BEFORE THE
ILLINOIS COMMERCE COMMISSION

BENCH MEETING AGENDA

Chicago, Illinois
Wednesday, June 2, 2010

Met, pursuant to notice, at 10:30 a.m. in
the Main Hearing Room, Eighth Floor, 160 North
LaSalle Street, Chicago, Illinois.

PRESENT:

MANUEL FLORES, Acting Chairman
LULA M. FORD, Commissioner
ERIN M. O'CONNELL-DIAZ, Commissioner
SHERMAN J. ELLIOTT, Commissioner via teleconference
JOHN T. COLGAN, Acting Commissioner

SULLIVAN REPORTING COMPANY, by
Alisa A. Sawka, CSR
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CHAIRMAN FLORES: Pursuant to the provisions of the Illinois Open Meetings Act, I now convene a regularly scheduled Bench session of the Illinois Commerce Commission. With me in Chicago are Commissioners Ford, O'Connell-Diaz and Acting Commissioner Colgan. I am Acting Chairman Flores. We have a quorum. I believe Commissioner Elliott is available by phone in Springfield. Are you there, Commissioner?

COMMISSIONER ELLIOTT: Morning. I am. Thank you.

CHAIRMAN FLORES: Good morning. I hope you feel better.

COMMISSIONER ELLIOTT: Thank you.

CHAIRMAN FLORES: Per the Commission's rules we must vote to allow Commissioner Elliott to participate by phone. Is there a motion to allow Commissioner Elliott to participate by phone this morning?

COMMISSIONER FORD: So moved.
CHAIRMAN FLORES: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: All opposed?

(No response.)

CHAIRMAN FLORES: The vote is 4-0 to allow
Commissioner Elliott to participate by phone.

Welcome, Commissioner.

Before moving into the agenda,

according to Section 1700.10 of the Illinois
Administrative Code, this is the time that 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 Bench session. According
to the Chief Clerk's Office, we have no requests to
speak at today's Bench session.

Turning now to the Public Utility
Agenda. There are three sets of minutes to approve.

With respect to the minutes for the
May 15 Bench meeting, I understand the amendments have been forwarded.

Is there a motion to amend the minutes?

COMMISSIONER COLGAN: So moved.

CHAIRMAN FLORES: I will second it.

It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 amending the minutes.

Is there a motion to approve the minutes, as amended?

COMMISSIONER FORD: So moved.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?
(No response.)

CHAIRMAN FLORES: The vote is 5-0 approving the minutes for May 5th, as amended.

We also have minutes to approve from the May 5th Special Open Meeting. I understand that amendments have been forwarded.

Is there a motion to amend the minutes?

COMMISSIONER COLGAN: So moved.

CHAIRMAN FLORES: I will second it.

It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(NO response.)

CHAIRMAN FLORES: The vote is 5-0 amending the minutes.

Is there a motion to approve the minutes, as amended?

COMMISSIONER COLGAN: So moved.

CHAIRMAN FLORES: I will second it.

It's been moved and seconded.
All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 approving the minutes for the May 6 Special Open Meeting, as amended.

Lastly, we have minutes to approve from the May 6 Emergency Special Open Meeting.

Is there a motion to approve the minutes?

COMMISSIONER COLGAN: So moved.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 approving the minutes for the May 6th Emergency Special Open Meeting.
We will begin with the Electric Agenda. Item E-1 is Docket No. 09-0597. This is Santanna Natural Gas Corporation's Application For Licensure as an Agent, Broker or Consultant under Section 16-115C of the Public Utilities Act. This was held from last week.

Commissioner O'Connell-Diaz, you have the floor.

COMMISSIONER O'CONNELL-DIAZ: Thank you. Actually, based on our discussions last week and the fact that Santanna when it was -- or in its activities on the gas side, there were many complaints that were filed that the Commission and other parties had to deal with. And given the fact that that did occur and that they're asking for an expansion of their authority to provide service to our consumers on the electric side, I felt it was prudent to condition their certificate in this matter on their providing our Staff with any consumer complaint information in a very timely fashion.

We had circulated amongst the other Commissioners and got additions and Mr. Colgan's
office provided some changes that are included in this, which actually conditions their authority that they will provide our Consumer Services Division any reports based on consumer complaints within the next business day.

Additionally, it provides that -- I believe this was Commissioner Colgan -- I don't -- do you want to speak to that provision. Commissioner Colgan had a good addition, I think, and that was to provide that the Company, once they are up and running and actually offering service to our customers and our ratepayers in Illinois, that they would be able to petition to have this condition lifted if they showed that they were being, you know, good actors for a period of time -- that the Commission would have comfort in lifting that requirement.

But, as Commissioner Colgan has stated succinctly, we are the gatekeepers so it's important that we take these type of actions when we have a company that has had some questionable practices within our State. And I think also we were talking
about coming up with some boilerplate standards that -- on a going-forward basis. But, hopefully, we won't have any bad actors coming to our State. But if they do come here, we'll be waiting for them and they'll have to deal with the Commission.

So with that, I would look to my colleagues for support with regard to these revisions in this matter.

CHAIRMAN FLORES: Commissioner Colgan.

COMMISSIONER COLGAN: Yeah, I just think -- I think to limit that to one year is a good standard or for a period of time in which they actually become very active for a period of a year. And then so as to not just single out any one supplier, that we would apply that to other suppliers who come in who have a history of having complaints filed against them, I think, was a fair way to approach it.

And I thank you for bringing this to our attention last week.

CHAIRMAN FLORES: I also want to thank Commissioner O'Connell-Diaz for bringing this matter to the Commission's attention.
As both Commissioners indicated, it's important that we make clear standards and in sending the message that as we continue to see growth in the -- in this area of -- whether it be in the electric retail supply center or gas retail, that we have -- that we have a marketplace where, again, we have good actors. And I think it's important as we continue to see more competition in the marketplace that we maintain the integrity of the industry.

So, thank you, Commissioners.

And with that, is there a motion to adopt Commissioner O'Connell-Diaz's revision?

COMMISSIONER COLGAN: So moved.

CHAIRMAN FLORES: I second it.

It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 and Commissioner O'Connell-Diaz's revisions are adopted.

COMMISSIONER O'CONNELL-DIAZ: Thank you.
CHAIRMAN FLORES: Thank you, again, Commissioner O'Connell-Diaz.

