I'm leaving it up to you to do the right thing and may God bless you all.

CHAIRMAN SCOTT: David Schweichart followed by Kelsey Peterson.

Mr. Schweichart.

MR. DAVID SCHWEICHART: I'm a professor of philosophy at Loyola University. I'll be brief.

In January of 2010 Peoples Gas received a $70 million rate increase. Barely a year later in February of 2011 they asked for almost twice as much, $125 million. Since that time Peoples Gas has disconnected well over 12,000 people in our communities, many of whom have either lost their jobs or had their hours cut during this current economic downturn.
Now, the Commission has already been reminded that this is Peoples Gas, right, gas for the people. It's supposed to be a public utility required by law to have affordable services that reserve the availability of such services for all. Now, let it be said that Peoples Gas has not the means to carry out its government mandate, let me point out that Peoples parent company, Integrys, whose headquarters are right down the street on Randolph a few blocks away, posted a $224 million profit in 2010. I don't know what they made this year, but it's going to be good because the Integrys stock price a year ago was $48 a share, now it's up to $53 a share. So Integrys stockholders have seen their wealth go up by 10 percent over the year while tens of thousands of people have had their gas shut off.

So please note, a public utility rate increase is essentially a tax increase that falls disproportionately on the weakest members of society. All sales tax are regressive, but to raise the tax at this time during the most severe economic downturn
since the Great Depression on one of the most vital
services that everybody needs is just unconscionable.
The please do the right thing. Let Integrys
shareholders take home a bit less than they otherwise
would for the sake of our most vulnerable citizens.

One final note, in case you think
Peoples Gas is keeping their paying customers happy,
I invite you to check out a Web site, Yelp.com, that
I happened to stumble across when I was Googling
Peoples Gas -- 92 complaints there. Some of them
were very length and bitter about what's going on.
Just to conclude, here are some small excerpts from
some recent ones: From Sonya P, Would I ever refer
Peoples Gas to anyone? Never. I feel sick even
giving these people my money right now, but that's
what you get when companies run monopolies in major
cities.

Jennifer F says, This is the worst
experience I've ever had. I filed an ICC compliant.
Gail G: I cannot adequately express
my hatred of Peoples Gas.
Judith M says, Peoples Gas suck loads.
We can't even open our business because of Peoples Gas. I would give them zero stars because that's what they are, big fat zeros.

Listen, there's a lot of anger out there. There's a lot of suffering out there. Please don't raise those rates at this point.

Thank you.

CHAIRMAN SCOTT: Kelsey Peterson to be followed by Marisa Brown.

MS. KELSEY PETERSON: Good morning, Commissioners and everyone in attendance. My name is Kelsey Peterson. I'm a recent graduate of DePaul University and a resident of Ravenswood. I currently work as a hostess at a restaurant despite having a college degree and every month I struggle to pay my utilities and rent on time.

I'm here today to ask that you vote against any rate increase to Peoples Gas. I have volunteered to do utility advocacy for people who are experiencing utility shutoffs. One woman I worked with was shut off from service from both Peoples Gas and ComEd. She's on a fixed income because she
suffers from diabetes and asthma. She needs access
to heat and electricity. It is a matter of survival.
Although she was granted a 30-day medical
certificate, it only lasted 30 days, and she was
allowed one that entire year. What is that woman
supposed to do the rest of the year?

Another woman I worked with has lupus.
Without heating gas, she faces a life-or-death
situation. Her fixed income does not afford her the
year-round ability to pay rent and utilities in full
and on time. Her doctor wrote a medical certificate
demanding her service be reconnected. And after
those 30 days, she was promptly asked to pay her bill
in full or face disconnection. Surely you understand
that asthma, diabetes, and lupus aren't cured in 30
days.

Another family I worked with had a son
who was pursuing a college degree. He had to drop
out in order to work to help pay his family's utility
bills. Can you imagine telling your son that he
can't go to college because if he does, his little
brothers and sisters will have to go without heat in
their home. Both of his parents work full-time jobs, but still can't afford to pay for their utilities. How is that okay, especially when two Integrys executives collectively received more than $12 million in 2010 after you, the ICC, granted Peoples Gas their last increase less than 2 years ago?

If you allow this rate increase, you're depriving people of a basic human right. The 3 families that I did advocacy for are only part of more than $12,000 people that Peoples Gas shut off this last fall. They are hardworking people that want to pay their bills in full and on time, but their incomes just aren't sufficient. People simply can't afford to pay these absurd rates that this incredibly wealthy company is asking. People shouldn't have to forego basic necessities that I'm sure all of you take for granted like food and toilet paper in order to pay for their utilities. Your vote can change that -- and it is your duty to regulate utilities for the wealth of people. Please, I'm asking you, stop allowing families of this beautiful country to live in third-world conditions. Deny any
rate increase.

Thank you.

CHAIRMAN SCOTT: Marissa Brown followed by
Gloria Needlman.

Ms. Brown.

MS. MARISSA BROWN: Good morning. My name is Marissa Brown. I'm with Occupy the South Side and I thank you all for your time. I also would like to thank the Cook County Workers' Benefit Council who without them, I would not have known this meeting even existed. So I do thank them for that.

I'm wearing three hats today first of all, as a member of Occupy the South Side, as a small business owner, and also as a citizen of the City of Chicago. We as an organization at Occupy the South Side are a grass roots, nonpartisan, citizen-led group. We're focused on economic justice for all communities. And as that being the case, we believe that a rate increase of $125 million is not in line with economic justice in the communities we represent. We agree unanimously to oppose this increase as an organization and that's why we're here
today. We find it unconscionable that a corporation calling itself Peoples Gas and Energy is sticking it to the small man, sticking it to the people, sticking it to the 99 percent. It's disgusting and we're pissed off as an organization.

As a small business owner, I'm stressed. I work from home and that's where my business is based and I don't have the luxury of cutting my gas off when I go out to work and then cutting it back on in the evening letting it warm up because I'm there all day long. So I either keep it down real low and wrap up with blankets during the course of the day as I'm doing my work at home or I'm looking at a ridiculous bill at the end of the month. Either way it's not a good position to be in as a business owner.

I thought I had a really great business and it is successful in that it's primarily a service business, so I don't have much in the way of overhead; but with this rate increase, the small -- the last rate increase went from me not having much of a overhead to having a substantial
overhead, to this being, Oh, my God, I'm going to have to work at a McDonald's again because I can't pay to have heat going as I do my business during the course of the day.

As a business owner, I understand the concept of having holes that need to be filled. And I just would like to propose of Peoples Gas, Hey, starting at the top, take $10 out of each employee's pocket, each employee's check and put that towards this hole that you, as a company, need to fill. It's not our fault that you all can't balance your budget. Why is it balanced on the backs of the ones who suffer the most and can't afford to pay the most? It's not fair. It's not right. It's not conscionable. And no matter what your background is, you must know right from wrong and this is just plain wrong.

