BEFORE THE

ILLINOIS COMMERCE COMMISSION

REGULAR OPEN MEETING

(PUBLIC UTILITIES)

Chicago, Illinois

Tuesday, March 25, 2014

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

160 North LaSalle Street, 8th Floor, Chicago, Illinois.

PRESENT:

MR. DOUGLAS P. SCOTT, Chairman

MR. JOHN T. COLGAN, Commissioner (by videoconference)

MS. ANN McCABE, Commissioner

MR. MIGUEL DEL VALLE, Commissioner

MS. SHERINA E. MAYE, Commissioner

ANGELA DiNINO, CSR, RPR
On behalf of Midwest Litigation
CHAIRMAN SCOTT: Pursuant to the provisions of the Open Meetings Act, I now convene a Regular Open Meeting of the Illinois Commerce Commission. With us in Chicago are Commissioner McCabe, Commissioner del Valle, Commissioner Maye. With us in Springfield is Commissioner Colgan. I'm Chairman Scott. We have a quorum.

Before moving into the agenda, according to Section 1700.10 of Title 2 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 the Commission meetings. According to the Chief Clerk's office, we have no requests to speak at today's meeting.

The first item of business on today's agenda is our motion concerning the published Price Index for Electricity used to set the amount of the financial obligation that an ARES may use to establish financial capacity pursuant to 83 Ill.Adm. Code 451. Staff recommends entry of an Order establishing the price index for 2014.

Is there a motion to enter the Order?

COMMISSIONER MAYE: So moved.
COMMISSIONER McCABE: Second.

CHAIRMAN SCOTT: Moved by Commissioner Maye.

Seconded by Commissioner McCabe.

Any discussion?

(No response.)

CHAIRMAN SCOTT: All in favor, say aye.

(Ayes heard.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is 5 to nothing and the
Order is entered. We will use this 5-to-nothing vote
for the remainder of today's Regular Open Meeting agenda
unless otherwise noted.

Item 2 is Docket No. 13-0498. This item
concerns approval of Ameren's Energy Efficiency and
Demand Response Plan pursuant to 220 ILCS 5/8-103 and
5/8-104. ALJ Yoder recommends entry of an Amendatory
Order to exclude the DCEO portion of the Gas Spending
Limit; clarify that the Commission adopted CUB's
proposal to spend the remaining portion of the electric
and gas emerging technologies budget on the proposed
smart devices program; and to correct an error that
incorrectly characterized the funding for the on-bill
financing program as a "minimum," rather than a
"maximum."

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Are there any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Amendatory Order is entered.

Item 3 is Docket No. 11-0033. This is Amcor Flexible's complaint against ComEd as to billing and request for oral argument. ALJ Teague-Kingsley recommends the Commission deny Amcor's request for Oral Argument and recommends entry of an Order dismissing Amcor's complaint.

I'd like to ask the judge a couple of questions on this one.

Good morning, Judge.

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Good morning.

CHAIRMAN SCOTT: How are you today?

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: I'm doing okay. And yourself?

CHAIRMAN SCOTT: Good. Thank you. It was unclear to me in reading the Order what the final amount that Amcor was going to have to pay to ComEd was in this
case. Is it just the back-billed amount, the $62,000?

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Yes,
it's just the back-bill, no late fees.

CHAIRMAN SCOTT: And the reason for no late fees is
that -- If I read the Order correctly, the reason for no
late fees is they didn't bring it up in a timely
fashion?

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: No, they
didn't. They just brought it up for the first time in
the brief on exceptions. There was no mention of it in
the stipulation, answers, no filings, or anything like
that. So the record hasn't been developed on that issue
at all.

CHAIRMAN SCOTT: So the only -- If I understood,
too, the record in this case -- the only evidence in the
record is the stipulation --

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Yes.

CHAIRMAN SCOTT: -- of the parties?

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: It's a
little bit unusual. They agreed to a stipulation. And
ComEd made attempts to try to offer other evidence to,
you know, extend the stipulation, but they never offered
any evidence regarding this.

CHAIRMAN SCOTT: So the two figures of late fees,
we've got, roughly -- I'm just going to use round
numbers -- $4800 and $50,000.