Is there a motion to enter the Order granting the certificate as amended?

COMMISSIONER COLGAN: So moved.

CHAIRMAN FLORES: I will second it.

It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 and the Order granting the certificate is entered as amended. We will use this 5-0 vote for the rest of the hearing unless otherwise specified.

Item E-2 is Docket No. 09-0608. This is Cambridge Engineering & Energy Solutions' Application for Licensure as an Agent, Broker or Consultant under Section 16-115C of the Public Utility Act. Administrative Law Judge Yoder recommends entering the Order granting the certificate.
Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Order is entered and the certificate is granted.

E-3 and E-4 are Docket Nos. 10-0091 and 10-0095. These items are the electric utilities' On-Bill Financing Program approval dockets, and because of the similarity between these dockets and the gas program utility dockets, we will hold these items until we get to the gas utility dockets later in the hearing and address all four dockets and revisions thereto at once.

Item E-5 is Docket No. 10-0109. This concerns the Illinois Commerce Commission's rulemaking surrounding of 83 Illinois Administrative Code Section 455. Before us today is authorizing a second notice period, and Administrative Law Judge Moran recommends entry of an Order authorizing this period.

Is there any discussion?
(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Order is entered and the second notice period is authorized.

Item E-6 is Docket No. 10-0126. This is Hero Enterprises' Application for Licensure as an Agent, Broker and Consultant under Section 16-115C of the Public Utilities Act. Administrative Law Judge Yoder recommends entering an Order granting a motion to withdraw.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Order is entered and the motion to withdraw is granted.

Item E-7 is Docket No. 10-0130. This is Nordic Energy Service's petition to protect portions of its report of continued compliance from disclosure. Administrative Law Judge Albers recommends entering an Order granting the Company's
petition.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Order is entered.

Item E-8 is Docket No. 10-0138. This is ComEd's proposal to establish Rider PORCB and to revise other related tariffs. Administrative Law Judge Sainsot recommends entry of a Resuspension Order to resuspend the tariffs.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Resuspension Order is entered.

Items E-9 through E-14 can be taken together. These items constitute applications for Licensure as an Agent, Broker and Consultant under Section 16-115C of the Public Utilities Act. In each
instance the Administrative Law Judge recommends entry of an Order granting the certification.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Orders are entered and the certificates are granted.

Items E-15 and E-16 can be taken together. These items constitute petitions for the protection of confidential and/or proprietary information. In each case, the Administrative Law Judge recommends entry of an Order granting the petition.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Orders are entered and the petitions are granted.

Items E-17 through E-19 can be taken together. These items constitute applications for
Licensure as an Agent, Broker and Consultant under Section 16-115C of the Public Utilities Act. In each instance, the Administrative Law Judge recommends granting the certification.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Orders are entered and certificates are granted.

E-20 has been pulled, as we addressed it last week.

The Item E-21 is Docket No. 10-0302. This is Ronald Tinsey's complaint as to billing and charges against ComEd. The parties have apparently reached a settlement. Administrative Law Judge Kimbrel recommends granting a joint motion to dismiss.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)
CHAIRMAN FLORES: Hearing none, the joint motion to dismiss is granted.

Turning to Gas, Item G-1 is Docket No. 08-0156. This concerns the reconciliation of revenues collected under coal tar riders with prudent costs associated with coal tar cleanup expenditures. Administrative Law Judge Haloulos-Baker --

I'm sorry, Judge Baker, if I got it wrong.

-- recommends entry of an Order approving the schedule as amended by Commission Staff.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objection?

(No response.)

CHAIRMAN FLORES: Hearing none, the Order is entered.

Item G-2 is Docket No. 08-0175. This case concerns CUB, Citizen Action and AARP's complaint against U.S. Energy Savings Corporation. Before us today in this item is consideration of the
audit schedule and a petition for confidential treatment. We're scheduled to receive a Staff Report later today. So we're going to be holding this item until the consideration of the Staff Report.

Item G-3 is Docket Nos. 09-0166 and 09-0167. This is the Peoples Gas and North Shore Gas rate case. And before us today is an order on rehearing.

I know that we were going on a 5-0 vote, however, I did not vote on this matter initially, if everyone recalls. So I am going to recuse myself from this matter, again, just to remain consistent.

Is there any discussion on the order for rehearing?

(No response.)

CHAIRMAN FLORES: Is there a motion to either approve or deny the motion for rehearing?

COMMISSIONER FORD: The Judge recommends denying it.

CHAIRMAN FLORES: Okay.

JUDGE WALLACE: I'm sorry.
COMMISSIONER FORD: I'm sorry, but the Judge --

JUDGE WALLACE: This is the Order on rehearing.

COMMISSIONER O'CONNELL-DIAZ: This is the Order on rehearing. This is the Rider ICR, the development of the baseline.

COMMISSIONER COLGAN: Yeah, and I think there's been -- there's an agreement.

JUDGE MORAN: What you have in front of you is the Order on rehearing.

COMMISSIONER O'CONNELL-DIAZ: Yeah, this is the Order.

JUDGE MORAN: The motion was already heard and granted.

COMMISSIONER FORD: So we have to enter it?

COMMISSIONER COLGAN: And this is on setting the benchmark for the Rider ICR?

JUDGE MORAN: Yes. Yes, the baseline.

COMMISSIONER COLGAN: Yes, the baseline.

CHAIRMAN FLORES: This is G-3, Dockets 09-0166 and 09-0167.

COMMISSIONER FORD: So the Judge -- I move that we enter the Order on rehearing adopting the Rider
ICR baseline.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

COMMISSIONER ELLIOTT: Second.

CHAIRMAN FLORES: I'm sorry?

COMMISSIONER ELLIOTT: Second.

COMMISSIONER COLGAN: That was Sherman seconded.

CHAIRMAN FLORES: It's been moved and seconded. And at this point we'll have a roll call vote.

Commissioner Ford?

COMMISSIONER FORD: Yes.

CHAIRMAN FLORES: Commissioner O'Connell-Diaz?

COMMISSIONER O'CONNELL-DIAZ: Yes.

CHAIRMAN FLORES: Commissioner Elliott?

COMMISSIONER ELLIOTT: Yes.

CHAIRMAN FLORES: And Commissioner Colgan?

COMMISSIONER COLGAN: Yes.