As a citizen, I pay my own heat and that's part of the rent that I pay every month to my landlord. I'm a hardworking, tax-paying, working class, single parent of four. My children's names are Jovana, Omar, Trinity, and Arissa, my four
children that I have at home. So these are the
little people I'm concerned about personally. You've
heard my story mentioned already several times. I
have right here my November bill with that nice red
"shutoff notice" on it because I owe over $200. I
can't remember the last time I paid by gas bill in
full, not because I'm a deadbeat, but because I have
to pay rent to keep a roof over my children's heads.
I do qualify for CEDA and I get CEDA every year, but
even with CEDA my gas bill is still in the triple
digits. And I need to pay more money? I'm not
getting more money. I'm not getting more money
coming in, but I'm expected to pay out more and it's
just not all right.

I know plenty of people who are
working-class, poor, low incomes that supplement the
gas -- who have gas included in their rent. The
landlords can't afford that, so they keep the gas low
and that keeps the houses cold. A lot of people are
using their stoves to heat their homes and this is
dangerous as you all know. I grew up in a home where
my mom would crank up the stove and open it up and
that's how you heat your home. This is what happens and it's not right.

I don't know if any of you all need to open up your stove to heat your home, but it's not good especially when you have children. We've heard about the danger of fires from people trying to heat their homes in an improper way. It's a basic human right to have heat. It might not be a basic human right to have air conditioning, but in the summertime you can even sit under a tree for shade. In the wintertime there's nothing you as a human being can do without heat but freeze to death.

Lastly and I'll wrap this up, a rate decrease would be a good idea. I would love to hear Peoples Gas say, Hey, could you all vote for a rate decrease. We're charging people too much. That should not be a foreign concept to us. So on that note, you all look like God-fearing folk, and I'm sure you all are here to represent the people in this room and all around Chicago who could not be here today. And I know you're going to search in your hearts and let us know that you're going to side with
us, the people of the city, and I can go home and let
Jovana, Omar, Trinity and Arissa know that I don't
have to hold back on entertainment -- which I forgot
what entertainment is these days -- we can go out for
Big Macs from McDonald's, and that would be a treat
for my family. No increase. Let's try to decrease.
And thank you all for your time.

CHAIRMAN SCOTT: Last, but certainly not least,
we will hear from Gloria Needlman.

Ms. Needlman.

MS. GLORIA NEEDLMAN: It's hard to follow that.
My kids are all grown. I'm Gloria Needlman. I'm a
lifelong Chicagoan and as you can tell, it's been a
long life. I'm here with a lot of experience. I'm a
retired teacher from the University of Chicago
Laboratory Schools.

I've worked as an adjunct person
working with Teach for America kids who are
struggling to work in tough school situations.

Around in those situations, those are the families --
not the ones that I've worked with at the University
of Chicago, but the families that I've worked with
many times after my retirement. Those families suffer, and their suffering means their kids are suffering. We can't grow our kids to be contributing citizens if they're cold as little children, that they remember.

It's our obligation to do something to change that. A rate increase for ComEd right now is a horror. It's a nightmare for these families and they don't deserve it. We need to be advocates for them and to speak out. Whether I have my kids at home or my grandkids or my great-grandkids, they're warm but other peoples are not. And so I ask you to please make sure that there is no rate increase, that we try to take care of our families because that's what we're about.

I did human rights work. And I can't think of anyplace that's more important than this kind of human right, to be warm in your house and to be able to eat and to heat.

So I thank you for your time, and I'm glad that I had an opportunity to speak this morning.

CHAIRMAN SCOTT: Thank you, Ms. Needleman, and
thank you to everyone who took the time to 
participate in today's public comment period or just 
to be here.

Moving on to our agenda. Item 1 is 
Docket No. 07-0566. This is ComEd's 2007 rate case 
on remand from the Appellate Court. This item will 
be held for disposition at a future Commission 
proceeding.

Item 2 is Docket No. 09-0254. This is 
Comcast's billing complaint against ComEd. Comcast 
has filed a Petition for Interlocutory Review 
concerning the Administrative Law Judge's ruling on a 
motion for leave to file its first amended complaint. 

Is there any discussion?

(No response.)

Is there a motion to deny 
interlocutory review?

COMMISSIONER ELLIOTT: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

CHAIRMAN SCOTT: It's been moved and seconded. 
All in favor say "aye."
1 (Chorus of ayes.)
2 Any opposed?
3 (No response.)
4 The vote is 5-0 and the Petition for
5 Interlocutory Review is denied. We will use this 5-0
6 vote for the remainder of the Public Utility agenda
7 unless otherwise noted.
8 Item 3 is Docket No. 11-0282. This is
9 Ameren's proposed increase in natural gas rates.
10 ALJs Albers and Yoder Recommend entry of an Order
11 setting new natural gas rates for Ameren customers.
12 I believe there are some revisions to offer in this
13 matter, but first let me ask Judge Albers if there is
14 a breakdown on the issues surrounding the removal of
15 the electric issues from this case?
16 JUDGE ALBERS: Well, as you know, last
17 Wednesday we received Ameren's revisions to the PEPO
18 reflecting what they believe will result in the
19 elimination of the electric case. Friday we sent you
20 a memo with a copy of the Post Exceptions Proposed
21 Order. We retained most of Ameren's revisions. We
22 found a few other ones already were cut out and
restored some that they had recommended deleting --
some language they recommended deleting -- it's
spread throughout the Order.

And then the final turn of events,
yesterday afternoon we received a motion from Staff
which sought to make a few other changes to what
Ameren recommended deleting from the consolidated
Order. Some of those changes we caught when we sent
that to you on Friday, others we did not and we made
a memo recommending that you go ahead and block
additional changes. There is -- no other particular
action needs to be taken on the motion so long as
you -- assuming you agree with the requisite changes
that Staff is recommending, there's no other action
you can take on the motion. You can simply make
those changes in the Order and -- (unintelligible)
that pertains to the resolved motions of other
matters that were taken on that motion.

I will also note that as of yesterday
afternoon the Commission received 904 petitions
opposing the new gas rate increase and are calling
for a $2 million reduction from current rates. If
you have any other particular questions, we'll be
happy to answer those for you.

CHAIRMAN SCOTT: Thank you, Judge.

Are there any questions?

(No response.)

I have two revisions that I would like
to offer. One is on charitable contributions and the
other is on rate case expense. With respect to
charitable contributions, as you know, the Order
recommends that all of the charitable
contributions -- the recovery from all of the
charitable contributions be removed from the case.

My changes would actually add a little bit stronger
language and I need to say why.

Obviously personally and
professionally, being a former elected official in
the community where I live, I understand how
important these contributions are. But the issue for
me is compliance with the Public Utilities Act and
understanding that the Public Utilities Act allows
charitable contributions to be not only allowed in
the rate case, but they're subject to a rate of
return. And that's since the ratepayers are paying for the contributions to the charities plus a rate of return. So I think the Public Utilities Act, while that allows it -- obviously that's the call of legislature and that's fine, but my contention is that the least we can do on behalf of the ratepayers is have the decision reflect that there was enough evidence in the record to support the donation.

