BEFORE THE

ILLINOIS COMMERCE COMMISSION

REGULAR OPEN MEETING

PUBLIC UTILITY

Wednesday, May 25, 2016

Chicago, Illinois

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

PRESENT:

BRIEN J. SHEAHAN, Chairman (via telephonically)
ANN MCCABE, Commissioner
SHERINA E. MAYE EDWARDS, Commissioner
MIGUEL DEL VALLE, Commissioner
JOHN R. ROSALES, Commissioner

SULLIVAN REPORTING COMPANY, by
PATRICIA WESLEY
CSR NO. 084-002170
COMMISSIONER ROSALES: Good morning, everyone.

(No response.)

Good morning, everyone.

(Audience responded.)

Are we ready to proceed in Springfield?

MR. MATRISCH: Yes, we are.

COMMISSIONER ROSALES: I am Commissioner John Rosales.

Pursuant to the Open Meetings Act, I call the May 25, 2016 Regular Open Meeting of the Illinois Commerce Commission to order.

Commissioner McCabe, Commissioner del Valle, and Commissioner Edwards are present with me in Chicago. We have a quorum. Commissioner Sheahan is participating by phone.

Are you with us, Mr. Chairman?

CHAIRMAN SHEAHAN: I am. Thank you.

COMMISSIONER ROSALES: I move to allow Chairman Sheahan to participate by phone. Is there a second?

COMMISSIONER MAYE EDWARDS: Seconded.
COMMISSIONER ROSALES: All those in favor, say aye.

(Chorus of ayes.)

Opposed, say nay.

(No response.)

The ayes have it, and Chairman Sheahan is granted permission to participate by phone.

We have no requests to speak.

Under Public Utilities, there are edits to the Minutes of our April 26, 2016 Regular Open Meeting, April 26, 2016 Policy Session, and April 29, 2016 Special Open Meeting.

Are there any objections to approving the Minutes as edited?

(No response.)

Hearing none, the Minutes as edited are approved.

Item E-1 concerns ComEd's filing modifying its Rider Parallel Operation of Retail Customer Generating Facilities ("Rider POG").

Are there any objections to not suspending the filing?
Hearing none, the filing is not suspended.

Item E-2 concerns Mt. Carmel Public Utility's filing modifying its Rider D, Parallel Generation.

Are there any objections to not suspending the filing?

Hearing none, the filing is not suspended.


Are there any objections to approving the proposed Order?

Hearing none, the Order is approved.

Items E-4 through E-6 concern various customer complaints against ComEd.

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

(No response.)

Hearing none, the Orders are approved.


Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.

Items E-8 through 12 concern various Petitions for Confidential Treatment of Certain Reports.

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

(No response.)

Hearing none, the Orders are approved.

Items E-13 and E-14 concern Applications Requesting Certificates of Service Authority to Operate as Installers of Distributed
Generation Facilities.

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

(No response.)

Hearing none, the Orders are approved.

Item E-15 concerns Gulf Plains Energy's Application for a Certificate of Service Authority to Operate as Agents, Brokers, and Consultants.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.

Item E-16 concerns Ravinia Plumbing and Heating's Application for a Certificate of Service Authority to Install, Maintain, or Repair Electric Vehicle Charging Stations.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.
Items E-17 and 18 concern Applications for Cancellation of Certificates of Service Authority to Operate as Agents, Brokers, and Consultants.

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

(No response.)

Hearing none, the Orders are approved.

Moving on to our Gas Agenda, Item G-1 concerns Ameren Illinois’ Filing to Update its Customer-Requested Discontinuance of Service Charges and to Modify its Rider Q.I.P., to Exclude Certain Revenue from Rate Base Revenue.

Are there any objections to not suspending the filing?

(No response.)

Hearing none, the filing is not suspended.

Item G-2 will be postponed to a future meeting.

Item G-3 concerns the Approval of a
Stipulation and Settlement Agreement Concerning an
Investigation of Peoples Gas.

