BEFORE THE
ILLINOIS COMMERCE COMMISSION
REGULAR OPEN MEETING
PUBLIC UTILITY
Wednesday, March 1, 2017
Chicago, Illinois

Met, pursuant to notice, at 10:30 a.m.,
at 160 North La Salle Street, Chicago, Illinois.

PRESENT:
BRIEN J. SHEAHAN, Chairman
SHERINA E. MAYE EDWARDS, Commissioner
MIGUEL DEL VALLE, Commissioner
JOHN R. ROSALES, Commissioner
SADZI MARTHA OLIVA, Acting Commissioner

SULLIVAN REPORTING COMPANY, by
PATRICIA WESLEY
CSR NO. 084-002170
CHAIRMAN SHEAHAN: Good morning. Are we ready to proceed in Springfield?

CHIEF CLERK: Yes, we are.

CHAIRMAN SHEAHAN: Sounds like a yes.

Pursuant to the Open Meetings Act, I call the March 1, 2017 Regular Open Meeting to order.

Commissioners del Valle, Edwards, and Rosales, and Acting Commissioner Oliva are present with me Chicago. We have a quorum.

We have ten requests to speak this morning. As a reminder, each speaker will have three minutes.

I would like to ask, however, especially for all of the speakers, that you adhere to the three-minute rule. We will let you know when you have three minutes left, two minutes left, and one minute left, and when your time has expired.

We do have a Spanish-speaking employee of the Illinois Commerce Commission available to translate if necessary.

Please beware that while the
Commission do afford the public an opportunity to comment, we cannot respond to your comments. Your comments will be made part of the record, however, we cannot rely on them to resolve disputed issues of fact in contested cases.

Our first speaker is Bob Puricelli. Bob, why don't you join us at the end here. Make sure you hit the button so the microphone goes on.

MR. PURICELLI: Good morning.

CHAIRMAN SHEAHAN: Good morning.

PRESENTATION

BY

MR. PURICELLI:

My name is Robert Puricelli. I'm a resident of Chicago and a Peoples Gas customer.

I have heard stories from other speakers about the disastrous personal effects that the continued rate increases have had on the lives of Peoples Gas customers, many of whom have been cut off from this essential service in spite of the brutal cold. Many have had to choose between food or heat or medicine or heat, because of the high
cost of gas service, and the primary driver of this
cost is the Peoples Gas Main Replacement Project.

As cruel and inhumane as their
personal consequences are, they reveal only part of
the damage to be inflicted if the proposed plan is
approved.

Peoples Gas is a subsidiary of WEC
Energy, acquired in a merger approved by this
Commission based, at least in part, on testimony by
company officials, statements later deemed to have
been untrue.

The company was fined for these
misstatements, but the new corporate entity driver
is based mainly on revenues generated by the Peoples
Gas Main Replacement Project.

Since the merger 20 months ago, WEC
stock has gone up almost 40 percent, nearly doubled
the gain of the Dow Jones utility average, and the
dividend rate has also increased by 24 percent
further enriching shareholders.

The market capital WEC stock has
increased by more than $4.7 billion since the
merger. The CEO of WEC was paid compensation of
over $11 million in the last fiscal year. This huge
cash windfall for shareholders and insiders
represents not only the impoverishment of Peoples
ratepayers but also the starvation of public
institutions that serve these ratepayers.

Every one of these dollars would have
generated sales tax dollars that support schools,
and police, and firefighters, and clinics, and
libraries, and would have been available to local
businesses as income to generate jobs, investment,
and organic growth.

The Peoples' plan as proposed would
perpetuate the financial policing of our community
for the enrichment of out-of-state investors.

Liberty Consulting, hired by this
Commission to analyze Peoples' operation, said that,
and I quote, "Peoples does not place a high priority
on developing and maintaining a strong cost
management culture." Why would they? For every
dollar they spend, their profit is increased.

I ask the Commission to reign in this
out-of-control boondoggle and to curtail the runaway
rate increases it requires and to authorize
additional public hearings so that people can, and I
quote the state Appellate Court, "inform and guide
the Commission's discretion as to whether the rate
increases proposed by the utilities are fair, just,
and reasonable."

I ask that these Commissioners do your
job, please.

CHAIRMAN SHEAHAN: Thank you, sir.