Here what we have is a list that the Company put forth using their own categories, not those in the Public Utilities Act, which means that we're essentially left to guess which parts of the Act that they satisfied. Now everybody knows what some of those charities on the list are. I think that's probably true of all of us. But our evidentiary standard is not what we probably know outside of the bounds of the evidence of the record, and even if that works for some of the charities, it doesn't work for all of them. For example, the Peoria Rivermen or the various chambers of commerce in different areas. We may know what they are, but we have no idea what those dollars that the
ratepayers are now paying for plus the rate of return we're actually going for.

Again, the Public Utility Act says for the public welfare or for charitable, scientific, religious, or educational purposes provided the donations are a reasonable amount. I have no idea how we determine whether the amounts are reasonable without knowing what the dollars are actually going for. And so while I certainly believe in the importance of these charities and the charitable contributions, and know how important they are especially right now. The relatively easy burden in the Public Utilities Act has to be met since we're asking the ratepayers, not the shareholders of company, to pick up the entire tab plus a rate of return for the charitable decisions of the company.

With respect to the rate case expense, this, again, has to do with Section 9-229 of the Public Utilities Act which was effective in July of 2009. This tariff was filed in February of 2011, which in Section 9-229 calls for us to specifically assess the justness and reasonableness of any amount.
To me what that says is since the ratepayers are paying the bills for the client, they have a right to see the amounts they are being charged; but as or maybe more importantly, how those charges were arrived at justness and reasonableness of any amount and to specifically access that. And we don't have anything close to that here and more importantly, nobody looking at this record could find it. To the extent that the evidence exists, it's in discovery and not part of the evidentiary record.

And I don't think what I'm suggesting is a novel concept. In fact, it's not novel to you because you've heard me wail on this before in other cases. In numerous kinds of legal proceedings attorneys and experts are required to submit detailed records so that the Court can decide the reasonableness of the expenditures. 9-229 is wholly consistent with that practice. It's not only for the client, but for all of us, for the Court, to fulfill our responsibility as well.

In this matter, the ALJ directed AIC to provide additional support, which in the ALJ's
mind and in mine, the company did not do satisfactorily. And, in fact, the PEPO says that you can justify finding that none of the costs are just and reasonable. And if that's the determination, that should be our decision.

I perfectly well understand intellectually that it costs money to prepare a rate case and that lawyers and experts cost money. But I don't get to substitute that general knowledge anymore here than I do in the charitable contributions portion of this.

I understand we have a rulemaking going on that will address future cases, but in this case right now, the ramification for the ratepayers is right now. 9-229 was in existence over a year and a half before this case was even filed. And I think the terms and conditions of 9-229 need to be fulfilled.

So I'll make a motion for the previously circulated revisions on rate case expense and also on charitable contributions. Is there a second?
(No response.)

Seeing none. That motion failed.

Commission Ford, I know you have revisions as well.

COMMISSIONER FORD: Yes, I do, Chairman.

In addition to what you've said, I also am reminded of the fact that the Public Utility Act says that we must be mindful of the fact that our ratepayers must get safe, reliable, and uninterrupted service at a reasonable rate, and also that the utility must get a reasonable rate of return on its investment.

In addition to what Commission Elliott proposes, I would also like to propose language changes as well. It is noted that the methodologies are different and I am going to point to my economist commissioner, Commissioner Elliott.

COMMISSIONER ELLIOTT: I think that's on Peoples case. I think your rate case expense and charitable contribution language is --

COMMISSIONER FORD: I'm sorry. That's Commissioner O'Connell-Diaz.
COMMISSIONER O'CONNELL-DIAZ: It's a joint edit. I think Commissioner Ford was referring to her revisions that she has for Peoples. We have so many cases up today and everyone has been working all weekend and last week and the week before and we get a little confused.

Charitable expenses. We have read --

I have read the Proposed Order. We had oral arguments the other day and I found it shocking to see what was recommended in the Order as well as certain parties' positions at the oral argument. The late Senator Hubert Humphrey said it best regarding our obligations in a civilized society: The moral test of a society is how that society treats those who are in the dawn of life, the children, those who are in the twilight of their life, the elderly, and those who are in the shadow of life, the sick, the needy, and the handicapped.

In order to be reflective of these sentiments, our legislature has enacted the Part 9-227 of the Public Utilities Act regarding the rules relative to donations made for the public welfare by
utilities. The law is clear that donations that are made by a public utility for the public welfare or for charitable, scientific, religious, or educational purposes can be treated as an operating expense provided that such donations are reasonable in the amount.

Moreover, the law is clear that in determining the reasonableness of such donations, the Commission may not establish by rule a presumption that any particular portion of an otherwise reasonable amount may not be considered as an operating expense. The Commission shall be prohibited from disallowing by rule, as any operating expense, any portion of a reasonable donation. In this proceeding, the ALJs adopted IIC's position that not a single charitable contribution for what they label as "compulsory contributions" should be permitted due to the current economic conditions.

The new standard, which the Commission has never looked to before, seeks to establish a presumption or a standard or rule with the backdrop of the economic climate. This is contrary to the
law. Moreover, it is clear that due to our severe economic climate, more is needed in our neighborhoods and towns to help our struggling populous. And what we are talking about here is the amount that I think should be bring shame to those who protest. In this proceeding, it is $1.47 on an annual bill. That's like $.6 a month. And when I look at the amounts that are billed on the utility bills for other programs that find there way by way of legislation or program costs that appear on utility bills for other programs, I am astounded when we compare that with the charitable amounts.

Additionally, when you look at the list -- and this goes to Chairman Scott's point -- these are all registered charitable organizations in our state, Big Brothers and Sister, Alzheimer's Association, the Cancer Fund, the list goes on for six double-sided pages. This is the type of proof the Commission has looked at in the past. There is no new rule out there that has been developed -- and actually I think that the law would suggest that we cannot develop a new rule. So it is with this
backdrop that I feel it is appropriate and in the way of being part of the community that is envisioned by our legislature.

The Commission is a body that is a creature of the legislature. We do not make the laws under which we decide all the these cases, the legislature does and it's our job to implement. So the revisions that I proposed to adopt are Staff's proposal on this issue. And I would also suggest that everyone needs to remember that tomorrow each one of us -- as many people have stated this morning -- each one of us could be that person in need. And it's important that our companies are out in our communities and doing the good work that they do. And it is a minimal amount on everyone's bill and for these reasons I offer the revision on this issue.

CHAIRMAN SCOTT: Any further discussion on the proposed charitable contribution provision?

ACTING COMMISSIONER COLGAN: I second that proposal.

CHAIRMAN SCOTT: Are you making a motion?
ACTING COMMISSIONER COLGAN: Yes.

CHAIRMAN SCOTT: Any further discussion?

(No response.)

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

No.

The vote is 4-1 and the revision is adopted.

Commissioner O'Connell-Diaz, do you have a second?

COMMISSIONER O'CONNELL-DIAZ: Yes, sir.