CHAIRMAN FLORES: Very well. The vote is 4-0 adopting the Administrative Law Judge's recommendation. Also, please let the record reflect, Acting Chairman Flores did not vote in this matter.
Thank you very much.

Item G-4 is Docket No. 09-0455. This is WRAMSCO's complaint as to billing and charges against Nicor. The parties have apparently settled their dispute and have brought a joint motion to dismiss, which the Administrative Law Judge -- which Administrative Law Judge Hilliard recommends that we grant.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: I want to please let the record reflect that we're going to go back to the original 5-0 favorable vote for the remainder of this section of the agenda unless otherwise noted.

So hearing none, the joint motion to dismiss is granted by a 5-0 vote.

Items G-5 and G-6 will be taken together and combined with Items E-3 and E-4 from the earlier side of the agenda. So these are Docket Nos. 10-0090, 10-0091, 10-0095 and 10-0096. These
items constitute the utilities' On-Bill Financing Program applications, and oral argument was heard jointly on these docketed matters on May 25th. We have a few sets of revisions and note that these revisions will affect all four docketed cases and all for resulting Orders.

So let's start with Commissioner O'Connell-Diaz.

Commissioner.

COMMISSIONER O'CONNELL-DIAZ: Yes, Chairman.

Actually, I believe these are edits to the provisions for the statewide evaluator based on our discussions at oral argument and the Commission's comments that were had with regard to formalizing a standardized methodology to be used by the various evaluators across our state as they evaluate this program.

And this language has been worked on by -- Commissioner, are you going to introduce your changes? Because you did the front part -- we did a combo platter. So -- with Commissioner Flores' office we combined efforts. And actually all these have been circulated among all the Commissioners and
we've really had input from everyone with regard to this.

But what we do here is we develop a process for the development of standardized evaluation and methodology. And we call for the Staff to initiate a proceeding at the conclusion of this docket that would provide for an ALJ to run a comment and reply period with it reporting back to the Commission based on the evaluation methodology that, first of all, the evaluators will file with -- in that docket and then there'll be comments and replies by the parties. And the ALJ will come back to the Commission with a recommendation based on all of those comments and replies.

And we have a time line in there and -- because we believe it's very critical that -- you know, the issue of whether there should have been one evaluator or all utilities should have their own evaluator, the statute was pretty clear about how that was.

And, Judge Haynes, we believe you made the correct call on that, but we just feel that it's
important that we go a step further and get that methodology that should be used on a statewide basis formalized. And the only way to do it is to have a process that we prescribe in this revised portion.

So with that, I would -- anybody else want to comment because everyone took part in developing this, which was great, and it was nice to have collaboration.

CHAIRMAN FLORES: I want to thank again Commissioner O'Connell-Diaz and her staff and all the other staff who worked on this part of the revision.

Is there a motion to adopt Commissioner O'Connell-Diaz's revisions?

COMMISSIONER FORD: 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.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 and
Commissioner O'Connell-Diaz's revisions are approved. Commissioner Ford, you spearheaded the effort on the underwriting criteria and the credit check revisions.

Commissioner Ford.

COMMISSIONER FORD: Certainly along with you, Commissioner Flores, and certainly Commissioner Colgan, but certainly your Staff and my Staff, Chairman, read this.

One of the options -- several options were posed and we certainly looked at CUB and City's option to determine the creditworthiness of potential program participants. One of the things we recognized that -- with the On-Bill Financing Program we want a new pool of consumers and many of whom might not have access to financing.

So we want to use -- we want to encourage -- because this Commission can -- by statute -- can offer certain discretionary methods. We want to offer a strong word of advice to our utilities to encourage the lenders to urge the -- urge the utilities to have the lenders and become
more inclusive with their creditworthiness programs
and to take into account other concerns without
relying totally on traditional credit.

And so we want to -- we did listen to
what CUB and AG said about the underwriting criteria.

Chairman Flores, you might want to
expand on that.

CHAIRMAN FLORES: Again, I just want to thank
Commissioner Ford and the other Commissioners and all
the Staff in putting this together.

Is there a motion to accept
Commissioner Ford's revisions?

COMMISSIONER COLGAN: So moved.

CHAIRMAN FLORES: I will second it.

It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 and
Commissioner Ford's revisions are approved.

We have a couple of other revisions
that we worked on collectively. There is an issue of
the selection of the lender. The statute is clear
that responsibility lies with a utility. But we do
propose further language, further encouraging,
collaboration updates between utilities and
stakeholders on issues surrounding the selection of
lender just so that everyone is on the same page and
we're working together.

And there is another matter with
regards to the proposed of program budgets. We do
not have the statutory authority to create a cap, but
we proposed language that cautions against imprudent
expenditures with a concern, again, that this is a
pilot program; that at the end of the four years
we're going to have to submit a report; and while we
do have the reconciliation proceedings, we want to
make sure that we are, at the very start, mindful of
the costs associated with the administration of these
programs.

We don't want to send potentially
wrong signals and create potentially a chilling
effect from -- for moving further with the program at
the end of the four years.

So that is the additional revisions
that have been made to the Order.

Is there a motion to accept these
revisions?

COMMISSIONER COLGAN: So moved.

COMMISSIONER O'CONNELL-DIAZ: Chairman, if I
just may clarify. These are the revisions that were
the kind of more simplified revisions?

CHAIRMAN FLORES: These were the last revisions
that was -- the most recent revisions that were
circulated last night.

COMMISSIONER O'CONNELL-DIAZ: Well, I think
I'm -- I think there was a simplified version and
then there was a more wordy version. And I think
that the support was for the more simplified version.
So if you could just clarify that.

CHAIRMAN FLORES: At the risk of -- I won't --
I don't know if I'm going to say -- we won't call it
the wordier version because that's my version.

COMMISSIONER O'CONNELL-DIAZ: I don't know --
it has more words in it.
CHAIRMAN FLORES: I'm going to poke fun at myself. I tend to be a little verbose and long-winded. But I suspect --

COMMISSIONER O'CONNELL-DIAZ: Well, I think they all get us to the same place --

CHAIRMAN FLORES: They do, but I did -- there was language -- again, we changed "excessive" to "imprudent."

