BEFORE THE
ILLINOIS COMMERCE COMMISSION

PUBLIC UTILITY SPECIAL OPEN MEETING

Chicago, Illinois
May, 6, 2010

Met, pursuant to notice, at 9:30 a.m.

BEFORE:

MR. MANUEL FLORES, Acting Chairman

MS. LULA M. FORD, Commissioner

MS. ERIN M. O'CONNELL-DIAZ, Commissioner

MR. SHERMAN J. ELLIOTT, Commissioner
(via video conference)

MR. JOHN T. COLGAN, Acting Commissioner
(via video conference)

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CHAIRMAN FLORES: Are we ready in Springfield?

JUDGE WALLACE: Yes, Mr. Chairman.

CHAIRMAN FLORES: Pursuant to the provisions of the Illinois Open Meetings Act, I now convene a Special Open Meeting of the Illinois Commerce Commission.

With me in Chicago are Commissioners Ford and O'Connell-Diaz. With us via video conference in Springfield are Commissioner Elliot and Acting Commissioner Colgan, I am Acting Chairman Flores.

We have a quorum.

Before moving into the agenda, according to Section 1700.10 of the Illinois Administrative Code, this is the time we allow members of 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 meeting of the Commission. According to the Chief Clerk's Office, we have no requests to speak for today.

Moving into the agenda, we start with
Docket Nos. 09-0306 through 09-0311. This is the Ameren Illinois Utility's rate case. We entered an Order on this case on April 29th and since that time a couple of accounting errors have been brought to our attention. We have a corrected Order on the agenda for today to address those two errors. We have also have an emergency motion brought by the Ameren Illinois Utility seeking correction of these errors and other alleged errors in the appendices.

Let's address the corrected Order first. I believe this Order corrects two accounting errors identified by Staff. The first error is on the calculation of cash working capital where the function of this error is to underestimate the Ameren Illinois Utility's revenue requirement by approximately $9.7 million.

The second error concerns a mistake in the spreadsheet formula affecting only AmerenCILCO's electric operations and this mistake serves to understate the Ameren Illinois Utility's revenue requirement by approximately $214,000. These errors were identified by Staff after we served today's
Order on the parties and the corrective Order is meant to remedy both these errors.

Is there any discussion of the corrected order?

(No response.)

Is there a motion to adopt the corrected Order?

CHAIRMAN COLGAN: So moved.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Chairman, if I have just might ask, the corrections were identified by Staff, but were they not identified in the compliance filing by the company?

CHAIRMAN FLORES: I don't know. They may have. I do not know that answer.

COMMISSIONER O'CONNELL-DIAZ: We were served with copies of the compliance filing by the company.

CHAIRMAN FLORES: What we are dealing with right now is the corrected Order put forth by the Commission. That's what we're deciding right now.

COMMISSIONER O'CONNELL-DIAZ: I'm just trying to clarify the record.
CHAIRMAN FLORES: The record is that we are dealing right now with a corrected Order put forth by the Commission. That's what we're deciding right now. There is a motion to adopt the corrected Order by the Commission. That is the motion that is being considered right now.

Is there a second?

COMMISSIONER ELLIOTT: Second.

CHAIRMAN FLORES: Its been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

Any opposed?

COMMISSIONER FORD: Nay.

COMMISSIONER O'CONNELL-DIAZ: Nay.

CHAIRMAN FLORES: Let the record reflect that there are three in support, two opposed. Let's go ahead and take roll call.

Commissioner Ford?

COMMISSIONER FORD: Nay.

CHAIRMAN FLORES: Commissioner O'Connell-Diaz?

COMMISSIONER O'CONNELL-DIAZ: Nay.

CHAIRMAN FLORES: Commissioner Elliott?
COMMISSIONER ELLIOTT: Aye.

CHAIRMAN FLORES: Acting Commissioner Colgan?

COMMISSIONER COLGAN: Aye.

CHAIRMAN FLORES: Acting Chairman Flores votes aye.