We have edits to the rate case expense portion of the Order. These edits find that IIC's requested recovery of rate case expense as adjusted by Staff is just, reasonable and compliant with Section 9-229. While this issue was not raised by any party to the proceeding, in fact, until we got to the final briefing stage, the parties did not address this. So when you look at the briefs, you could not find an argument about this.

Additionally, we do note that
currently the Commission has a rulemaking docket,
Chairman Scott noted that earlier. This issue of
rate case expense and what the rules on the box tops
shall be as we move forward are going to be codified
with input from all the parties. In the language
that we have proposed, it notes that the Commission
was careful in its Initiating Order in that
proceeding, that we want to have the full
encompassing rule, and we do not want to be making
determinations on a utility-by-utility basis.

That is the thrust of 11-0711 that is
ongoing. But as we look at this record and the
evidence that has been adduced in this record, we --
the language recognizes that the findings comport
with the recent Appellate Court decision with regard
to the review that is necessary from the Commission
when doing its review on rate case expense. It also
comports with 9-229, but we also look to -- and
that's independent of whatever is going to go on in
this other docket that's occurring at this point in
time.

So I would ask support for revisions
to the rate case expense in the Ameren case.

COMMISSIONER FORD: Second.

CHAIRMAN SCOTT: It's been moved and seconded. Is there further discussion?

ACTING COMMISSIONER COLGAN: I would just like to say that I think this rulemaking has been progress. Mr. Chairman, I agree with some of the things that you said on rate cases. That makes sense. I think that there has to be some real good accountability for these expenses to be put into rate base. And considering that we have a rulemaking in place on this, I'm not seeing the need right at the moment to a departure from regular traditional -- more traditional Commission approach on this issue. So I'm going to support that motion with that caveat that in the future I think we'll have a better defined definition of what is expected in these cases.

CHAIRMAN SCOTT: Any further discussion?

(No response.)

I won't go all the way back to the arguments that were made, but I am going to vote "no"
on this on as well. I like the idea of the rulemaking. I think that will help. I think that will clarify, but this is a case that's before us right now. And, Commissioner O'Connell-Diaz, I respectfully disagree with whether or not it comports with 9-229 or with the guidance that we just got back from the appellate case in the Illinois American Water case.

I think clearly by not providing that the company specifically delineate the basis for these charges, we're running afoul of that as well, but obviously we can agree to disagree on that. Again, it just comes down to me -- I understand the basis of it in the Public Utilities Act just so they're doing charitable contributions, all I'm saying is put the ratepayers in the position where the normal client would be on an important matter. And it really doesn't matter that nobody objected to this. This is for us to decide much the same way it is for courts to decide where legal fees are a matter of issues. And those of us who are attorneys have probably seen instances where there's not been any
objections between the lawyers and the Court still made changes to that. So just because nobody objected in this case from the Staff or other intervenor's standpoint, I don't think it's dispositive. Again, I just wanted to explain why I was not in support.

COMMISSIONER O'CONNELL-DIAZ: Just on that point, the findings that are contained in the language does not isolate because no one brought this issue up. My point was that when you look at the briefings on this, it is not fully and extensively briefed because the parties did not address it.

So it was really left to the Commission to look at the issue with fresh eyes and to determine whether, in fact, the costs that are provided, the evidence that's provided, is in compliance with the Act and the language that we offer finds independently of that --

CHAIRMAN SCOTT: I agree --

COMMISSIONER O'CONNELL-DIAZ: And it's not phrased like that because that would be not doing our due diligence.
COMMISSIONER ELLIOTT: And just to follow up, I find that to be distinguishing between the two cases that we're looking at this same issue today. And so I think it is a dispositive issue for me in the Ameren case and I am supportive of Commissioner O'Connell-Diaz's language in this case, sir.

CHAIRMAN SCOTT: Okay.

Any further discussion?

Motion is to support the revision as put forth by Commissioner O'Connell-Diaz.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

No.

The "ayes" have it 4 to 1 and that revision is adopted.

Further revisions?

Now Commission Ford, I believe --

COMMISSIONER O'CONNELL-DIAZ: I have to say, this was not all my doing. This was a collaboration of Commissioner Ford's office, my office, Commission Colgan's office -- everybody was doing edits for
really the last two weeks and we have had not a lot
of time. And especially given the backdrop of the
new legislation, what we thought we were going to
have to decide on and what got pulled away at the
last minute, so it's been a busy several weeks at the
Commission.

The next edits that I have to offer to
the Commission are edits to the provisions regarding
a rate of equity. Again, this is a difficult
situation in any case. There doesn't seem to ever be
the right answer -- I think that's the -- it's an
inexact science. I jokingly -- when I'm home looking
at the briefs and everything, I call it voodoo
because you have everybody coming and saying, Here's
the right number. Here's the right number. Here's
the right input. Here's what you should be looking
at. This should be discarded. And based on the
evidence that was adduced in this record, we really
did not have a clear winner of any note.

So what we did with John Colgan's
brain mostly because I probably couldn't add the
numbers together -- I was joking with him and I said
this was kind of like when I was in grade school and we used to have a Kool-Aid stand and at the end of the day you had all different leftover Kool-Aid and you put it all together and it turned like this really kind of weird color. We called it suicide punch. And so we kind of did our own suicide punch and we put all the numbers in that the parties had recommended that we thought were credible, verifiable, and comported with proper rate making tools. And in summary this averaging produced a different result than what the ALJs gave to the Commission. It raises the ROE from 8.8 to 9.06 and it raises the ROR from 8.205 to 8.332. And I would ask if Commissioner Colgan had anything to add?

CHAIRMAN SCOTT: Do you want to move that first?

COMMISSIONER O'CONNELL-DIAZ: Did you want to add anything more to that, that I got the edits right?

ACTING COMMISSIONER COLGAN: I'll take that as a motion and I'll second it and just briefly say that, yes, there was a -- in considering all the
different positions that were made in the case and
how each position pointed out flaws in everybody's
calculations. And then looking at various
Commissioners and different points of view that we
all had on the very same topic, and keeping in mind
that it takes three votes to get anything done here,
we looked to kind of find a way that we can come to
an agreement. And I need to point out that
Commissioner Elliott was also very involved in this
and very much a big help. So I think it's the best
approach that we can come to in this case.

CHAIRMAN SCOTT: Further discussion?

(No response.)

It's been moved and seconded to accept
the revisions as proposed by Commissioner
O'Connell-Diaz.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The "ayes" have it 5-0 and the
revision is accepted.
Commissioner Elliott, you have a nonsubstantive issue?

COMMISSIONER ELLIOTT: I do, Mr. Chairman, a small editorial change in relation to the decision with regard to the GDS5 customers. I added a phrase that does not change the substantive conclusion and I would offer that change.

CHAIRMAN SCOTT: I'll second that.

Is there any discussion on this particular matter?

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The "ayes" have it 5-0 and the revision is adopted.

Is there any further discussion on the Order?

(No response.)

Is there a motion to enter the Order as amended?