Commissioner del Valle, do you have
something to say.

COMMISSIONER del VALLE: Thank you,
Commissioner.

When this investigation was initiated,
I objected and attempted to expand its scope. I
still believe that we have failed to ask the real
question that needed to be answered, whether the
Commission was knowingly misled in the 11-month,
$6 billion Integrys and WEC merger proceeding last
year.

This question was not asked in this
investigation; and, as a result of this vote today,
will never be asked. At stake is whether the
Commission and the public can trust that when a
company comes before us, the Commission will have
all the necessary information to fulfill its
statutory duty to protect the public interest. I do
not believe this investigation and settlement
provides that assurance.
This investigation was structured from the beginning to frustrate the on-the-record, fact-finding necessary to get to the truth. For reasons never adequately explained, the Commission dismissed a petition filed by the AG and CUB seeking a full investigation and initiated this expedited and limited investigation focused only on a May 20, 2015, 30-minute meeting. That meeting consisted of a short presentation from executives who were not under oath, nor giving testimony as part of a formal proceeding.

In addition to the constrained scope, which excluded the merger, the Commission's expedited, self-imposed deadline was also used to deny the parties the opportunity to conduct a full, proper investigation.

The Commission's desire for an expedited result was used as a rationale to block subpoenas of the executives, but the request to review the ALJ decision was ignored by the Commission without explanation for three months, even though this request had halted all work in the
The parties’ options, given this investigation, were limited. First, the Commission ensured the merger proceeding was off limits and out of this investigation’s scope.

Second, the very executives at the center of the omission were excluded by the Commission from the investigation and could not be questioned.

Third, this investigation had been paused at its initial stages since February waiting for the Commission to vote on an interlocutory review concerning whether to subpoena those executives, but the Commission did not consider the petition.

And, finally, though the investigation sat idle, the deadline, which has now passed, was still in effect, and instead of engaging in fact-finding, everyone started negotiating. Given these circumstances, how could this investigation come out any other way?

Ultimately, this investigation and the
settlements are yet another lost opportunity by the
Commission to more aggressively protect the public
interest in asserting oversight into the ways
Peoples Gas and its modernization program is
managed, and, more broadly, to demonstrate to all
the utilities and their affiliates that we will
fully investigate any and all alleged deception.

Some will characterize this
investigation and these settlements as a deterrent
to others, but I strongly disagree. If one of the
first things WEC did at the ICC was to knowingly
mislead the Commission in their merger proceeding,
they should be brought before the Commission and
questioned about it.

I believe that to deter executives
from this kind of conduct, they must know that the
Commission will aggressively and transparently seek
out the truth on the record. The Commission will
scrutinize their conduct and how it affects the
culture of its employees; and, in the end, the
Commission will make a finding of fact. That is
deterrence that serves the public interest, but
that's not what the Commission has done.

Instead, the public interest has been reduced to a dollar amount in exchange for Commission agreement to not ask the difficult questions of executives. The companies will agree to pay $18.5 million; ratepayers and the government get a one-time payment; the shareholders buy their way out of further scrutiny of their $6 billion merger and 8 billion project; and the executives walk away with their $61 million and more. This does not sound like a deterrence to me. It sounds like the cost of doing business in Illinois.

Accordingly, I will be voting no on this settlement. Thank you.

COMMISSIONER ROSALES: Thank you, Commissioner.

Commissioner McCabe.

COMMISSIONER McCabe: I would like to point out that this stipulation agreement does not preclude adjustments and findings in future rate case and Q.I.P. dockets regarding possible pre-merger cost overruns and mismanagement. Thank you.

COMMISSIONER ROSALES: Thank you.
Mr. Chairman.

CHAIRMAN SHEAHAN: Thank you. I would like to begin by thanking the Commission Staff for all their hard work to bring the settlement to a close. I would also like to thank the Attorney General and her staff for their advocacy on behalf of ratepayers.