COMMISSIONER O'CONNELL-DIAZ: Well, that is the more wordy version, and I think the simplified version was --

CHAIRMAN FLORES: Well, I think -- I don't know. I think there's a question to it, which is fine. We can do a vote on --

COMMISSIONER O'CONNELL-DIAZ: Okay.

CHAIRMAN FLORES: Why don't we -- I think there's more consensus on the -- we'll take the first piece then -- the first set of revisions with regards to the responsibility of the lending on the utility.

So is there a motion to accept the revisions with regards to this selection of the lender portion?
COMMISSIONER O'CONNELL-DIAZ: So moved.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER COLGAN: Second.

CHAIRMAN FLORES: Okay. It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0.

Now, we're moving to the last set of revisions. Again, the issue here is, I think, just one of -- there is additional language, but I thought it was important that we did include the term "imprudent expenditures," again, sending a clear signal in the Order that we want to, again, allow for the utilities to move forward with, you know, prudent costs; but, again, sending the signal earlier rather that later during the reconciliation stage that we want to be cautious and, frankly, smart about the way that we are financing these administrative -- administrative aspect of this program.
So with regards to the revisions that my office submitted, I'll make a motion.

Is there a second to adopt the revisions I submitted?

COMMISSIONER COLGAN: I'm not exactly sure --

COMMISSIONER O'CONNELL-DIAZ: You know what, I think there's two --

COMMISSIONER COLGAN: I think there's some subtle distinctions between different versions.

COMMISSIONER O'CONNELL-DIAZ: Yes. That's why one's a little shorter and one's a little longer.

COMMISSIONER COLGAN: And I think we're in agreement on the overall concept. So I'm unclear about what we're voting on.

CHAIRMAN FLORES: Well, I think there's just an issue of language. The -- what -- if I may ask Commissioner O'Connell-Diaz, what is the --

COMMISSIONER FORD: What page are we on?

COMMISSIONER O'CONNELL-DIAZ: Well, we've just been back and forth and there's two versions, just so you're clear. There's two versions, and when I referred to the more simplified version I was talking
about the version that my office circulated.

CHAIRMAN FLORES: Okay.

COMMISSIONER O'CONNELL-DIAZ: In response to yours, it kind of took out some of it because I -- and I don't mean any disrespect to your language, but it was repetitive and it kind of repeats things from a paragraph before. And I just think the simpler version -- obviously this is a prudency hearing. We will be looking at it. It gets to the same place, but just in a more simplified version. Hence, that's why I called it the simplified version.

So I know that we have been back and forth with your office and it was my notion that there was support for this simplified version versus the more dressed up version -- I don't know what else to call it. So I would suggest that the simplified version would be --

COMMISSIONER FORD: Let me simplify by reading what I had. The utilities are entitled to recover all prudently incurred expenses through the energy efficient riders -- that's not it?

COMMISSIONER O'CONNELL-DIAZ: Maybe we should
recess and get the appropriate version so we know what we're voting on. Is that comfortable?

CHAIRMAN FLORES: We're going to take a brief recess and we will be right back.

(Whereupon, a recess was taken.)

CHAIRMAN FLORES: So let the record reflect that we are back from a brief recess where I think we were able to address some minor scrivener issues. And there is now a -- Commissioner O'Connell and my office are submitting the final amendment to -- with respect to the proposed program budgets.

And, again, just wanted to make sure the record is clear, we don't have statutory authority to create a cap. But the language, again, is intended to just guard against excessive cost overruns or any other budgetary issues that may negatively impact or adversely affect the program in such a way where people, perhaps -- just again, has a negative impact and continue the program long term.

So is there a motion to accept Commissioner O'Connell-Diaz's and my office's revision?
COMMISSIONER COLGAN: So moved.

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: It's been moved and seconded.

   All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 and

Commissioner O'Connell-Diaz's and my revisions have
been adopted.

Commissioner O'Connell-Diaz, would you
like to -- again, thank you very much to all of the
Commissioners and their Staff concerning their work
that they've done on this matter. We are -- I think
everyone's interested to see how this program unfolds
and we'll be taking down and obviously monitoring the
results of this program so that we can produce a
report.

And with regard to the energy
efficiency and the protocol that the State of
Illinois has developed it -- I think it's an
innovative way to continue on the energy efficiency
goals that we have established here in the State of Illinois.

So moving on now to Telecommunications. We have --

JUDGE HAYNES: Excuse me.

JUDGE DOLAN: You have to vote on it.

CHAIRMAN FLORES: Oh, thank you. We did take a vote.

JUDGE DOLAN: You just did --

CHAIRMAN FLORES: On the overall -- oh, I'm sorry. Yes.

Is there a motion to accept the Orders then as amended?

COMMISSIONER COLGAN: So moved.

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: Is there a second?

Very well. It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)
CHAIRMAN FLORES: The vote is 5-0 On-Bill Financing Orders are approved.

JUDGE HAYNES: Can I say something?

CHAIRMAN FLORES: Yes.

JUDGE HAYNES: For these revisions, I would really appreciate it -- I don't know how it's been done -- but if I get the revision to each of the four dockets.

And also there have been sometimes issues with the findings and orderings not matching the changes within the body of the Order. And especially in this instance, some workshops were ordered and it sounds like maybe you're changing that workshop process. And I just want to make sure the findings and orderings with the workshops that are -- they all match up.

So for my ease in getting those out, I'd appreciate it. Thank you.

CHAIRMAN FLORES: They will. Very well. Thank you. And, again, thank you. And there's just -- there's so many different revisions. So thank you for the reminder of voting on the overall measures.
Moving on to Telecommunications. Item T-1 concerns the Illinois Bell Telephone Company's filings to clarify the applicability of the monthly Infrastructure Maintenance Credit for residential customers in MSAs 2, 3, 6, 7, 9 and 15. Staff recommends that we do not suspend the filing.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the filing will not be suspended or investigated.

Item T-2 concerns Frontier Citizens Communications of Illinois's filings to change the name of "Frontier Digital Phone Essentials" to "Frontier Digital Phone 100." Staff recommends that we do not suspend the filings.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the filings
will not be suspended or investigated.

T-3 is Docket No. 10-0234. This is DSI-ITI's application for a certificate to operate as a reseller of telecommunications services in Illinois. Administrative Law Judge Teague recommends entry of an Order granting the certificate.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Order is entered and the certificate is granted.