COMMISSIONER ELLIOTT: So moved.
CHAIRMAN SCOTT: Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN SCOTT: It's been moved and seconded to enter the Order as revised.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The vote is 5-0 and the Order as amended is revised.

On behalf of the Commission, I would like to thank all the parties for the many hours they put into this case. I would especially like to thank Judges Albers and Yoder for all the extra time they put in, their work with the Trailer Bill, the removal of the electric portion of this case. There were obviously some unique challenges with this particular matter and the Commission deeply appreciates the work done on this matter. So, Judges, thank you; but thank you to everyone who worked on the case.

Item No. 4 is Docket No. 11-0528.

This is Randy Allison and Linda Leavitt's complaint
against Ameren. The parties have apparently settled their differences and brought a Joint Motion to Dismiss which ALJ Jones recommend we grant.

Is there any discussion?
(No response.)
Any objections?
(No response.)
Hearing none, the Motion to Dismiss is granted.

Item No. 5 is Docket No. 11-0743. This is Sperian Energy Corp's application for a certificate permitting them to operate as an alternative retail electric supplier in Illinois. ALJ Wallace recommends an Order granting the requested certificate.

Is there any discussion?
(No response.)
Any objections?
(No response.)
Hearing none, the Order is entered.

Item 6 is Docket No. 11-0794. This is Naba Energy's application for a certificate
permitting them to operate as an Agent Broker and Consultant under Section 16-115C of the Public Utilities Act. ALJ Albers recommends entering an Order granting the requested certificate.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Item No. 7 is Docket No. 11-0280 and 11-0281 consolidated. This is the rate case for Peoples Gas and North Shore Gas. ALJs Hilliard and Kimbrel recommend --

VOICE: No rate increase.

CHAIRMAN SCOTT: Folks, if you would, please, we would ask you to keep that down if you could.

ALJs Hilliard and Kimbrel recommend entry on an order setting new rates for the Company. There are a number of revisions here to consider as well.

COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman, before we get started, if I could ask the ALJs to
address the issue that I really wanted to get
information on their determinations in this docket,
in particular the issue of the passthrough taxes.

CHAIRMAN SCOTT: Sure.

JUDGE KIMBREL: I handled that issue, Commissioner.

Regarding passthrough taxes, the utilities maintain that they add passthrough taxes and energy-assisted charges to customer bills and then are the required to remit the funds to various local and state governmental agencies. These taxes and charges are not recorded as revenue or expense on an income statement, but their collection and payment cause a timing difference in the cash flow that needs to be accounted for.

The lag for the collection of passthrough taxes is the same as the revenue lag. The utilities argued that in approving the utilities expense leads and revenue lags in the 2009 rate cases, the Commission acknowledged and found that if the shareholders make the payment because the money has not yet been received from the ratepayers, then
this amount is appropriately contained in the calculation of cash-working capital.

Staff argued that the Commission should find that passthrough taxes have a revenue lag of zero days and maintains that since passthrough taxes are not related to the provision of utility services, there's no lag between the delivery of the utility service and the receipt of cash from customers. The utilities countered that passthrough taxes and energy-assisted charges were prescribed by law and considered charging for a public utility service.

Staff noted as well that the Commission has determined that the past due taxes should have a revenue lag of zero and that this was found in three recent rate cases. The Order found that the utilities used a methodology that matched what the Commission approved in their last rate cases where Staff's proposal was rejected.

The Order also recognized, as did Staff, that the terms upon which the utilities remit taxes and charges have not charged since the 2009
rate cases and that Staff did not present evidence to
counter this. It should also be noted that the past
cases upon which Staff relies differ as much as the
utilities in this docket on nonelectric or
combination utilities. Further utilities in this
docket also differ in their franchise agreements with
their representative municipalities.

COMMISSIONER O'CONNELL-DIAZ: So just so can I
understand, what you're suggesting that a one size
fits all is inappropriate with regard to the issue of
passthrough taxes and one of the factors to that
would be that there are various agreements and
schedules with the various municipalities that the
Company is serving and whatever their franchise
agreements provide for, that timing difference is
different based on the communities that they are in?

Is that a factor?

JUDGE KIMBREL: Yes. That is correct.

COMMISSIONER O'CONNELL-DIAZ: And so it's
Staff's position that there is zero lag time; but, in
fact, wasn't there a lead lag study that showed that
that is not true?
JUDGE KIMBREL: That's what I found.

COMMISSIONER O'CONNELL-DIAZ: So to find otherwise would not comport with the evidence that's in this record?

JUDGE KIMBREL: Yes.

COMMISSIONER O'CONNELL-DIAZ: And so it's not zero -- and there was a lead lag study that was done and it was done by Mr. Hentegen (phonetic), that was his name?

JUDGE KIMBREL: Yes.

COMMISSIONER O'CONNELL-DIAZ: So the issue of the squaring with the Commission's determination and other rate proceedings that are noted in the record would not have bearing because the evidence in this record is different than each of those proceedings?

JUDGE KIMBREL: That's what I found.

COMMISSIONER O'CONNELL-DIAZ: Thank you. I just wanted to be sure what the evidentiary record was and probe the recommendations of the ALJs on this issue. Thank you.

CHAIRMAN SCOTT: There are a number of revisions that are to be proposed and we'll start
there as we just did with the passthrough taxes.

This provision makes two findings, one is essentially saying that from a legal standpoint, this is not revenue as defined in the Public Utilities Act because it's not performing a utility service and shouldn't be treated at such.

And secondly that there is no lag in the delivery of the utility service in receipt of cash from customers that the revenue comes in and is essentially paid out as it comes in. And, again, as was just pointed out that this is consistent with three recent cases, not just Ameren in 2010, (unintelligible) in 2009; but also the Commonwealth Edison case that this same body decided in May of 2011.

And I think that there was also finding that through looking through the record that this was from a practical standpoint as well that you're talking about, so we may differ on whether or not there is a lag here or not. This was remitted in the month after it was collected. So it's very difficult to figure out how, for me, how you can
actually have a lag when something is remitted a
month after it's already been collected, not the
month it's to be collected, the month after it's been
collected. So from both a legal and a practical
standpoint, I believe the passthrough taxes language
should be amended.

I've submitted that revision and I
would move for its adoption.

Is there a second?

COMMISSIONER ELLIOTT: I will second that.

CHAIRMAN SCOTT: Any further discussion?

COMMISSIONER O'CONNELL-DIAZ: Yeah. Initially
when I saw your revisions and I looked at them -- and
I excused myself for not paying more attention to
this early on -- I was not clear that the record was
as it is and that is my problem. My problem is that
the record is not reflective that there is no lag. I
think that Staff has a position that is not fully
developed and therefore leaves holes in coming to the
conclusion that you would like to come to.