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Right.

CHAIRMAN SCOTT: Those came up through -- just
through the briefing process then; that was the first
time that you had seen those?

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: That is
the first time it was ever mentioned, was with that
brief on exception that ComEd filed. It was not
mentioned even -- Excuse me. It wasn't even mentioned
in their draft order or suggested order.

CHAIRMAN SCOTT: Okay. And so do we have -- was
there any evidence in the record of any time when late
fees were first mentioned? Because if you read the
stipulation, it just talks about threatening to cut off
the power, but there wasn't any mention of late fees
accumulating. Was there ever any evidence that the late
fees were broached at any time other than --

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Not to
my knowledge. The stipulation, none of the attached --
There was no mention of it at all until this point. And
I also wanted to mention that even if -- you know, if
the Commission is inclined to grant late fees, the
calculation that ComEd gave of 50,000 is really not
permitted by the regulation. There's a sanction
280.90(f) that says a utility can assess late fees for
no more than 12 months, so ...

CHAIRMAN SCOTT: And the 50,000 would have been for
the -- in essence, for the entire period --

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Yes.

CHAIRMAN SCOTT: -- so from 2009 --

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Yeah.

CHAIRMAN SCOTT: -- going forward?

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Yeah, up
until ...

But I believe the other amount, the 4800,
that's up until the time of the filing of the formal
complaint.

CHAIRMAN SCOTT: Of the formal complaint. Okay.
And when it said that -- In the order, it said that both
parties -- Obviously they didn't want that to happen.
One thinks there shouldn't be any and one thinks that
there should be a lot more, but they said they both
would kind of agree to accept that figure. Where did
that evidence of that agreement happen?

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: There
really isn't any evidence. I think that Amcor just said
in its reply brief, I think, that if the Commission is
inclined to allow ComEd to add late fees, then they
would go -- you know, then they should agree to do the
4,800 that ComEd offered.

CHAIRMAN SCOTT: Okay. Okay.

ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: As an
alternative.

CHAIRMAN SCOTT: Okay. Thank you.

Anyone else have any questions?

(No response.)

CHAIRMAN SCOTT: Okay. Thank you very much, Judge.

I appreciate it.

This item will be held for disposition at a
future Commission proceeding.

Item 4 is Docket No. 12-0582. This is Joyce
Edwards' complaint against ComEd as to refusal of
service and billing/charges in Chicago. ALJ Hilliard
recommends entry of an Order dismissing the complaint
with prejudice.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Are there any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered
and the complaint dismissed.
Item 5 is Docket No. 13-0450. This is the Village of East Dundee's complaint against ComEd as to easement issues in East Dundee. ALJ Riley recommends entry of an Order dismissing the complaint with prejudice.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered.

Item 6 is Docket No. 13-0519. This is Ameren's petition for an order approving administrative procedure for resolving and paying claims for damages under Sections 16-125(e) and (f) of the Public Utilities Act.

This item will be held for disposition at a future Commission proceeding.

Item 7 is Docket No. 14-0153. This is Ameren and Monroe County Electric Co-Operative's Joint Petition for approval of a residential customer release.

ALJ Jones recommends entry of an Order granting the Joint Petition.

Is there any discussion?
(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered.

Items 8 through 11 can be taken together. These items are our motions concerning citations for failure to file Compliance Recertification Reports required by 83 Ill.Adm. Code 454.110. In each case, the respondent has filed the necessary reports and ALJ Dolan recommends we dismiss each proceeding.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the proceedings are dismissed.

Item 12 is Docket No. 14-0169. This is Greenwave Concepts' Application for Licensure as an agent, broker, and consultant under Section 16-115C of the Public Utilities Act. ALJ Kimbrel recommends entry of an Order granting the certificate.

Is there any discussion?

(No response.)
CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered.

Items 13 through 16 can be taken together.

These items are petitions for confidential treatment of petitioners' various annual reports. The ALJ in each case recommends entry of an Order granting the requested relief.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Orders are entered.

Items 17 through 19 can be taken together.