(Appause.)

Our next speaker is Ms. Yesenia

Maldonado.

MS. MALDONADO: Buendos dias.

CHAIRMAN SHEAHAN: Good morning.

YESENIA MALDONADO,
called as an interpreter to translate the Spanish
language into the English language and the English
language into the Spanish language as follows:
PRESENTATION

BY

MS. MALDONADO:

I have lived in Chicago for 16 years in Little Village and I am a single mother of five children. I work 40 hours and I have a minimum wage. I have worked at a hotel in Chicago and bills are extremely high. I pay bills and I don't have enough to pay for my children's food.

During the summer, the bills are 200 each month, and during the winter, it's a little bit more. Thank God I have my family helps me with these expenses.

As someone who pays their taxes timely, the bills for light and gas keep going up. I'm kind of embarrassed to say, but, as a Hispanic person, we go to church to ask for food because of the wages that we make. Thank you.

(Appplause.)

CHAIRMAN SHEAHAN: Thank you.

Our next speaker is Joe Kamberos.

Sir, welcome back. Three minutes.
MR. KAMBEROS: Thank you.

PRESENTATION

BY

MR. KAMBEROS:

The last time I was here a few weeks ago, ICC Chairman Brian Sheahan said that the Commissioners are not able to consider public comments for making their decisions. That struck me as odd, because this is a public hearing about a decision that will impact the lives of the public. One would think that these meetings would guide and inform the ICC to act in the best interest of the public, so I did some research and found that the statement is in direct contradiction to a 2013 decision of the Illinois Appellate Court.

In Apple Canyon Lake Property Owners Association versus the Illinois Commerce Commission, 985 N.E.2d 695, the Illinois Attorney General's office challenged the decision of the ICC Administrative Law Judge to strike comments from public forums and websites from the association's attorney's brief.
The Appellate Court ruled that public comments, quote, "help to inform and guide the Commission's discretion in an effort to determine whether the rate increases proposed by the utilities are fair, just, and reasonable," end quote.

Given this legislative mandate, I ask the Commissioners to not only have public commentaries to guide their decisions but that they also act upon the public commentaries they are given.

I would like to recommend to the Commissioners that they work for the public's best interest. You do not work for Peoples Gas, WEC Group, who owns Peoples, or their shareholders, like the Vanguard Group, the Black Rock Group or P. J. Morgan, whose sole purpose is to maximize profits which they can and have achieved at the expense of the public.

It is for this reason that I ask the Commission to completely deny Peoples Gas of their rate increases and to fulfill the ICC's duty of keeping utilities affordable as detailed in the

Finally, I would like to comment on the timing of these public hearings. These hearings are scheduled in the middle of the workweek during normal working hours in the middle of downtown which makes it next to impossible for real working people to provide commentary without losing a day's pay or risking their jobs.

In addition, identifying the location and time of these meetings requires almost an entire day of calling up government agencies and scouring a number of government websites.

It should be your goal to make these meetings extremely accessible and have information about these meetings easily available to the public.

I can see that there is another order on the agenda for additional hearings. I'm asking going forward that any hearings be well announced to the public on your website through whatever means you can find, like mass media, with the date and location clearly mapped out, and that these hearings be scheduled in the evening after people get off.
work or on the weekends so that the public can fully
attend and provide commentary that you will act
upon. Thank you. I have to get back to work.
CHAIRMAN SHEAHAN: Thank you, sir.

(Applause.)
Next speaker is Janie Vitlina.

PRESENTATION
BY
MS. VITLINA:
The Public Utility Act of Illinois of
2001 states that public utilities will be regulated
effectively to insure that rates for utility
services are affordable and available for all. Just
in case you didn’t hear me, Members of the Board,
that they are affordable and available to all.
It seems that the Members of the Board
have forgotten that "all" includes even the poorest
of us, the lowest workers, even the ones on a fixed
income, because this Board has approved rate
increases for Peoples Gas while 77,000 households
were being shut off in the middle of winter and
Peoples Gas parent company was still paying out $455
million in dividends. This is not affordable and available to all.

We have families that are being disconnected from gas and heat. No more rate increases should be granted while this is happening.

It is unacceptable that this Board so willfully and blatantly ignored the very policies that it is entrusted to uphold. Your appointments do not give you free reign.