Additionally, I think the ALJ as he
just went through the thought and rationale of his
determination on this issue, that the notion -- and I believe it was an issue in the 2009 case -- that we should adopt this type of methodology in every single case just is not winning the day because the evidence doesn't support that. The evidence is clear that there is a lag, that there is a number associated with that, the company witness testified to that. Staff did not follow through with bringing something else for us to look at. And on that basis, I would -- and I know I don't have the votes for this -- but I would look to somebody asking for a rehearing on this because I think if we make a mistake in this -- and it really shouldn't be a cookie cutter thing where if we did it for one utility we do it for another, when it's really based on what that individual utility is doing in those with that issue. I think we need to be fair and we need to be clear about it.

COMMISSIONER FORD: I think what you're saying, Commissioner, is this is a regulatory body and because it's a regulatory body, we can address each matter freely. We do not have to vote on res
judicata to address these issues and I certainly
support what you're saying about the lag.

COMMISSIONER O'CONNELL-DIAZ: Thank you. You
made it sound much better than I was making it sound.
So that's why I cannot support it. I tried to look
really clearly at this and with all due respect I
cannot -- given the rendition that we just had of the
rationale and the actual facts of the case, I would
not be able to be supportive of your revisions.

CHAIRMAN SCOTT: Any further discussion on this
matter?

(No response.)

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

COMMISSIONER O'CONNELL-DIAZ: No.

COMMISSIONER FORD: No.

CHAIRMAN SCOTT: The vote is 3-2. They "ayes"
have it and that revision is adopted.

I have two other revisions that I
would like to offer. I'll just describe them very
briefly. One is on a case involving a rate case, one
is on incentive compensation, disallowing 27 percent of the remaining incentive plan which is based on performance in part on other affiliates including non-Illinois affiliates and disallows 50 percent of the balance because that's tied to Integrys' net income.

The standard is that the companies have to show benefits for Peoples and North Shore ratepayers and I don't believe that that's supported by the record in this case. So I would move the incentive compensation revision as well as the rate case expense revision. I talked about rate cases before and what I believe 9-229 calls for and I believe in this case it's pointed out again.

I think you have specific reductions here, to the company it would be 40 percent of the intercompany affiliate billing, consulting with expense for SFIO because of lack of billing detail, reducing of legal expenses for two different law firms by 20 and 25 percent respectively, again, because of not providing the type of information that we would expect as clients. And certainly ratepayers
should be able to expect to find out where these expenses are being paid to and why.

And so for that reason, I would move both the incentive compensation and the rate case expense revision language.

COMMISSIONER ELLIOTT: I'll second those revisions. And with regard specifically to the rate case expense language -- I think as I sort of eluded to in our prior discussion in the Ameren case -- I feel this case is distinguishable with the decision in that case mainly because I think the record evidence in the case is significantly different. I think the issues here were contested and so I would support your proposal regarding rate case language in this case.

CHAIRMAN SCOTT: Further discussion on this issue?

(No response.)

All this favor say "aye."

Aye.

COMMISSIONER ELLIOTT: Aye.

Any opposed?
COMMISSIONER FORD: No.

COMMISSIONER O'CONNELL-DIAZ: No.

ACTING COMMISSIONER COLGAN: No.

COMMISSIONER FORD: Are we on incentive or rate?

CHAIRMAN SCOTT: We're on both incentive and rate.

COMMISSIONER O'CONNELL-DIAZ: We should do a separate vote.

CHAIRMAN SCOTT: Okay. Then we will take the incentive compensation first.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

COMMISSIONER COLGAN: No.

COMMISSIONER O'CONNELL-DIAZ: No.

CHAIRMAN SCOTT: The "ayes" have that 3-2 and that revision passes.

COMMISSIONER O'CONNELL-DIAZ: Which one?

CHAIRMAN SCOTT: That was incentive compensation.

COMMISSIONER O'CONNELL-DIAZ: Okay. I'm sorry.
CHAIRMAN SCOTT: On rate case expense, it's been moved and seconded to approve that revision --

COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman, we're confused here. Excuse me. You're on incentive compensation. We are in agreement.

JUDGE WALLACE: Mr. Chairman, can you repeat the vote on incentive compensation.

CHAIRMAN SCOTT: On incentive compensation, all in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The "ayes" have it 5-0 and the incentive compensation revision is approved.

On rate case expense it's been moved and seconded.

All in favor say "aye."

Aye.

COMMISSIONER ELLIOTT: Aye.

Any opposed?

COMMISSIONER FORD: No.

COMMISSIONER O'CONNELL-DIAZ: No.
COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman, I had some revisions -- and because I had so many, I'm not finding it -- but we had some revisions that were circulated so that the determination with regard to rate case expense syncs up with what our determination was in the Ameren case.

CHAIRMAN SCOTT: Rate case expense or on --

COMMISSIONER O'CONNELL-DIAZ: Rate case expense.

COMMISSIONER ELLIOTT: I think you had language to that affect.

COMMISSIONER O'CONNELL-DIAZ: Yes, and it mirrors what's in the Ameren case that has already been adopted.

CHAIRMAN SCOTT: That's the language on Page 84?

COMMISSIONER O'CONNELL-DIAZ: Yes. So I would just offer that so that we are in sync with what we just determined on the rate case expense for the
Ameren case. It's the exact same language.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN SCOTT: It's been moved and seconded to approve the revision on rate case expense found on Page 84 of the Order.

Any further discussion on that?

(No response.)

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

No.

COMMISSIONER ELLIOTT: No.

CHAIRMAN SCOTT: That vote is a 3-2 in favor and that revision is approved.

Further revisions to come in the case?

COMMISSIONER ELLIOTT: I think I can jump in.

My office worked with Commissioner Ford's on language with regard to return on equity. And in this case, again, as was eluded to in the Ameren case, I made a very difficult decision. We came down to the suicide punch, so I think we are certainly consistent with
our thought process and our decision-making process
that we arrived at in the Ameren case and I would
moved that language as revised.

COMMISSIONER FORD: Thank you.

And I just simply want to say I also
would like to propose changes as well. It was noted
that the methodologies such as the DCFF model and the
Cap M model do assist the Commission a great deal
with determining reasonable rate of return. However,
there are instances in which even these models can be
manipulated such as with the use of spot date data
which might not accurately reflect the truest market
conditions. Therefore I would propose using language
that takes into account and consistently reflects
what was highlighted within the 2009 Peoples rate
case, and I second yours Commissioner Elliott.

CHAIRMAN SCOTT: Any further discussion on this
matter?

(No response.)

All in favor say "aye."

(Chorus of ayes.)

Any opposed?
The "ayes" have it and that revision is adopted on a vote of 5-0.

Further revisions?

COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman, I had revisions to that particular section of the Order that was circulated among the Commissioners and it in no way changes the substance of the revisions that we have just approved. However, I believe that the Proposed Order misunderstood the testimony of a certain witness that I think is important for purposes of complete view of the factors that the condition looks as we make these difficult decisions.