Item T-4 is Docket No. 10-0036. This is Illinois Bell Telephone Company's Petition For Approval, Without Hearing, of the Transfer of Real Estate. Administrative Law Judge Haloulos-Baker recommends entry of an Order granting the petition.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Order is
entered and the petition is granted.

Item T-5 is Docket No. 10-0068. This is Custom TeleConnect's petition for the protection of confidential and/or proprietary information. Administrative Law Judge Yoder recommends entry of an Order granting the requested relief.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Order is entered and relief is granted.

Item T-6 is No. 10-0102. This is DSLnet Connections -- or Communications' Petition For the Protection of Confidential and/or Proprietary Information. Administrative Law Judge Gilbert recommends entering an Order dismissing the proceeding.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)
CHAIRMAN FLORES: Hearing none, the Order is entered and the certificate is granted.

Item T-7 and T-8 will be taken together. These are petitions for the protection of confidential and/or proprietary information. In each instance the Administrative Law Judge recommends entering an Order granting protective treatment.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Orders are entered.

Items T-9 through T-12 will be taken together. These are petitions for the approval of interconnection agreements pursuant to Section 47 U.S.C. Section 252. In each case, Administrative Law Judge Tapia recommends entry of an Order approving the interconnection agreement.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?
CHAIRMAN FLORES: Hearing none, the Order is entered and the interconnection agreements are approved.

We now move to the Water and Sewer portion of today's agenda. Item W-1 is the Illinois-American Water Company's management audit. Before us today is an Order initiating the management audit.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Is there a motion to enter the initiating management audit?

COMMISSIONER COLGAN: So moved.

CHAIRMAN FLORES: I will second it.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: All opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0, and the Order initiating the management audit is entered.

Item W-2 is Docket No. 09-0400. This
is Illinois-American Water Company's petition for approval of a change in the method of accounting for pension and other post-employment benefit costs.

Before us today is a motion to dismiss the proceeding without prejudice made by the Company, which Administrative Law Judge Jones recommends that we grant.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the proceeding is dismissed without prejudice.

Item W-3 is Docket No. 09-0451. This is Illinois-American Water Company's application for the purchase of assets and operating rights within the Stever District Improvement Association Water Treatment and Distribution System and for a certificate to provide water services in Peoria County in accordance with Section 8-408 of the Public Utilities Act. Administrative Law Judge Riley recommends entering an Order granting the
certificates.

Is there any discussion?

COMMISSIONER COLGAN: We're granting the Order for the temporary certificate or for both? Wasn't there a request for a temporary and a permanent?

CHAIRMAN FLORES: Administrative Law Judge Riley?

COMMISSIONER COLGAN: Or maybe I'm ahead of -- no. I'm sorry. That's the next one. That's the Apple Canyon -- that's the Apple Canyon Order.

CHAIRMAN FLORES: Judge, where are you going?

COMMISSIONER O'CONNELL-DIAZ: He's escaping.

COMMISSIONER COLGAN: I just answered my own question. I'm sorry.

CHAIRMAN FLORES: We wanted to say "Hi."

JUDGE RILEY: Good morning.

CHAIRMAN FLORES: Is there any further discussion?

COMMISSIONER COLGAN: No.

CHAIRMAN FLORES: Hearing none, the Order is entered and the certificates are granted.

Thank you, Judge.
Commissioner Colgan, are you ready?

COMMISSIONER COLGAN: I'm ready.

CHAIRMAN FLORES: Docket No. W-4 --

COMMISSIONER COLGAN: It's a busy agenda.

COMMISSIONER FORD: Yes, it is.

CHAIRMAN FLORES: -- Docket No. 10-0215. This is Apple Canyon's petition for issuance of certificates to provide water services in Jo-Daviess County in accordance with Section 8-408 of the Public Utilities Act and for approval of a related contract. Administrative Law Judge Kimbrel recommends entry of an Order granting a temporary certificate.

Is there any discussion?

(No response.)

CHAIRMAN FLORES: Any objections?

(No response.)

CHAIRMAN FLORES: Hearing none, the Order is entered and the temporary certificate is granted.

Miscellaneous items now, we have a few petitions for rehearing for -- to address today. The first is Docket No. 08-0175. We will -- we're going to hold on to this a little bit until the Staff
Report on the management audit. So if we could --

The second item is Docket No. 09-0319.

This concerns the Application For Rehearing on the Illinois-American Water Company's rate case.

Administrative Law Judge Jones recommends denying the party's petitions for rehearing.

Is there any discussion on the rehearing applications?

(No response.)

CHAIRMAN FLORES: Is there a motion to deny the rehearing applications?

I will make the motion to deny the rehearing applications.

Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 and the Applications for Rehearing are denied.
Other business now --

COMMISSIONER COLGAN: Mr. Chairman?

CHAIRMAN FLORES: Yes, sir.

COMMISSIONER COLGAN: Do we need to vote to extend the deadline on the Citizens Utility Board?

CHAIRMAN FLORES: We're going to be dealing with that.

COMMISSIONER COLGAN: Okay.

CHAIRMAN FLORES: Is there -- now the -- in the other business we have an Annual Report on Cable and Video Service Deployment by providers who have been granted state-issued cable and video service authorization. Do we have a report from Staff?

MR. ZOLNIEREK: Yes, we do. This is Jim Zolnierek from Telecom Staff, Commissioner.

CHAIRMAN FLORES: How are you, Mr. Zolnierek?

MR. ZOLNIEREK: Pretty good.

CHAIRMAN FLORES: Very well.

MR. ZOLNIEREK: The Cable Video Services Competition Law of 2007 permits cable and/or video service providers to obtain from the Commission state issued authorization to offer and provide cable or
video service. As a condition of the state issued
authorization providers are required by April 1st of
each year to report to the Commission on deployment
status in each of the service areas. The Commission
is required by July 1st of each year to submit the
information reported by providers to the General
Assembly.

As of year end 2009 the Commission had
authorized only one provider to provide cable or
video services, Illinois Bell Telephone Company,
which does business as AT&T Illinois. AT&T Illinois
was authorized to provide service on October 24th,
2007.

On April 1st of this year AT&T
Illinois submitted to the Commission documents
entitled AT&T Illinois' Second Annual Video Service
Access Report. This document is an attachment to the
draft report submitted to you by Staff. The
information in the report is largely self-explanatory
and summarizes the extent of AT&T Illinois' video
service deployment as of year end 2010 -- 2009.