In the February 1st meeting, and clearly today, Chairman Sheahan, who looks quite bored I might say, said that the Board is not legally able to consider public comments when making their decisions.

This is either embarrassingly ignorant or intentionally deceptive, because the 2013 appellate ruling for the Apple Canyon case ruled that public comments are to inform and guide the Commission's decision as to whether rate increases proposed are fair, just, and reasonable, and, Members of the Board, I'm here to tell you that they are not fair, not just, and not reasonable.
Your approval comes at the expense of ratepayers in Chicago and pulls out money from the local economy only to line the pockets of Peoples Gas and their business shareholders, who I might add control trillions of dollars in assets already.

So I am here today to officially say on the record to be considered reject the rate increase and roll back rates to a level that every single household in Chicago can afford and where no one is being disconnected.

And, frankly, I really don't see how this is even a discussion today. You are required to follow the law of the State of Illinois and fulfill your responsibility to the people.

Do your jobs. Make rates affordable. Prioritize the lives of people in Chicago and not the profits of Peoples Gas. Your responsibility is to the ratepayers, not the utility companies.

(Applause.)

CHAIRMAN SHEAHAN: Thank you.

Our next speaker is David Schweickart.

PRESENTATION
BY

MR. SCHWEICKART:

So the microphone is on. Yes. I'm David Schweickart. I'm a professor at Loyola University and I was here at the February 1st meeting and I was shocked, too, by the comments at the very end that seem to say that the Commissioners are legally not able to consider public comments in making their decision, and it felt like a slap in the face.

It's like, you know, we come out. You know, we make these comments. You are saying, well, too bad. We are not legally allowed to take any of this into consideration, maybe I misunderstood that, and hopefully I have.

Like some other people here, I did some research on that, found this appellate decision, and so I won't repeat that, but it's clear there was the ruling that says that comments should be taken into consideration, so, you know, hopefully our comments will be.

A big thing I've been thinking about
for awhile is Peoples Gas, okay, is a for-profit company. It's a monopoly. We don't get to choose between gas companies, you know, for our rates, so, you know, we depend on you guys to keep those rates fair, and just, and affordable, and apparently, you know, a business that's a non-for-profit business, before you declare a profit, you know, you have to set aside funds, your depreciation funds, to keep your capital and stock intact and keep your pipes manageable, so on and so forth. You know, that's what businesses are suppose to do, then you declare a profit, but it looks like Peoples hasn't been doing that.

Okay. You have been making a profit, but the equipment has been running down dramatically and feels like, well, they don't have to do that because they can just let it run down, come to the ICC and say, look at all the problems we have. We need more money, you know, basically bail us out, okay, and that just doesn't seem right.

So I really -- I mean, I'd really like you to reconsider this rate hike. Thank you.
CHAIRMAN SHEAHAN: Thank you, sir.

(Applause.)

Our next speaker is Angela Leon.

VANESSA GRACIA, called as an interpreter to translate the Spanish language into the English language and the English language into the Spanish language as follows:

PRESENTATION

BY

MS. LEON:

Good morning. My name is Angela. I am a member of Midwest Workers Association. I'm here because of my community in Humboldt Park. I'm here to tell you why I'm uncomfortable with --

THE INTERPRETER: Why she is not comfortable with the taxes.

MS. LEON: It is impossible to keep paying so much for the taxes, like it is to pay for the light, gas, food, and all public utilities, and that's affecting my family and everyone in my community and anyone who is low income.

Even when minimum wage went up to $10,
it's still impossible to keep paying for these services, just like they increased the minimum wage, they also increased the taxes. It's not enough that when the rich keep getting rich and the poor keeps getting poor, and the working class poor when we can barely afford to pay our expenses and to survive.

Thank you.

(Appplause.)

CHAIRMAN SHEAHAN: Thank you.

Next speaker is Adrian Castro.

MR. CASTRO: Good morning, guys.

CHAIRMAN SHEAHAN: Good morning.

PRESENTATION

BY

MR. CASTRO:

Some of you guys might remember me. I'm Adrian Castro. I'm here to speak on behalf of the Cook County Workers Benefit Council, a delegate body that represents the needs and interests of service workers and other low paid workers in Cook County.