These items are applications for certification to install, maintain, or repair electric vehicle charging station facilities under Section 16-128A of the Public Utilities Act. In each case ALJ Benn recommends entry of an Order granting the certificate.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?
CHAIRMAN SCOTT: Hearing none, the Orders are entered.

Item 20 is Docket No. 13-0496. This is Nicor's petition to determine the accuracy of the Rider 26 reconciliation statement. ALJ Benn recommends entry of an Order approving the reconciliation statement.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered.

Items 21 and 22 can be taken together. These items are petitions for the confidential and/or proprietary treatment of petitioners' 2013 Dekatherm Reports. The ALJ in both cases recommends entry of an Order granting the requested relief.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Orders are
Item 23 is Docket No. 14-0026. This is Victory Telecom's Application for a Certificate of Interexchange Authority to operate as a reseller of telecommunications services statewide in Illinois. The applicant has filed a Motion to Withdraw, which ALJ Benn recommends we grant.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the motion is granted.

Item 24 is going to be a briefing from our Pipeline Safety Staff concerning the recent gas explosion in New York and the efforts that the ICC is taking to ensure a message of safety goes out to all ratepayers in Illinois. I'd like to thank Gene Beyer for coordinating this briefing for us. In addition to Gene, we have Mr. Darin Burk and Beth Bosch here from the Commission Staff to present.

I believe Darin is going to do it, so whenever you're ready.