Excuse me.
There are, however, three statistics that are of particular interest with respect to the requirements and the law. First, by October 23rd of 2010 AT&T Illinois must, pursuant to the law, provide access to video service to 35 percent of the households in its incumbent local exchange carrier service area. As of the year end 2009, AT&T Illinois reported that it deployed service to 31 percent of households in the service area.

By October 20th the second -- the second statistic of interest concerns deployment to households that have low income. By October 23rd, 2010, 30 percent of the households provided access to video service by AT&T Illinois must be low income. At year end 2009, AT&T Illinois reported that 26 percent of households that it provided access to were low-income households.

And, finally, by October 23rd, 2010, the percentage of low-income households provided access to video services in each exchange must equal or exceed the percent of low-income households in the exchange as a whole. As of year end 2009, AT&T
reported that the criteria were met and 65 percent of
the exchanges were provided service in 63 of the 97
exchanges. So AT&T has not met the thresholds yet,
but it still has time until October to do so.

With your approval, the Office of
Governmental Affairs will format and print the
report, including the information that AT&T Illinois
submitted to the Commission to the General Assembly.

CHAIRMAN FLORES: Is there anything further?

MR. ZOLNIEREK: Nothing further from Staff.

CHAIRMAN FLORES: Very well. Thank you so
much.

Is there any discussion? Any
questions for Staff on this matter?

(No response.)

CHAIRMAN FLORES: Very well.

I'll make a motion to submit this
report on to the General Assembly.

Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

CHAIRMAN FLORES: It's been moved and seconded.

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

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 and the report will be sent over to the General Assembly.

Mr. Zolnierek, again, thank you so much for your outstanding work in this matter.

Our second item brings us back to Docket No. 08-0157, the Just Energy complaint case. We've got a number of different items to address on this matter and that's why we've held onto this issue to the very -- to the end here.

There's the -- first, we have the selection of the Auditor; there's entering an updated schedule; there's addressing alleged confidentiality concerns; and then there are a number of rehearing requests -- matters for rehearing.

And before getting to these -- each of these items, I want to make sure that we're going to hear a Supplemental Report from Staff.

Mr. Randy Nehrt, are you available?

MR. NEHRT: Yes, I am.
CHAIRMAN FLORES: Very well. And, Judge Wallace, are you nearby?

JUDGE WALLACE: Yes.

CHAIRMAN FLORES: Very well. Because I suspect we're going to need the both of you.

So we'll start with Mr. Nehrt.

MR. NEHRT: Yes, at the last open meeting the Commission had a few questions that they wanted Staff to look into and provide some answers for and Staff has provided some materials to the Commission that hopefully answer your questions.

One of the questions the Commission had was whether the proposed auditor that was recommended by Staff for approval met the State's Business Enterprise Program Standards. And the short answer to that is that they don't currently, but they were willing to investigate changes to the audit proposal necessary to comply. I believe that they -- the Company is willing and able to do that.

And so Staff would recommend that the Commission approve the Auditor subject to compliance with the State's Business Enterprise Program.
CHAIRMAN FLORES: Very well. Is there any discussion on this matter on what was just provided.

COMMISSIONER FORD: Yes.

CHAIRMAN FLORES: Commissioner Ford.

COMMISSIONER O'CONNELL-DIAZ: Mr. Nehrt, I noticed in this report that there was a question of that -- they would be complying with what the Commission has requested would cost more money. There was a concern raised by the Company that there would be more money that would be required. I'm kind of missing why that...

MR. NEHRT: Yeah, and I think that -- to try to answer your question there -- and Staff inquired about that with the Auditor -- until they've been able to prepare a contract with the firm that is certified by CMS to BEP guidelines, they don't know specifically what the cost will be for the use of that firm in the audit. And I think there may be some other costs as well in --

COMMISSIONER O'CONNELL-DIAZ: So essentially what we have here is we have one company that is going to be a -- like a general contractor
and then the other company that would be a subcontractor, is that how that works?

MR. NEHRT: That's correct. And Staff inquired with CMS about that and they indicated that process is used quite often.

COMMISSIONER FORD: Mr. Nehrt, as a former assistant director of Central Management Services and head of BEP, we do not -- subcontracting is often used, but it is not at an additional cost to the ratepayer.

And I would move -- and hope my Commission would approve -- that we go back to the table with Just Energy and ask for an additional -- some more information -- some more people to do this work for more auditors because this is totally unsatisfactory to me.

COMMISSIONER O'CONNELL-DIAZ: I agree. And also by virtue of the fact that we really are the first to -- for reasons I won't go into, but are in the report -- they don't qualify. And so we're left with this general contractor who obviously is going to be paid funds. And that's why I would surmise
that there's going to be the need for more money.

I find it really hard to believe that
there is not an audit company out there that could be
utilized that could qualify under our guidelines. So
I think we need to take some more time, as
Commissioner Ford stated, and go back to the table
and get some more candidates -- I think would be
probably a better idea.

COMMISSIONER COLGAN: Doesn't the Order say
that if we can't -- if the company can't recommend a
sufficient number of acceptable auditing firms that
the Staff then can go out on its own and find that?

And is that what you're kind of aiming
at here, is that maybe rather than subcontracting --

COMMISSIONER FORD: Absolutely.

COMMISSIONER COLGAN: -- we would just go
straight -- especially since the --

COMMISSIONER FORD: RFP.

COMMISSIONER COLGAN: -- additional costs
associated with the subcontracting, that we maybe try
to find an original -- just a straight-on contract
with an auditing firm that can meet the -- satisfy
the requirements of the Order?

COMMISSIONER FORD: Sounds good to me.

Chairman?

CHAIRMAN FLORES: Mr. Nehrt, I see that you've been joined by --

MS. NAUGHTON: Hi, Commissioners. I just want to mention if you think you're --

CHAIRMAN FLORES: Do you want to identify yourself for the record.

MS. NAUGHTON: I'm sorry. This is Nora Naughton.

If you would like to go the route where Staff would choose another auditor, we might have to do an RFP, just to let you know.

COMMISSIONER O'CONNELL-DIAZ: I think our Order might have been too ambitious in the time frame that we thought that this would be concluded. And so, obviously, we're going to need some time to do this.

MS. NAUGHTON: That process is a little bit more lengthy.