The vote a 3-2 and the corrected Order is entered.

While this vote addresses some portion of the issues raised in Ameren's emergency motion filed on Tuesday, there are still other issues remaining. Ameren's emergency motion referenced alleged errors concerning cash, working capital and severance cost adjustments, accumulated depreciation reserve, accumulated deferred income taxes and revenue lag associated with past through taxes.

Staff filed a response on Wednesday agreeing that there are errors consistent with the errors identified in the corrected Order, but disagreeing that the other issues identified by Ameren constitute errors and suggesting that the Utility address these issues through rehearing.

Ameren filed a reply late yesterday.
ALJ Albers and Yoder are in agreement with Staff's assessment regarding what constitutes errors and recommends denying the motion to the extent it is inconsistent with the corrected Order.

Is there any discussion?

COMMISSIONER O'CONNELL-DIAZ: Judge Albers, I have before me a memo from you and Judge Yoder with regard to the emergency motion and in that I do not find the discussion relative to the reply that was filed by the company. Was that considered -- or I think I got this before they had filed that -- so we don't have a rundown of the arguments presented by the company in their reply, do we, in your memo?

JUDGE ALBERS: No, because we issued the memo before the reply came in. We did not know the reply was coming, but we did look at it this morning and I am not prepared to change our recommendation. I still am uncertain as of the three alleged errors.

COMMISSIONER O'CONNELL-DIAZ: And with regard to -- I guess I'm confused in that it appears that the majority has accepted the IIEC's correction to AIU's adjustment pursuant to the Order that was
entered. And it seems that whatever calculation has been done to the accumulated depreciation reserve utilizes a hybrid calculation as opposed to the IIEC's calculation.

Is there anything that would help me understand in Staff's reply why that was utilized when they ran the numbers on that?

JUDGE ALBERS: I don't think so. That's certainly Ameren's argument. I just couldn't tell you right now if that's accurate or not.

COMMISSIONER O'CONNELL-DIAZ: And if my recollection serves me properly, which sometimes it doesn't, the IIC number on this issue and the AG number were some $23 million apart with regard to that issue in the case in chief.

MR. HICKEY: Commissioner, this is Steve Hickey. My memory is not that great either, but I believe that the IIC and AG had different positions. I don't remember exactly what the differences were.

COMMISSIONER O'CONNELL-DIAZ: But if they had different positions and we're adopting the IIEC's -- or the majority is adopting the IIEC's position, I'm
kind of left -- I think Staff suggested that in their reply to the emergency motion they suggest that since they proposed different amounts that the Commission would independently use a different calculation, which to me means a hybrid, I think.

MR. HICKEY: Well, I think something to understand here is that when the ALJs put their Proposed Order together and we adopted a position, for example, of IIC, the AG or Staff, we typically work with our accounting assistant to make sure or try to make sure that we correctly reflect the entire adjustment. And sometimes whether it's the IIC, the AG or Staff, we don't believe that the entire calculation or quantification contained in a particular party's proposal is completely accurate or carried all the way through and that's essentially the problem we have here.

It was clear to us, for example, that in calculating cash versus capital that the appendix to the Order, for example, incorrectly calculated the lag days for revenue. With regard to this other issue, we just have not had enough time. Again, this
is something that the Commission adopted different than the Proposed Order --

COMMISSIONER O'CONNELL-DIAZ: I understand that. I've sat in that seat and I know where you're at. You're trying to understand what the thought process was behind this other result that we have in the Proposed Order which is different that what Judge Yoder and Judge Albers recommended in their recommendation to the Commission for the $55 million rate increase. So I thank you. I appreciate your candor.

MR. HICKEY: Sure.

CHAIRMAN FLORES: Is there any other discussion at this time?

(No response.)

Is there a motion to deny the emergency motion?

CHAIRMAN ELLIOTT: So moved.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER COLGAN: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor say "aye."
CHAIRMAN FLORES Aye.

Any opposed?

COMMISSIONER FORD: Nay.