MR. BURK: Thank you, Chairman Scott. Start off
with, reports from the East Harlem explosion indicate the gas odors were detected prior to the explosion but were not reported to Consolidated Edison. Similar reports emerged from 2011 Pittsburgh and Allentown, Pennsylvania explosions where several people were injured and experienced fatalities. It appears general public awareness is deficient regarding gas pipeline safety. I'm going to be discussing the public awareness requirements included in the Code of Federal Regulations, CFR part 192.616, and the American Petroleum Institute recommended practice 1162, or API RP1162. The CFR part 192.616 requires operators to develop and implement a written continuing education program that follows the guidance of RP1162. We refer to these as public awareness programs, and the programs were required to be in place June 20th, 2006. The primary objective of the program is to inform the public of the need to use the one-call notification system prior to conducting excavation activities, possible hazards associated with unattended releases of a gas from a pipeline facility, physical indications of a release may -- that a release may have occurred, steps that should be taken for public safety in the event of a gas pipeline release, and procedures for reporting such
an event. The public awareness program must include activities to advise residents along the pipeline, municipalities, school districts, businesses, emergency officials, public officials, excavators, and so on of hazards associated with pipeline release and mitigative measures. The recommended message delivery approach in media differ for each stakeholder group. The program in the media used must be comprehensive and must be communicated in English and other languages commonly understood by a significant number of the concentration of non-English speaking population within the operator's area. They are required to identify those areas. The overall program must communicate hazards associated with pipelines, best practices to avoid damaging pipelines, and the methods to report unattended pipeline releases. The programs implement various outreach methods. Examples of methods used are -- by the operators are direct mailings, public service announcements, paid advertising, news coverage, community and neighborhood newsletters, telephone communication, group meetings, drills, exercises, and one-call center outreach. The most important message pipeline operators can communicate is the need for the one-call notification prior to digging. Third-party damage remains a primary
cause of natural gas-related incidents involving natural
gas distribution systems. In the City of Chicago, Digger is the one-call system, and JULIE covers the remainder of the state. Also allowing inside safety inspections is critical. If a gas meter is located inside a structure, distribution operators are required to periodically inspect piping up to the meter for corrosion and leakage. They also inspect the point where the pipeline penetrates the foundation wall. A good seal is essential at the foundation to ensure that the leakage does not migrate into the structure from outside. Our program emphasizes the need for personal two-way communication or a liaison regarding emergency responders. We've identified that emergency responders, including some fire departments, did not have appropriate understanding of their role in the pipeline emergency. We emphasize to the operators the meetings should be held in person with two-way communication or they at least have to require the responders to acknowledge receipt of the information. For a public ordinance baseline program, the content of the message and delivery frequency for each stakeholder group varies. For example, a distribution system operator must provide information to the effected public and
excavators at least once per year. That information must include damage prevention, leak and damage recognition and response, one-call requirements, pipeline location information, and potential hazards associated with the pipeline. For public officials, their required information is similar; but the delivery frequency is once every three years. Communication with emergency responders is required annually and the message is more focused on the emergency preparing the response. We have been conducting assessments as well as the operators. At a four-year interval, the operator must conduct an effectiveness evaluation. My staff began conducting comprehensive inspections of operator public awareness program plans and associated records shortly after the June 20th, 2010 program effectiveness review date. The inspections identified 110 instances resulting in notice of probable violation and 52 instances of notice of amendment. A notice of probable violation identifies specific code sections where the operator failed to meet the requirements. A notice of amendment is issued to identify any procedural deficiencies identified in the public awareness program plan. We're in the process of verifying corrective actions by the operators. To date, the records indicate
that 64 instances of noncompliance have yet to be verified as corrected and 26 NOA instances also remain open. We've taken some actions since the Harlem explosion. As you're aware, an advisory press release was issued by the ICC, and that advisory discussed actions to be taken if the odor of gas is detected. It also discussed potential hazardous pipe materials that may exist in the customer's residence. So far, there are very few findings from the investigation in New York. The press coverage regarding the incident investigation has indicated that NTSB has identified the cast iron main that provides gas to the structure will not hold a pressure test. The finding does not specifically indicate the pipe failed nor does it provide information indicating why it will not hold the pressure test. NTSB has taken over the investigation. When that happens, they determine who needs to be a party of the investigation. They have designated both Consolidated Edison and the New York Public Service Commission as parties to this investigation. They hold information very close and only share among designated parties. Any information released must be approved by NTSB, and it has been stated that the public service commission has also elected to conduct a parallel
Regarding cast iron pipe, cast iron is very susceptible to cracking. Outside force can cause a cast iron pipe to fail. Most common failure is circumferential cracking. When that occurs, it provides opportunity for large volumes of gas to escape the main rapidly. Frost and excavation contribute to the failure. Ground movement associated with frost heave can cause cracking. Excavation can remove support or cause other damage. This winter has been extremely cold and there's been a lot of frost penetration and the frost is now starting to leave the soil causing movement. Identification known of potential risks and ranking of those risks associated with cast iron is required under the distribution integrity management program requirements. This is a fairly new requirement since 2011. Operators must implement mitigated measures to address threats to help -- to -- threats to the piping and control risk. This can include additional maintenance activity or complete replacement of the pipelines. At the end of 2013, the operators in Illinois reported having 1645 miles of cast iron pipe in the natural gas system. Cast iron accounted for 2.6 percent of the total distribution main in Illinois.
at the end of 2013. Nicor Gas Company has 239 miles in
their system, and Peoples Gas has 1406 miles in the City
of Chicago.

To summarize, operators will be conducting
public awareness effective evaluations again in 2014.
Staff will conduct reviews of the evaluation documents
to determine compliance with the requirement. Staff
will attempt to identify innovative effective measures
being used to communicate with stakeholders. Those
measures will be shared with operators seeking enhanced
communication methods. We will be conducting
comprehensive reviews of the distribution integrity
management programs to verify the operators of ranking
risks and implementing acceptable methods to reduce
those risks. We will also be reviewing leak rates to
determine if the mitigation methods are appropriate and
if the operators are targeting the appropriate pipe in
the replacement programs.

Could I answer any questions at this time?

CHAIRMAN SCOTT: Sure. Commissioner McCabe?

COMMISSIONER McCabe: Darin, can you talk a little
bit more about the findings on emergency responders not
being fully informed?

MR. BURK: Yes. This really came to light about
three years ago when the San Bruno accident occurred where the pipeline came completely out of the ground. The fire chief actually stated that he wasn't aware that there was a pipeline in that area. That's just simply not acceptable. And after that we started doing some other work to identify that problem, and we identified in Illinois, actually, one of the hubs for many of the pipelines in Illinois is Will County. And I went to a meeting with Congressman Rush and the Administrator of Pipeline Safety for the United States Department of Transportation, and we identified that many of the public officials and emergency responders in that area weren't aware of how many pipelines they had and where they were located. So after extensive discussion, we recommended that they apply for a technical assistance grant, which they did, and that has been provided by PHMSA, or the Pipeline and Hazardous Material Safety Administration, so that they could develop a GIS system to map those pipelines in the area and overlay them with their current systems so that all the responders will know what's there. We've also identified, during different failure investigations, that some of the smaller fire departments weren't really aware of their role in a pipeline emergency. And that's why we now
require face-to-face meetings with those people to make
sure they understand their role.