In particular, it was the testimony of Mr. Fedor (phonetic) who -- his testimony, I don't believe, was about him previously being a Commissioner of the Michigan Commission; but that he, in fact, was a professional in the financial industry. And in that testimony he sought to shed light on how certain decisions can affect the credit rating of a utility and it's ability to access capital markets.
This in turn would have a -- if a utility has a credit downgrade which unfortunately we're kind of familiar with in our country and in our state, can have a deleterious effect on the bottom line of a consumer's bill because that debt service that the companies need to go to the market to will be more expensive due to the impaired credit rating. So this is a factor that, I think, is certainly in the Commission's mind as we look at setting rates and we do our due diligence in setting those rates of return. So I thought it was important to include this language and I would offer it up for approval along with the other revisions to rate of return.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN SCOTT: I just have a quick question. Is there difficulty in identifying him as a former Commission member because I believe he did, didn't he, when he was testifying -- or is there additional an problem with that?

COMMISSIONER O'CONNELL-DIAZ: No. It's just the language that was contained in the Proposed
Order, it kind of singled him out. And I think that
the thrust of the Proposed Order was that someone
that was a former commissioner of another state and
their decisions have no bearing on what this
Commission should do with regard to setting rates in
an Illinois proceeding. When, in fact, the testimony
that was adduced in the record was reflective of
really kind of not the fact he happened to be a
commissioner from Michigan, but he was -- his
background was he was like a senior partner at
Fitch's Rating and that was his background before he
went to be a Commissioner.

And so his testimony was reflective of
what credit rating agencies look at when they look at
different Commission decisions and how we go about
doing our work and setting returns and how they
arrive at those ratings for commissions as well as
the import of what that means to have a stable
credited rating so that when our utilities need to go
to market, they can access capital that's needed.
And I thought that that was an important distinction
that, I think, the Proposed Order kind of missed.
COMMISSIONER ELLIOTT: I just assumed the gist of it was that it was his subject matter expertise and what he brought to bear on this case, not the fact that he was a decisionmaker in other jurisdictions that had any bearing whatsoever on the matter before us, so I will support the language as well.

CHAIRMAN SCOTT: Any further discussion?

(No response.)

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

(No response.)

The vote is 5-0 nothing and that particular revision is adopted.

Commissioner Elliott.

COMMISSIONER ELLIOTT: I proposed some language in SC1 adopting essentially the utility's position with regard to the rate design for residential small commercials. I think it's consistent with the decision in the Ameren case, it's consistent with our position in the prior Peoples case, and I would move
that language.

COMMISSIONER FORD: Second.

CHAIRMAN SCOTT: It's been moved and seconded. Is there any discussion on that particular language.

(No response.)

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

No.

ACTING COMMISSIONER COLGAN: No.

CHAIRMAN SCOTT: The vote is 3-2 and the revision is adopted.

COMMISSIONER ELLIOTT: I also have one small revision on Page 222, but it didn't change the subjects of the conclusion and it's nonsubstantive and I would offer that change as well.

CHAIRMAN SCOTT: I will second that.

Is there further discussion on this revision proposal.

(No response.)

All in favor say "aye."
(Chorus of ayes.)

Any opposed?

(No response.)

The vote is 5-0 and the revision is adopted.

Commissioner O'Connell-Diaz, I believe you had a revision with respect to Rider VBA?

COMMISSIONER O'CONNELL-DIAZ: Yes. Thank you, Chairman.

With regard to Rider VBA, the revisions herein find that it's appropriate at this time to make Rider VBA a permanent -- nothing needs to be gained from furthering this pilot program. The program has worked how we thought it would. It has resulted in refunds of some $28 million to ratepayers. And so at this juncture I believe Staff was the successor of the day on this issue. I recall coming out of the oral arguments and being convinced based on the great job that they did in the oral argument on this issue. Then as I really dug into the record and looked at Dr. Brightwells testimony, I became further convinced that this was an appropriate
move for to us make. I do recognize that
Commissioner Elliot is not a big fan, but I would
offer this.

COMMISSIONER ELLIOTT: I'm not a big fan. I
will second your language. I think it's fairly clear
and evident to most people that listened to what I
said that I considered this to be the second best
solution to a problem that is of our own creation.
However, that being said, I cannot see any reason to
continue this as a pilot or temporary decision. I
know the courts are going to look at this and we've
got that phone, so we might as well move this forward
and see where we go.

COMMISSIONER O'CONNELL-DIAZ: And we have
confidence.

CHAIRMAN SCOTT: It's been moved and seconded.
Is there any further discussion on the
Rider VBA revision?

(No response.)

All in favor say "aye."

(Chorus of ayes.)

Any opposed?
The "ayes" have it. The vote is 5-0 and the revision is adopted.

That exhausts my list of proposed revisions. Does anyone else have anything else?

(No response.)

Judge?

JUDGE HILLIARD: I've been asked to inform the Commission, as the chair noted, there was a public forum on September 8th and there were public comments on e-Docket, 41 public comments in regard to the Peoples case and 13 public comments with regard to the North Shore case. That's all I have to say.

CHAIRMAN SCOTT: Thank you, Judge.

Is there a motion to enter the Order as revised?

COMMISSIONER FORD: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER ELLIOTT: Second.

CHAIRMAN SCOTT: All in favor of the order as amended say "aye."

(Chorus of ayes.)
Any opposed?
(No response.)
The vote is 5-0 and the Order as amended is entered. I'd like to thank all the parties on the matter and ALJs Kimbrel and Hilliard on the work that they put into the case.

Item 8 is Docket No. 11-0710. This matter concerns a coal gasification plant proposed by Chicago Clean Energy and the Commission's responsibility to approve a Sourcing Agreement with respect to the facility. ALJ Wallace recommends entry of an Order approving the Sourcing Agreement.

Is there any discussion on this matter?

COMMISSIONER FORD: Chairman, I, in full disclosure, I'm a member of the Board of Directors of the Black United Fund and I'm certainly well aware of the economic development associated with this Order which has caused me angst. Therefore I have to vote "no" and request that the parties ask for a rehearing on this matter.

CHAIRMAN SCOTT: Any further discussion on this
matter?

ACTING COMMISSIONER COLGAN: Mr. Chairman, I think that this Order puts the Commission in a unique situation. As a matter of fact, when we entered our Interim Order on this matter, we said that the Commission finds itself in nominal territory. We went on to say that we are unable to set a return on equity in any fashion approaching our normal method of setting a return on equity —

MS. MARISSA BROWN: This is disgusting.

MR. DYLAN HEYWORTH-WESTE: Thanks for supporting the ratepayers of Chicago.

MS. MARISSA BROWN: This is a joke.

MS. ALEX FITZGERALD: Shame on you.

MS. MARISSA BROWN: We are the 99 percent.

ACTING COMMISSIONER COLGAN: -- that is in the context of a rate case with parties submitting testimony and exhibits, offer up expert witnesses for cross-examination in a proper briefing schedule. The Order before us today includes conclusions to a number of disagreements about the parties. And those disagreements are whether -- in brief and not all of
the disagreements -- but whether the Order should
specify the capital structure to be used; whether the
Commission has authority to determine the billing
determinants used to establish the capital recovery
factor and L & M recovery factor; whether the
Commission has the authority to implement certain
customer protections.