It's also notable that we are here today because of an enforcement tool written and advocated for by the Citizens Utility Board to ensure that individuals and entities that appear before the Commission can be held accountable when they undermine the process.

The settlement represents, we are told, perhaps the only enforcement action in the country ever based on a company's omissions. It sends a strong signal to all parties who appear before the Commission that threats to the integrity of the process will not be tolerated and the conduct of employees, who were involved in this matter, is deplorable.

The Commission expects in the future
that the employees of entities that appear before
the Commission will do so with honesty and
integrity, and when they do not, there will be
significant consequences. Thank you.

Commissioner Rosales.

COMMISSIONER ROSALES: Thank you, Mr. Chairman.

Any other discussion?

(No response.)

I move to approve the proposed Order.

Is there a second?

COMMISSIONER MAYE EDWARDS: Seconded.

CHAIRMAN SHEAHAN: Seconded.

COMMISSIONER ROSALES: All those in favor, say

aye.

COMMISSIONER MAYE EDWARDS: Aye.

COMMISSIONER McCabe: Aye.

CHAIRMAN SHEAHAN: Aye.

COMMISSIONER ROSALES: Opposed, say nay.

COMMISSIONER del VALLE: Nay.

COMMISSIONER ROSALES: The vote is 4 to 1, and
the Order is approved, and I also voted aye.

Item G-4 concerns Ameren Illinois'
Petition for a Certificate of Public Convenience and Necessity to Construct, Operate, and Maintain a Natural Gas Distribution Main.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.

Items G-5 and 6 concern Applications for Certificates of Service Authority to Operate as Alternative Gas Suppliers.

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

(No response.)

Hearing none, the Orders are approved.

Items G-7 and 8 concern various Petitions for Confidential Treatment of certain reports.

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

(No response.)
Hearing none, the Orders are approved.

Item G-9 concerns a customer complaint against Ambit Illinois.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.

Under Telecommunications, Items T-1 through 3 concern the Initiation of Rulemaking Proceedings and Authorizing First-Notice Periods.

Are there any objections to entering the Orders Initiating Rulemaking Proceedings and Authorizing First-Notice Periods?

(No response.)

Hearing none, the Orders are entered.

Item T-4 concerns Ignition Wireless' Application for a Certificate of Wireless Authority to Operate as a Reseller of Telecommunications Services.

Are there any objections to approving the proposed Order?

(No response.)
Hearing none, the Order is approved.

Item T-5 concerns Etrali North America's Application for a Certificate of Interexchange Service Authority to Operate as a Reseller of Telecommunications Services.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.

Item T-6 concerns WirelessCo., LLC's Joint Petition to Withdraw WirelessCo. L.P's Certificate of Service Authority and to issue a new Certificate of Service Authority to WirelessCo., LLC.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.

Items T-7 and 8 concern various Petitions for Confidential Treatment of certain reports.

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

(No response.)

Hearing none, the Orders are approved.

In other business, we have a matter
concerning the Transmission Cost Allocation
Settlement Agreement in FERC No. Docket No.
EL05-121-009. We also have a matter concerning the
Illinois Supreme Court case Zahn v. North American
Power and Gas LLC which addresses the question of
whether the Commission has exclusive jurisdiction
over a reparation claim brought by a residential
customer against an ARES.

These involve potential litigation and
so we will enter into closed session for our
discussion.

Is there a motion to enter closed
session?

COMMISSIONER McCabe: So moved.

COMMISSIONER Rosales: Is there a second?

COMMISSIONER Maye Edwards: Seconded.

COMMISSIONER Rosales: All those in favor, say
nay.

(Chorus of ayes.)

Opposed, say nay.

(No response.)

We now move to closed session.

(Whereupon, closed session consisted of Pages 20 to 30.)
(Whereupon, the following proceedings were held in open session:)

Are there any objections to approving the Transmission Cost Allocation Settlement Agreement in FERC Docket No. ELO5-121-009?