COMMISSIONER McCabe: And those face-to-face
meetings are the fire departments and who?

MR. Burk: The pipeline operators --

COMMISSIONER McCabe: Okay.

MR. Burk: -- are required to hold them.

COMMISSIONER Colgan: You said that there were
64 reported violations when you did the follow-up in
2010. Is that -- I maybe didn't get that right.

MR. Burk: We had those violations during --
between 2010 and 2013, yes, the public awareness plans,
as we reviewed them.

COMMISSIONER Colgan: What's the penalty for a
violation?

MR. Burk: Well, it just depends. If the operator
takes immediate action to correct the violation, we
usually don't bring a penalty forward. We work with the
operator because most of these violations were on small
municipal gas system operators and we felt that spending
the money to bring in consultants than ask the programs
was better. We did have a couple of cases where the
operators didn't take the actions required and penalties
have been issued. Of course it's the same with any
pipeline violation. We can fine up to $200,000 per violation for each day it exists up to $2 million. Of course for a municipal, that's way out of reach, so the violations -- or the penalties recommended by our staff are usually significantly lower.

COMMISSIONER COLGAN: Are there requirements -- You discussed how cast iron pipe is pretty brittle and that frost heaving can actually crack a cast iron pipe. Are there requirements for the depth that a gas line has to be buried?

MR. BURK: Yes, there are requirements. And most distribution main is buried at 24 inches in the ground. A lot of the pipe in Chicago is deeper than that because it was put in many years ago before the requirements and basically they got it down farther just to try to avoid damage. Most of it's between two and five feet deep.

COMMISSIONER COLGAN: Okay. So that's a requirement, that it has to be buried that deep?

MR. BURK: At least two feet, yes.

COMMISSIONER COLGAN: Yeah. Okay.

CHAIRMAN SCOTT: Commissioner del Valle?

COMMISSIONER DEL VALLE: You indicated that the operator inspects up to the meter.

MR. BURK: Yes.
COMMISSIONER DEL VALLE: So the operator's
responsible for those inspections. What about from the
meter to the boiler or the hot water heater, who's
responsible for that? Is the owner responsible? Are
the installers of new equipment responsible?
And my other question is: In the number of
explosions reported over the years, do you know how many
have been due to -- determined to be due to past the
meter leaks versus before the meter leaks?

MR. BURK: The customer or the building owner is
required to maintain the piping past the meter. The
Illinois Pipeline Safety Act gives us jurisdiction up to
the outlet of the meter or connection of the customer's
piping, whichever is furthest downstream. And in most
cases, it is the outlet of the meter. So there's no
real inspection program of customers' piping. It's all
up to the customer to maintain that.

As far as the number of explosions that have
occurred that involved customer piping rather than the
pipeline operators, I can say that the majority of them
are. I would say somewhere around 70 percent of what's
reported to me ends up being customer piping because the
operators have taken steps to improve the piping on the
outside of the building and they've taken measures to
step up their inspections of it, more frequent leak
surveys, and so on. Unfortunately, once piping is
installed in a building, there's no requirement to ever
take a look at it and customers just don't spend the
money to have their piping inspected.

COMMISSIONER DEL VALLE: So the customer awareness
responsibilities that the operator has do not go beyond
the meter?

MR. BURK: Well, they are required to inform the
customer that they don't inspect any of the piping
beyond the meter and that the customer is required to --
or responsible for that piping, but that's about all
there is. The information is provided that they need to
take the action and that the operator will not be
looking at it.

COMMISSIONER DEL VALLE: But if 70 percent of the
accidents, the explosions, are in that category, then it
seems to me like we're missing a lot here in terms of
customer awareness.