I'm here to speak regarding Docket No.
16-3076 investigating the costs and other issues related to the Peoples Gas System Modernization Program.

The Public Utilities Act of 2001's goal in utility regulation is, and I quote, "to insure the rates for utility services are affordable and, therefore, preserve the availability of such services to all."

While you have allowed Peoples Gas to raise our rates in 2009 to accelerate replacing Chicago gas mains after over a billion dollars of our money has been spent on this project, the number of gas leaks has not declined.

The project -- the cost of the project itself has ballooned severalfold. We were not even safer. Peoples Gas has no incentive to reduce costs because the ICC regulations allowed Peoples Gas to profit from ratepayers dollars spent on main replacement.

In 2015 Peoples Gas parent company, WEC Energy Group, paid out $455 million in dividends to shareholders, such as Vanguard Group, Black Rock,
State Street Capital, and J. P. Morgan.

According to the data submitted to you in briefs several months ago, in the brutal cold of winter of 2013 and 2014 Peoples Gas sent out disconnection notices to over a third of their heating residential customers. That's over 230,000 families in Chicago, and Peoples Gas actually disconnected 77,000 households that same winter.

If you, the ICC, allows Peoples Gas to continue this Main Replacement Program in the manner that they propose, once again in the System Modernization Program, our heating gas bills will double by 2030, and that's -- it's not affordable.

On February 1st, Chairman, once again you had said that you guys aren't legally able to consider public comments when making your decisions, and that's in contradiction to the 2013 Illinois Appellate Court decision of Apple Canyon Lake Property Owners Association versus the ICC.

The court ruled Commissioners are legally required to consider public comments in deciding cases and public input to help inform and
guide the Commission's discretion in its efforts to
determine whether the rates proposed by utilities
are fair, just, and reasonable.

Commissioners, you know Peoples Gas
rates are not fair. They're not just, nor
reasonable, and you are in violation of the mandate,
per the Public Utilities Act of 2001, to insure
utility services are affordable and available to
all.

The Cook County Workers Benefit
Council demands that you, the ICC, cease the
prioritization of the profits of very few -- of the
very few over our lives and well-being.

We demand that you reverse the
prioritization immediately. We demand that you
reject all profiteering rate increases, that you
direct Peoples Gas to replace all high-risk leaky
gas mains at their own expense, that you direct
Peoples Gas to reconnect services for all of those
terminated, and direct Peoples to roll back the
rates to a level that working people can afford.

Our demands have not changed, nor will
they change until you guys fulfill them. Don't consider them, you know, act on them. That's your job. Thank you.

(Applause.)

CHAIRMAN SHEAHAN: Thank you, sir.

Buddy Lopez. Good morning.

PRESENTATION

BY

MR. LOPEZ:

My name is Buddy Lopez. I've had my own business on the south side of Chicago, an auto shop, and I have been in business for 35 years.

I'm here today because the gas bills for residents and business owners are high. I'm paying about $700 per month to Peoples Gas. That's about 20, 30 percent more than I was paying five years ago.

When this pipe replacement project started between utilities, rates and property taxes of the city and the state are killing my business. Property taxes for my shop have gone up about a thousand dollars per year. ComEd has charged around
$400 a month, and it's hard to be an independent business because the state and city are pushing us out. You force us to make up for revenue you don't get them from big monopolies or to support them directed by setting the rates as given the job.

I hire locally, provide work for the community. I employ seven people. Every one of them have families. They have responsibilities to their children and they depend on my shop to be able to pay the bills.

Every dollar that Peoples are spending on higher rates for Peoples Gas, that's a dollar they can put behind giving a customer to buy from their local shop.

When my shop has less business, less and less work, I can't give to my guys. It is not the people don't need their cars repaired either, and I have been seeing what people drive and I've been seeing people driving their cars with loose suspensions which means they can lose control of the cars, especially, especially since the government doesn't pay attention to fixing the streets and
As a small business owner, I have to maintain my property, keep it clean and safe. I have to maintain my equipment. I don't charge my customers more when I need to fix equipment or upgrade my facilities. My customers don't have that kind of money.

Why should Peoples Gas be allowed to charge us more to fix their pipes just so they can pay out -- able to pay their profits to their shareholders?