COMMISSIONER O'CONNELL-DIAZ: Nay.

CHAIRMAN FLORES: Let the record reflect that the vote is 3-2. We'll do a roll call vote so that the record is clear.

Commissioner Ford?

COMMISSIONER FORD: Nay.

CHAIRMAN FLORES: Commissioner O'Connell-Diaz?

COMMISSIONER O'CONNELL-DIAZ: Nay.

CHAIRMAN FLORES: Commissioner Elliott?

COMMISSIONER ELLIOTT: Aye.

CHAIRMAN FLORES: Acting Commissioner Colgan?

COMMISSIONER COLGAN: Aye.

CHAIRMAN FLORES: Acting Chairman Flores votes aye.

The vote is 3-2 and Ameren's emergency motion is denied.

We also have a procurement Item on today's agenda --

COMMISSIONER O'CONNELL-DIAZ: Chairman, if I
CHAIRMAN FLORES: Yes, ma'am.

COMMISSIONER O'CONNELL-DIAZ: I just have a comment to make with regard to the case that was just voted. After last week there were many things that were being said and I just want to clarify for the record some things that I saw out there. And forgive me, I don't have a speech writer on my staff, so I will have to clarify in my simple words about where I find myself in this case.

Unlike some of the comments from the majority that seem to suggest that Commissioner Ford and I had not done our due diligence with regard to this case, let's get one thing clear, for weeks prior to the vote on this matter our offices had asked for clarification of the numbers and rate impacts for each of the provisions to the ALJs Proposed Orders. These revisions were supported in total by the majority.

This stack of papers reflects the numerous drafts of information that was tendered to us during the weeks leading up to the vote. We would
review the items that were given to us only to be
told the numbers were incorrect and we would get new
drafts. The day of the vote, surprisingly, none of
the numbers added up. It was apparent from our
discussion last week that none of the majority could
articulate or, in fact, do a rate impact of each of
the revisions when we asked.

As Acting Chairman Flores stated in
his press conference, Our responsibility is not to
raise rate or lower rates, it's to make the decision
based on the evidence. With that I would agree, but
it is a fundamental tenet of a regulator to know the
rate effect of an item one is reviewing, and most
importantly, voting on. That is all Commissioner
Ford and I were asking for last week and, indeed, in
the weeks leading up to the vote. So here we are
today with what I would call a debacle that has
caused great concern in our state and on a national
level as to the competence of this Commission to
discharge its duties in compliance with the law.

In my 20 years with this Commission I
can never recall a similar incident. The lack of
collaboration on this Order and command and control of the flow of information leaves me with a feeling of unease and the seemingly result-driven process that has occurred here makes me suspicious. It should be noted that after the short recess a last weeks meeting where the majority exited the bench and went into a huddle and reappeared at bench, at no time were Commissioner Ford and myself consulted or conferred with by the group. The vote, as we saw, was then rammed through.

This may be tolerated at other venues or other council meetings, but it is not acceptable in the proceedings of an adjudicatory body where our duty is to apply the rules of law to the record evidence. This debacle is certainly not the "product of a careful and thorough analysis of the evidence" as suggested by the majority. I leave it to others to conjure up their own rationales. Thank you.

CHAIRMAN FLORES: Thank you, Commissioner.

Any other discussion or comments on the record? Thank you very much.

There is a procurement item on today's
agenda. We are scheduled today to vote on Ameren Energy's request for proposal.

Is there a motion to accept the results of Ameren's energy RFP?

COMMISSIONER ELLIOTT: So moved.

CHAIRMAN FLORES: Is there a second.

COMMISSIONER COLGAN: Second.

CHAIRMAN FLORES: 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 results of Ameren's energy RPF are approved.

Judge Wallace, is there any other items to be addressed at Today's Special Open Meeting?

JUDGE WALLACE: No, Mr. Chairman.

CHAIRMAN FLORES: Thank you.

Hearing none, this meeting stands adjourned.
(And those were all the proceedings had.)