MR. BURK: That's been a big concern, yes.

COMMISSIONER MAYE: Thank you. Thanks, Darin. I
wanted to just ask a quick question, and maybe we don't
have all of the information yet. I know you stated that
a lot of information has not been provided by the NTSB;
they're keeping a lot of this close to the vest, which is understandable. But I'm just curious to know, from your perspective, what is it that you think we should be doing here in Illinois, obviously not just us five regulators, but also our staff, and also what we should be directing our utilities? What is it that we should be doing to try to prevent -- or maybe it's that we should try to determine how it is that we best educate our consumers, because it seems like you're saying this is 70 percent of the problem. But what should we be doing here to avoid such a catastrophic event that happened in New York?

MR. BURK: Well, keep in mind that the federal regulations are minimum requirements. There's no prohibition from going beyond those requirements. So, basically, we encourage operators to take more action, conduct additional leak surveys, perform additional inspections beyond the code requirement. But I think the most important thing that we're going to be doing in pipeline safety is the evaluation of the distribution integrity management programs to ensure that these operators have identified all the potential threats associated with their piping and that mitigative measures are being taken. Obviously it's very expensive
to replace cast iron piping, especially when you're at an urban area. So it can't disappear overnight. So we need to make sure the operators are implementing measures to reduce those risks. Along that line, Peoples Gas, I know, conducts three leak surveys a year of their cast iron in the Loop. They conduct at least one per year of the remainder of the cast iron. They're not required to do it more than once every three years, so they have taken proactive measures to reduce the threat posed by cast iron in the city. And that's what we encourage operators to do.

COMMISSIONER MAYE: Thank you.

MR. BURK: The other thing, I guess, would be to ensure that they are targeting the right pipe with their replacement programs. We want to make sure that they look at their risk rankings and that the highest risk pipe is coming out first, not the easiest to replace.

COMMISSIONER MAYE: Okay.

COMMISSIONER COLGAN: So this tragedy that happened in New York City, if that leak was on the customer side of the meter, and now that the building is destroyed, we'll probably -- there's a good chance we would never find out really what caused that accident? Is that ...

MR. BURK: An accident of that magnitude, you're
correct. We've often been able to identify customer piping by going through the rubble. And we work with Fire Marshal's Office as well on that. We usually make contact with the Fire Marshal's Office immediately on an accident site, and we work together in those cases. But in a case like New York, it's usually done by process of elimination. If the piping on the outside was intact or they can determine that it didn't fail prior to the incident, then you have to assume that it was inside piping that caused it.

COMMISSIONER COLGAN: So if you were able to, you know, excavate the site and were able to determine that the problem was in the building, who's -- the landlord, the owner of the building, is responsible for that? And are there several penalties? I'm sure that there's some -- I mean, are there -- Like in Illinois, if that were to happen here, who has the authority, or is there any authority, to enforce any sort of regulation on the landlord side of the meter?

MR. BURK: The only thing I can think of was the local building codes because statewide, we don't have any authority to go in there on the customer piping.

COMMISSIONER COLGAN: Yeah.

MR. BURK: So I think it would be left up to the
municipalities and the building codes or code enforcement.

CHAIRMAN SCOTT: Darin, if I could, could I ask you just a couple of quick questions? Going back to the violations and amendments on the policies and procedures. So you've got a bunch that you identified that had not been corrected since you went through the first time and Commissioner Colgan asked you about fines and penalties, but I'm just curious about the nature of those, especially on the procedures. Can you give me an example of what a couple of those might be or is there a, you know, kind of generalized procedure that a lot of people aren't doing or is there some kind of pattern to any of that?

MR. BURK: Many of the violations were associated with the effectiveness evaluation. They weren't conducted in the time frame that was required or we deemed them ineffective; they didn't do enough. The other things that we've identified were that they didn't communicate the message to the various stakeholders in the time frames required because you have to look at a chart to determine which group is to be notified on what interval. Some of it was that we didn't believe their message was effective; it didn't include all the
elements that should be included in the message. Some of them didn't conduct annual reviews of their plan, which is required. It was just a gamut of things. And when I say that we haven't confirmed those as corrected, they may have been corrected; we just haven't had an opportunity to go out there and do it because of resources. So many of these things, the operators responded to us, said they were taking corrective actions, but we don't remove them until we've done some sort of verification.