(No response.)

Hearing none, the settlement agreement is approved.

Are there any objections to approving OGC's recommendation that the Commission authorize OGC to file an amicus curiae brief addressing the question presented in the Zahn case?

(No response.)

Hearing none, the OGC's recommendation is adopted.

MR. HINES-SHAH: I am sorry to interrupt, Commissioner. I just wanted to clarify on the PJM docket I think, just for purposes of clarity, the Commission is joining the FERC settlement before the FERC. We're not approving the settlement. I think there might have been a mistake in the language of
the script.

COMMISSIONER ROSALES: I agree. I agree. Would you say that again.

MR. HINES-SHAH: Certainly. The language in the motion is for the Commission to join the FERC settlement in FERC Docket EL05-121-009.

COMMISSIONER MAYE EDWARDS: We already voted. Do we need to rescind that?

MR. HINES-SHAH: I don't think you need to rescind that, but that's a clarification. I think you can offer the motion. So if you agree with that language, then I think if you accept the clarification, we are clear on the record.

COMMISSIONER ROSALES: I accept the clarification, but I would like to go back and say, once again, are there any objections to approving the Transmission Cost Allocation Agreement and joining the FERC docket -- joining the decision --

MR. HINES-SHAH: Joining the settlement --

COMMISSIONER ROSALES: -- not approving but joining the settlement --
MR. HINES-SHAH: -- in FERC.

COMMISSIONER ROSALES: -- in FERC

EL05-121-009?

Would that be acceptable?

MR. HINES-SHAH: Absolutely.

COMMISSIONER ROSALES: Okay.

Any objections?

(No response.)

Hearing none, that's been approved.

Thank you.

MR. HINES-SHAH: Thank you.

COMMISSIONER ROSALES: Judge Kimbrel.

JUDGE KIMBREL: Nothing further.

COMMISSIONER ROSALES: I need to ask you do you have any other matters?

JUDGE KIMBREL: No, Mr. Commissioner.

COMMISSIONER ROSALES: I have someone in the audience who's spent 30 years working with ComEd.

Claudia, everyone here agrees how your work has been helpful to our agency. I just wanted to put that of record that we really appreciate all the work that you have done for us in terms of
working with us -- working with us I think is the appropriate word, so I want to thank you and wish you the best, and I'm sure all of my fellow Commissioners agree.

MS. CHEVERE: Thank you.

COMMISSIONER ROSALES: Commissioners, anything else to discuss?

COMMISSIONER MAYE EDWARDS: Yes. Commissioner, thank you very much. Just two quick announcements.

On behalf of the Chairman, Commissioners, and Executive Director, I would like to welcome our new Director of Community Affairs, Lisa Williams.

Lisa, if you would just stand and let everyone know who you are.

Lisa's coming to us from many years with state government. She was previously the head of Work Force Diversity for the Illinois Tollway, as well as its CEO officer, ADA coordinator, and ethics officer. She brought rich diversity programs and was honored with five awards for her accomplishments.
On behalf of her work in Africans With Disabilities, she received the Chicago Defender's Excellence Award, among others. We are excited to have her. Welcome, Lisa.

On behalf of my office, I am very excited to introduce my summer intern, Lisa Wiggin. She's a third-year student at Loyola University School of Law.

Upon earning an engineering degree from the University of Illinois, she began her career in manufacture management at a large consumer goods company. She has subsequently worked in market research after obtaining an MBA from Northwestern University.

She's also received her Certificate in Liberal Arts at the University of Chicago Graham School where one of her instructors encouraged her to study law, which she did.

She hopes to work after graduation in the field of legislation and policy and look forward to learning more about the administrative process at the state level of our agency.
Welcome, Lisa. We are delighted to have you.

MS. WIGGIN: Thank you.

COMMISSIONER ROSALES: Thank you, Commissioner.

Any other business?

(No response.

We stand adjourned. Thank you.

(Whereupon, the above matter was adjourned.)