COMMISSIONER O'CONNELL-DIAZ: Absolutely.

CHAIRMAN FLORES: I think that's going to be --
that's going to have to be the approach given the results that we've seen at this point.

Judge Wallace?

JUDGE WALLACE: Yes.

CHAIRMAN FLORES: That's why we knew we were going to be needing your sage counsel. What does that mean then in terms of time and how -- the effect on deadlines? That was an issue that was raised in the last committee meeting -- or, excuse me -- the last meeting.

JUDGE WALLACE: I think it will be necessary for the Commission to alter the schedule set forth in the Order in 08-175 to allow Mr. Nehrt to complete the reprocess. I'm not sure how much time that would --

CHAIRMAN FLORES: Okay. Mr. Nehrt.

MR. NEHRT: If the Commission desires for Staff to use the State's RFP process to obtain an auditor, I think Staff laid out a time line for that in the -- in its filing in the case. And I believe, if I can recall correctly, that that time frame to select an auditor to do that process was around six months.
CHAIRMAN FLORES: Very well. Well, then, Judge Wallace, are we going to have -- is that going to then require an amendment, though, to the initial Order that we voted on?

JUDGE WALLACE: That would -- well, we could -- the Commission could extend the deadline -- no, you're right. An amendment would be in order to reflect going to do an RFP and then extending that deadline for that six-month period.

CHAIRMAN FLORES: Very well. Should -- from a timing perspective, we have to do that today; isn't that correct?

JUDGE WALLACE: If you want to keep the process moving, yes. If you want to take some time to work on the amendment, no. We can extend the current deadline until the next meeting, June 23rd, and go from there again. I know it represents delay, but --

CHAIRMAN FLORES: You know what, I'm going to do that because I just want to make sure that whatever amendment that we make, that it's done thoughtfully and that we all have the opportunity to review the language.
So let the record reflect then at this time we're going to continue this matter then -- this particular part of the Order till June 23rd.

JUDGE WALLACE: All right. And --

COMMISSIONER O'CONNELL-DIAZ: Judge Wallace, just a question is do we have a concern that the Company then is going to be in noncompliance with our Order as of today's date? Do we need to affirm from the Bench that we will not hold them in noncompliance due to the Commission addressing this at our next Bench session?

JUDGE WALLACE: All right. The current Order requires certain acts to be done by today's date. I think that continuing that schedule to June 23rd would take the Company out of the noncompliance for that period of time from today until June 23rd.

COMMISSIONER COLGAN: So we do need then an official motion to extend the deadline to the 23rd at which time the Staff would give us a full report about the time frame that we need and a recommendation for what we should do at that point?

JUDGE WALLACE: That's correct, and whatever
amendment to the Order may be necessary to accomplish what you want to do.

COMMISSIONER COLGAN: I would move for that.

CHAIRMAN FLORES: Very well.

Is there a second on Commissioner Colgan's motion to continue this matter for the purposes of rescheduling on June 23rd?

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: Very well.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: Let the record reflect that the vote is 5-0 to continue the time line for this matter until June 23rd, at which time Staff will provide a report letting us know the time frame by which we can expect the Auditor to be selected and then when the report can be generated.

The second item is taken care of then as well.

We have now -- there is an issue
concerning the confidentiality concerns alleged by
the Petitioners. Staff takes the position that
confidential treatment of the aspects on the issues
that have been raised for the audit is -- are
inappropriate. Administrative Law Judge Gilbert
recommends either denying any motion for
clarification or granting clarification to state that
the audit-related documents are public records unless
the Commission specifically deems otherwise.

Is there any discussion or any
questions, Commissioners, on this matter?

COMMISSIONER COLGAN: Well, I think the Order
says that the Company didn't make a case for exactly
why any aspects of the audit should be held
confidential. I think its probably is their --
within their purview to make that request.

So, I mean, if there are things that
are in the audit that they consider to be of a
confidential nature that would be disclosing, you
know, some business practices or confidential
information that should be held by the -- just for
the Commission's use only, I think they can make
So I'm not sure either one of those options -- I think that the second one may be --

CHAIRMAN FLORES: I think at this point, looking at what Administrative Law Judge Gilbert recommends, denying the motion at this time for confidential treatment is the appropriate approach. We still haven't even resolved the issue of who's going to be doing the audit. So if other issues come up later on down the road, I think they can be addressed.

So at this time I'd like to make a motion to deny the Company's motion for confidential treatment of the audit and to also clarify that the audit-related documents are public records unless the Commission specifically deems otherwise. That's the motion.

COMMISSIONER O'CONNELL-DIAZ: Chairman, if I might. I think that both gentlemen are correct. This Commission is fully informed and as a routine matter goes through confidentiality requests on a regular basis. This -- what has been filed before us
is not ripe. There's nothing before us with regard to confidentiality.

If -- just as Commissioner Colgan has noted, if there are items that the Company deems should be protected, we would -- as we do in any case, we would invite them to make that case and we would hear argument on that request when it is specific and when it was before us.

And to request this blanket covering over anything that may come out of this process is inappropriate. We have a mechanism to do it. I invite everybody to come on in. I'm sure Judge Gilbert will enjoy the motion practice relative to these issues, but that's how we do it.

So I'm really kind of surprised that one would make such a blanket request.

COMMISSIONER COLGAN: As a part of a request for rehearing.

COMMISSIONER O'CONNELL-DIAZ: Yeah. It's just inappropriate. So it's not that we're saying that everything is going to be out there. If you come in and make your case and the Judge rules that it should
be protected, then the Commission will be advised
with regard to those issues.

So we have already a procedure in
place in our rules to provide for that, and so it's
just not ripe before us today.

COMMISSIONER FORD: I'll second the Chairman's
motion.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 to deny the
Motion for Confidential Treatment.

The last thing we have, we have a
number of matters for -- regarding rehearing requests
for the same case. On each of these issues
Administrative Law Judge Gilbert makes no
recommendation -- well, there are a number of issues.

The first one, he makes no
recommendation on the certificate of revocation
issue. You know, I don't know if we want to take --
there are eight issues here. I don't know if we want to take all of them together or we want to go -- my preference would be that we look at one each individually. I just referenced one with regards to the revocation of the certification.

Any comments, discussion on that?

COMMISSIONER COLGAN: You're asking for what?