CHAIRMAN SHEAHAN: Sir, your time has expired.

THE AUDIENCE: Let him finish.

CHAIRMAN SHEAHAN: Please.

MR. LOPEZ: We demand the state fulfill the Public Utilities Act of 2001 and direct Peoples Gas to do what I do, keep the cost of fixing my own equipment and replace the rates -- reduce the rates to the point where everybody can pay them. That is the law.

CHAIRMAN SHEAHAN: Sir, please.

THE AUDIENCE: Let him speak.
MR. LOPEZ: So I don't see why the state should when you're suppose to regulate the prices big monopolies can charge. Thank you.

(Applause.)

CHAIRMAN SHEAHAN: Thank you, sir.

Our next presenter is Tanya Zato.

MS. ZATO: Thank you.

CHAIRMAN SHEAHAN: Welcome back, ma'am.

MS. ZATO: Thank you.

PRESENTATION

BY

MS. ZATO:

My name is Tanya Zato. This is my third time appearing in two months, three out of my five per year, so I'm here because you know better the statistics of how many people are currently living in Chicago without heat, but, just a regular low-income worker like myself, I know more of the faces to those statistics, so I'm here on behalf of other unrecognizable workers -- low-income workers in my neighborhood to kind of help put a face to the statistics.
Just Monday -- just Monday a neighbor a couple blocks down from where I live had a house fire, lost their seven month old and two year old, and their six year old is in critical condition, because they were using the stove to heat their house, because even when you do have your utilities connected, it's a struggle to keep the bill low, low enough to pay so you don't have to risk being shut off.

So another family on the other side of Englewood, not too far from Woodlawn, is an older retired couple, 74 years old, been living for six years now without heat and they have to walk to a warming shelter during the day, and they're 74 years old. So walking to the bus in zero degree weather is a very serious health risk, even if it's just a short block or two to the bus stop, and then walking back, you know, to stay warm.

People on fixed incomes are getting a 3 or $400 bill each month to maintain it. My bill -- my last bill, and I just got reconnected, was -- is $400. That's more than half my rent, so now I'm
getting a part-time job to be able to afford my Peoples Gas bill.

And so I'm here for the third time now. I just took off work and I have to go the whole year on --

CHAIRMAN SHEAHAN: Ma'am --

THE AUDIENCE: Let her speak.

MS. ZATO: It took me three weeks of fighting, and I wasn't alone. Others fought for me. How can I fail to be here?

CHAIRMAN SHEAHAN: Ma'am, please, out of respect to the other people.

THE AUDIENCE: Let her speak.

MS. ZATO: It's costing me a hundred dollars that I would have made today.

CHAIRMAN SHEAHAN: We have other people --

THE AUDIENCE: Keep going.

MS. ZATO: You have enough data to know and I know that this rate increase is not going to break the banks of the Peoples Gas and you know this rate increase is not fair or just. You know it's not what the Public Utilities Act require.
I stand by my demand to roll back the rates and reconnect everyone. Reject these rate increases and restore service to all of the people.

CHAIRMAN SHEAHAN: Thank you, ma'am.

(Applause.)

Our next speaker is Denise King.

MS. KING: I'm coming. My arthritis is bothering me.

PRESENTATION

BY

MS. KING:

Good morning, Commissioners. My name is Denise King. I'm a retired senior. I worked for the state budget center for 34 years of UIC, better known as in-services, at 65 another $135 I have to pay Medicare for health care. I have no idea where it's coming from.

My pension check goes up only 3 percent, but taxes go up 5 percent or more a year. Property taxes went up 23 percent since 2008, water taxes skyrocketing.

My landlord is scrambling to cover all
of the bills from the money he gets from me, and
this body wants to give another rate increase to
Peoples Gas and their shareholders, and my apartment
is cold and I have to figure out where to go to keep
warm, but my income says stay home. You can't
afford to pay the gas for your car. I understand
why, because you can't afford utility bills.

Commissioners, I don't understand it,
and I don't have the internet or cable because I
can't afford it. I'm on my children's phone plan
because I can't afford the bill. I can't afford to
pay without a struggle.

I would love to go to the beauty
saloon to get my hair done, get my nails done, but I
would love to go, and you see how I walk. The
dentist, the eye doctor, even store-bought glasses,
not a prescription. I'd like to go somewhere, but
I'm not alone.