CHAIRMAN SCOTT: Okay. That makes sense. Thank you.

And, Beth, if I could just ask a question of you. So I know we send out, periodically, releases and we try to work with the media in terms of getting this message out. Going back to Commissioner del Valle's point that if a lot of this is in the houses, those are the people that we've got to get to. Could you tell me how frequently we do that and is it possible to do it a little bit more or are there some additional things that maybe we can do from a public relations' standpoint?

MS. BOSCH: Well, we've done several things recently. And April is call-it-before-you-dig month, so we were preparing for that anyway. The springtime is
when we typically focus on that. But this here, we --
On the heels of that accident, we, as Darin suggested,
sent out an advisory, or I call it a Public Service
Announcement, to make sure that people knew not to stay
in the building if they smelled gas. And that's an --
No matter where it's coming from, that's critical. So
we distributed that statewide and to TV, radio,
newspapers, trade publications. Just tried to get as
much of that word out immediately as we could. Also,
you know, you had an enforcement case last week --

CHAIRMAN SCOTT: Right.

MS. BOSCH: -- which we publicized, and we -- You
get to draw attention again to our efforts to make sure
that the systems are safe. We're putting a news release
out today, again, to talk about the importance of the
communication with the various constituencies. We have
the governor -- We asked the governor to issue a
proclamation to draw attention to call-it-before-you-dig
months, and that's been done. So we will -- And you
have a resolution coming up on April 2nd --

CHAIRMAN SCOTT: Right.

MS. BOSCH: -- which Bill Riley can talk a little
more about because he -- That's his program, the JULIE
program. So those are some things we're doing. I think
we typically do something in the spring because that's when excavations occur. We can certainly do things more often to remind people about these safety messages.

CHAIRMAN SCOTT: I think, you know, just from my own standpoint, it might be a good idea -- Because the digging is one specific set of issues, but then the other issue we've been talking about today is just people may be not understanding the dangers that they've got in their own residence until it may be too late.

So, I think, maybe, you know, it might be a good idea for us to look at different ways to try to get that message out as often as -- and in as many ways we can.

John, did you have something?

COMMISSIONER COLGAN: Yeah. If we wanted to do something like promote a media sweep that had talking points, do we have the equivalent of a partner at local levels throughout the state, or is this all on the Commerce Commission? Like if we thought we had a problem in one of the more major cities in central Illinois that we wanted to address, do we have a partner in those communities that are somehow connected with the enforcement of the safety rules that we have?

MR. BURK: Other than the utilities, I don't know of any, no.
CHAIRMAN SCOTT: Is it possible to work with both
the Fire Marshal and then with the -- as you said,
Darin, the local governments that are responsible,
although you don't have building codes in a lot of
counties in the state, but those that actually have
building codes, and enforce them maybe through the
municipal league or something like that? Is it possible
to reach out to them?

MR. BURK: We could look into it.

COMMISSIONER COLGAN: When we have a major accident
like this, it would be -- I would think even mayors
would be interested in doing local news conferences if
they had the talking points in front of them so that
they had a script that they could go with, call a news
conference saying, big problem in New York. We want to
avoid that stuff here. Here's the five things that
everybody needs to know about.

I would think local media outlets would be
quick to grab that and pick up on it.

COMMISSIONER MAYE: I agree, but I also think
that -- and I said this at least three times before -- I
think we often work in a vacuum. I don't think that
this issue -- It's a very significant issue, but I don't
think it is just a Commission issue. I think it is an
everyone issue. So perhaps we can partner with the utilities and we can see what they're doing in their PR departments and we can get the word out that way as well. I mean, this is not something that we should be working single-handedly on. I think this is something where you have the more men on the ship, you know, you get more done. And I think that that's just something we should look into, perhaps seeing what the PR departments in each of our utilities are doing and working collaboratively with them in addition to what Commissioner Colgan stated about local governments and mayors and aldermen and things like that.