The proposed proposal puts forward a
commercial-scale carbon capture and sequestration
proposal that, I think, deserves some serious
consideration and I'm sure that all of us have
provided that serious consideration. But I'd like to
note that as we look to the future, I think we really
need to figure a way to mitigate the impact of coal
on the environment and this is one of the proposals
that's out there that, I think, deserves some serious
consideration on our part.

And finally, I just want to say that I
have concerns that we're potentially doing something
here that would prevent the legislative intent of
this project which passed the General Assembly with
super majorities. So I join with Commissioner Ford
and I'm going to enter a "no" vote on this Order.

And I do also support Commissioner Ford's suggestion that the parties request a rehearing so that we can give this a further in-depth look and analysis.

CHAIRMAN SCOTT: Commissioner Elliott.

COMMISSIONER ELLIOTT: I have to register the fact that I'm somewhat troubled by this Order as well. I think that, again, we were in a nominal situation where we have literally limited opportunity to understand the implications of a very significant and complicated contractual relationship, nominal in its nature that comes before us at the Commission. I think that as difficult as that is, I think in certain conclusions of the Order, I'm supportive of where the Judge took us.

Unfortunately circumstances have changed since this bill was passed. I think we are all aware that Peoples has decided to extricate themselves from this process which leaves the two remaining utilities to shoulder the responsibility for this. And I think in this case, at least as far as what I can extricate from the little record we
have before us, I think the Judge has a reasonable
decision. And I would note that the Illinois Power
Agency also came to that conclusion along with Staff
and the companies affected.

So I think that these are difficult
issues. We don't have as clear a road map as, I
think, has been presented. And for that reason and
the fact that we are tasked with, I think, the
language in the law as accepting. This is the
proposal before us and I'm willing to accept it as
proposed.

COMMISSIONER O'CONNELL-DIAZ: I would agree
with what Commissioner Elliot said. I think the time
frame for the work to be done in this proceeding was
like in a nanosecond. It was a 90-day rocket docket
and we were -- you know, that's what we were given
and that was the time limit. And I think that while
the record is complete, I think if we had had more
time to look at this issue -- I don't know whether we
would have come to a different resolution because the
legislation is the legislation, that we are asked to
implement as we always are. It's not a question of
opinion. It's a question of the legislature has given us these strictures and we have to comport with them.

I note that IPA -- and I even note that the AG's office said some nice things about the Commission in the brief and they agree with us, and that is a different situation than we normally see. I think the Judge gave the call that the law dictated that we have to make and I would look to a rehearing on this. We'll have more time. But I believe at this juncture I've read all that's in the record at this point and I think that I will echo the sentiments of the AG when they said, The Chief ALJs got it right. And with that, I move to vote "yes" on the recommendations of the ALJs.

CHAIRMAN SCOTT: Obviously as everybody said, this is an incredibly complicated, fascinating, fun case, actually, both in terms of the project, the statute that's involved, and, of course, the interpretation. And I certainly understand the concept the behind the project to look for next generation energy technologies. I agree with
Commissioner Colgan's comments very strongly.

Obviously my time at the EPA saw a number of these projects including this one and appreciate the need to determine the viability of different technologies as it relate to coal. And as a former Mayor and former state rep, I certainly understand both the benefits of a large construction project in an abandoned facility, jobs and taxes and then other things that were brought to light during the course of the testimony in this case. And as a former state rep, I certainly appreciate the legislative process as well. But as we've heard, that's not really why we're here. Our job is to interpret the law that the General Assembly passed and to decide those issues specifically assigned to us and to provide the safeguards as required by the parts of the Public Utilities Act. And I really believe that Judge Wallace's Proposed Order does a very good job of cutting through those very difficult provisions and reaching highly defensible conclusions.

Having said that, the legislation that
brings us here with respect to the CCE Project did not leave some gaps. It's very specific on some instances and not so in others, which leads the ALJ and perhaps the Commission to believe that the items having not been discussed are to be left to the Commission and other parts of Public Utilities Act. And it is necessary not to have an absurd result, which is the word that was used in the course of this and with which it's hard to argue with.

If the legislature, which allowed for companies to opt out from participating in the purchase of Chicago Clean Energy's output, also meant for the ratepayers of the remaining companies to pay a disproportionate share of the cost to make up the difference, the legislators could have said that in the legislation and they didn't. Similarly if the legislature had intended not to have the Commission rule on the capital recovery charge instead of merely some of the inputs, they could have said that in the legislation as well and they didn't.

It's one thing to have the ratepayers assume the cost of a project that the legislature
intended, it's quite another to have assumed costs
that were not intended or which simply weren't
contemplated and not spelled out in the law. The
time tables, as you've heard, involved in this docket
were extremely challenging to say the least. Perhaps
a rehearing could help in clarifying some of the
issues which I would certainly welcome as well.
Obviously the parties can also choose to further
refine those issues in the General Assembly as well.
But given the law that's before us, I believe Judge
Wallace's Proposed Order is well reasoned, a well
reasoned sorting of the issues and I'm prepared to
support the Order.

Any further discussion?

(No response.)

All in favor of the Order vote "aye."

(Chorus of ayes.)

Any opposed?

COMMISSIONER FORD: No.

ACTING COMMISSIONER COLGAN: No.

CHAIRMAN SCOTT: The vote is 3-2 and the Order
is entered. I'd like to thank Judge Wallace and all
the parties who put their time in on this matter. Obviously a lot of people spent a lot of time on this. It's a very complicated matter in a very compressed timeline, so I want to express the Commission's appreciation to everyone who worked on this project.

Item 9 concerns initiating an investigation into MTI's possible noncompliance with requirements for eligible telecommunications carriers and into continuing eligibility for Linkup Subsidy Reimbursement. Staff recommends entry of an Order initiating an investigation.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Items 10 through 13 will be held for disposition at a future Commission proceeding.

Item 14 is Docket No. 11-0753. This is Coretec Communications' application for certificate of local and interexchange authority to
operate as a facilities-based carrier of telecommunication services in Illinois. ALJ Baker recommends entry of an Order granting the certificate.

Is there any discussion?
(No response.)

Any objections?
(No response.)

Hearing none, the Order is entered.

Judge Wallace, is there any other matters to come before the Commission today?

JUDGE WALLACE: No, I think that just about wraps it up.

CHAIRMAN SCOTT: I think everybody in the room would agree with you. Thank you, sir.

Hearing none, this meeting stands adjourned. Thank you.

(And those were all the proceedings had.)
Auhdikiam Carney, being first duly sworn on oath, says that he is a Certified Shorthand Reporter, that he reported in shorthand the proceedings given at the taking of said hearing, and that the foregoing is a true and correct transcript of his shorthand notes so taken as aforesaid and contains all the proceedings given at said hearing.

______________________________
Certified Shorthand Reporter
License No. 084-004658

Subscribed and sworn to before me this ___ day of ________ 2012.

______________________________
Notary Public