My church where I worship God they
have the same financial problems. We can't even die
because we've got to pay the bill. I have to ask
myself what do people do?
So here I am 63 in my golden years and going back on the internet looking for a part-time job and it's hard to find at my age, even harder because I have chronic debilitating arthritis, which, by the way, is worse when it's cold because, Commission, I can't afford the bill, and this is humiliating. This is a scandal, a person who worked 34, 35 years. I'm being robbed, but not with a gun, not by a gun. I'm being robbed by laws to give wealthy corporations like Peoples Gas shareholders, like J. P. Morgan, Vanguard, some of the biggest banking companies around, overcompensating with my little check that I have to pay the rent and utilities with.

Yes, that's right, the same thing. I make too much money to receive assistance, yet, a company, whose shareholders received $455 million in compensation last year needs my money to run their operations.

Those living in the cold, crowded living quarters, can you imagine what I see daily? Can you put yourself and your family, and your
father, sister, brother, and children in our situations on a cold winter's night?

Commissioners, I was here on February 1st and you said that you didn't need to listen to the decision of Apple Canyon versus ICC. So I'm here asking you on behalf of the rest of us on a fixed income to think about our comments. You are required to do so by law, the Public Utility Act of 2001, and make rates affordable for everyone. Thank you.

(Applause.)

CHAIRMAN SHEAHAN: Thank you.

Moving on to our Public Utility Agenda, there are no Minutes to approve.

Item E-1 concerns MidAmerican's Reconciliation of Revenues Collected under its Transmission Service Provider.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order's approved.

Item E-2 concerns a complaint against
Ameren.

Are there any objections to granting the Joint Motion to Dismiss?

(No response.)

Hearing none, the Motion is granted.

Item E-3 concerns an Application for Certification to Install, Maintain or Repair Electric Vehicle Charging Station Facilities.

Are there any objections to approving the proposed Order granting the certificate?

(No response.)

Hearing none, the Order is approved.

Item E-4 concerns Astral Energy's Application for a Certificate of Service Authority.

Are there any objections to granting the Motion to Withdraw?

(No response.)

Hearing none, the Motion is granted.

Item E-5 concerns MidAmerican's Petition for Confidential Treatment of Certain Information.

Are there any objections to approving
the proposed Order granting the petition?

(No response.)

Hearing none, the Order is approved.

Under our Gas Agenda, Items G-1 through 5 concern Nicor's Reconciliation of Revenues.

Are there any objections to considering these items together and approving the proposed Orders?

(No response.)

Hearing none, the Orders are approved.

Item G-6 concerns Reconciliation of Revenues for Confidential Treatment of Certain Information.

Are there any objections to considering the Order granting the petition?

(No response.)

Hearing none, the Order is approved.

Item G-7 concerns an investigation of Peoples' SMP.

Are there any objections to approving the Order directing additional hearings?
Hearing none, the Order is approved.

Under the Telecommunications Agenda, Items T-1 through 2 concern two Applications for Pro Forma Changes.

Are there any objections to considering these items together and approving the proposed Order granting the applications?

(No response.)

Hearing none, the Orders are approved.

Items T-3 through 5 concern Petitions for Confidential Treatment of Certain Information.

Are there any objections to considering these items together and approving the proposed Orders granting the petitions?

(No response.)

Hearing none, the Orders are approved.

Moving on to our Water and Sewer Agenda, Item W-1 concerns Illinois-American Water's Petition for a Certificate of Public Convenience and Necessity to certain areas in Madison County.

Are there any objections to approving
the proposed Interim Order?

(No response.)

Hearing none, the Order is approved.

(No response.)

Under the Miscellaneous Agenda,


Are there any objections to approving the proposed Order initiating the proceeding?

(No response.)

Hearing none, the Order is approved.

CHAIRMAN SHEAHAN: Judge Kimbrel, do you have any other matters to bring before the Commission this morning.

JUDGE KIMBREL: No, Mr. Chairman.

CHAIRMAN SHEAHAN: Commissioners, do you have any other business you would like to bring before the Commission this morning?

(No response.)

Hearing none and without objection,

the meeting is adjourned. Thank you.
(Whereupon, the above matter was adjourned.)