CHAIRMAN SCOTT: I think that's a great point. It's a nice segue to the May 6th policy meeting where we're going to actually invite the utilities in along with staff and kind of go through these issues in more detail, the two issues that Darin talked about, and then we'll see if there are other issues that we need to go into as well. And we'll get an agenda and some details out on that in the next week or so. But for right now, just plan on a policy meeting on May 6th to work through these issues, so ...

COMMISSIONER COLGAN: Just one more question. The operators are required to do the public awareness part,
that's right?

MR. BURK: Yeah.

COMMISSIONER COLGAN: Do they send those notices to us? Are we aware of what they are actually distributing into the community?

MR. BURK: Some do, some don't. We look at it when we do our inspections. My inspectors will look over the media they use to communicate the message.

COMMISSIONER COLGAN: It seems like, maybe even through PHMSA, or some organization could put together some sort of a media tool packet that would be readily available for -- and would have standards of things that need to be said so that, you know, if 80 percent of the problem -- I've been thinking that the problem was probably on the older cast iron pipes on the utility on the operator side rather than 70 percent of the problem being on the customer side. So there's a lot of public information that people need to know about. So I don't know. It seems like a lot of education is needed because every big city has this problem, right? I mean, especially a city like New York, Chicago, the major cities have such a maze of things going on underneath the ground and you have these high-rise buildings --

Well, this was a three-story building?
MR. BURK: Two five-story buildings.

COMMISSIONER COLGAN: Two five-story buildings that just collapsed. I guess there's not a question in there. It's just an idea that somehow there needs to be some good public education going on in this issue.

CHAIRMAN SCOTT: I think maybe the best thing would be for us to use May 6th to try to find out all of what is out there, and then we can see where we think there may be gaps or some voids that need to be filled in.

COMMISSIONER COLGAN: I agree.

CHAIRMAN SCOTT: Anything else?

Gene?

MR. BEYER: This is Gene. May I offer one suggestion?

CHAIRMAN SCOTT: Of course.

MR. BEYER: While we're spending the next week or so developing an agenda for the upcoming policy meeting, we've talked about notices that utilities may send to their customers from time to time. Perhaps if in the meantime utilities would send examples or a packet of the types of notices they provide to their customers, if they could send that to all of us, then we could start looking at some of those, too. I know as customers we see some of those in our bill inserts, but some of us
might not be customers of the gas companies, so we can't
just bring those in from home. But if the utilities --
If we can invite the utilities today to put together a
packet of information that they regularly distribute or
adds or inserts, that would help us in developing our
agenda, too.

CHAIRMAN SCOTT: Good suggestion. Thanks.

COMMISSIONER MAYE: I think that's a great
suggestion. Perhaps we can reaffirm that via an e-mail
to all of our representatives from our utilities just in
case some are not here present today, if that's
possible.

MR. BEYER: I'll take care of that, Commissioner.

COMMISSIONER MAYE: Thank you.

CHAIRMAN SCOTT: Thank you. Anything else?
(No response.)

CHAIRMAN SCOTT: Darin, Beth, Bill, thank you very
much. I appreciate it.

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

ADMINISTRATIVE LAW JUDGE WALLACE: No. That's it,
Mr. Chairman.

CHAIRMAN SCOTT: Thank you.

Commissioner Colgan, I want you to know that I
caught that when you said even a mayor would do this if
you gave him a script.

    Hearing nothing more to come before the body,
the meeting stands adjourned.

    Thanks, everyone.

    (Meeting adjourned.)
Angela DiNino, being first duly sworn, on oath says that she is a Certified Shorthand Reporter and Registered Professional Reporter doing business in the City of Chicago, County of Cook and the State of Illinois;

That she reported in shorthand the proceedings had at the foregoing Meeting;

And that the foregoing is a true and correct transcript of her shorthand notes so taken as aforesaid and contains all the proceedings had at the said Meeting.

________________________________________
ANGELA DiNINO, CSR, RPR
CSR No. 084-004685

SUBSCRIBED AND SWORN TO before me this 3rd day of April, A.D., 2014.

________________________________________
NOTARY PUBLIC