CHAIRMAN FLORES: Well, we're going to have to ultimately be deciding on each one of these issues as to whether or not --

COMMISSIONER COLGAN: Let's take them individually, just walk through them.

CHAIRMAN FLORES: Very well. So the first one is the issue of revoking the certificate.

Are there any votes for granting rehearing on that matter?

(NO response.)

CHAIRMAN FLORES: So is there a motion to deny the motion for rehearing on that issue?

COMMISSIONER O'CONNELL-DIAZ: So moved.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER FORD: Second.
CHAIRMAN FLORES: All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: The issue -- the second issue is granting a rehearing on the issue of managerial insufficiency.

I'd like to make a motion to deny that motion.

Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: All in favor -- since it's been moved and seconded, all in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: Any opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 to deny rehearing on the issue of managerial insufficiency.

Third issue is the reversal of the Commission's conclusions on the Consumer Fraud Act and the Deceptive Trade Practices Act.

Any comments, discussion on this issue?

(No response.)
CHAIRMAN FLORES: I just want the record to reflect that I -- while I certainly understand and appreciate the arguments posited by all the parties and also the legal rationale and conclusions reached by my colleagues on this matter, that I do not agree with the majority.

I'm going to make a motion to grant rehearing on that matter.

Is there a second?

(No response.)

CHAIRMAN FLORES: Anyone?

(No response.)

CHAIRMAN FLORES: I don't hear a second. I just want the record to reflect that it's chilly, but there's no second on that motion.

So the motion is not moved.

COMMISSIONER COLGAN: Mr. Chairman --

CHAIRMAN FLORES: We still have to -- someone has to make a motion, though, because the matter is still pending.

So is someone going to make a motion on whether or not --
COMMISSIONER COLGAN: I move that we not have a 
rehearing on the Deceptive Fraud --

COMMISSIONER O'CONNELL-DIAZ: I second that.

COMMISSIONER COLGAN: -- and consumer Fraud and 
Deceptive Practices Act.

COMMISSIONER O'CONNELL-DIAZ: Second that.

CHAIRMAN FLORES: It's been moved and seconded.

I will not be joining in that second so I'm going to 
ask that we do a roll call vote.

Commissioner Ford?

COMMISSIONER FORD: Aye.

CHAIRMAN FLORES: Commissioner O'Connell-Diaz?

COMMISSIONER O'CONNELL-DIAZ: Aye.

CHAIRMAN FLORES: Commissioner Elliott?

COMMISSIONER ELLIOTT: Aye.

CHAIRMAN FLORES: Commissioner Colgan?

COMMISSIONER COLGAN: Aye.

CHAIRMAN FLORES: And I, Acting Chairman 
Flores, votes no.

COMMISSIONER COLGAN: Mr. Chairman, just let me 
make a brief comment here. I voted -- I did not vote 
with the majority on the Final Order in this case.
And I continue to reserve my right to file a Dissenting Opinion, which I've already drafted. And I didn't think there was enough to revoke the certificate. And I didn't agree that there was a violation that we could find them in violation of Deceptive -- the Consumer Fraud and Deceptive Practices Act; but I did think there was sufficient evidence in the records of violations of the Alternative Gas Supplier Law that we could have modified their certificate.

So that's just my overall position and I know I don't have probably any votes to support that position, but I continue to reserve my right to file my dissent.

CHAIRMAN FLORES: Well, we're not done.

COMMISSIONER FORD: I would like to read it, John.

CHAIRMAN FLORES: We're not done with all of the various points. But, you know -- I'll reserve my comments to the very end.

The next matter is -- there's some language in the Order concerning the various roles
regarding the complainants. I don't know if anyone wants to speak on this issue.

    COMMISSIONER FORD: Well, the Judge said it's not substantive nor procedure. So I guess it's rhetorical.

    CHAIRMAN FLORES: John.

    COMMISSIONER COLGAN: Well, on this case I -- you know, I was in error. I thought that we had actually modified that language and I thought when I voted in favor of it that it had been modified, but should I file my Dissenting Opinion, I will clarify that language in that modification that I'm going to recommend.

    CHAIRMAN FLORES: The next matter is the -- the allowing the Company's request on clarification over reporting customer complaints proposal to clarify. So I don't know if there's -- how the Commissioners feel about this particular issue.

    COMMISSIONER COLGAN: Do you need a motion?

      I would move that we not rehear that issue.

    CHAIRMAN FLORES: I'll second it.
All in favor -- it's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: All opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 to deny the Motion for Rehearing on this issue.

The second matter is -- it's an issue of price depictions on sales material issue. The Judge's recommendation is to deny rehearing on this issue.

I'm going to make a motion to follow the Judge's recommendations and deny rehearing on the price depictions on the sales material issue.

Is there a second?

COMMISSIONER COLGAN: Second.

CHAIRMAN FLORES: It's moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: All opposed?

(No response.)
CHAIRMAN FLORES: The vote is 5-0 to deny the hearing on the price depiction sales material issue. The next matter is reduction of customer complaints matter.

I'm going to make a motion to deny hearing on this matter.

Is there a second?

COMMISSIONER COLGAN: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: All opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 to deny rehearing on the reduction of customer complaints issue.

The last and final -- the final matter is the violation of 19-115C issue.

I make a motion to deny hearing on this matter.

Is there a second?

COMMISSIONER COLGAN: Second.
CHAIRMAN FLORES: It's been moved and seconded.

All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: All opposed?

(No response.)

CHAIRMAN FLORES: The vote is 5-0 to deny

rehearing on the motion of Section 19-115C.

COMMISSIONER COLGAN: Mr. Chairman, I don't

think we voted on the issue of the language.

COMMISSIONER O'CONNELL-DIAZ: No, we didn't.

COMMISSIONER COLGAN: We made a comment and I

think we moved on it and didn't vote.

I would move that we rehear that

issue. I'm sure I don't have the support of the

majority, but I would move that.

CHAIRMAN FLORES: Any further discussion?

COMMISSIONER COLGAN: Well, was there a second?

CHAIRMAN FLORES: Is there a second?

COMMISSIONER FORD: No.

CHAIRMAN FLORES: There's no second.

But there still has to be a motion to
deny.
So is there a motion to deny hearing on the language issue?

COMMISSIONER O'CONNELL-DIAZ: So moved.

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: All in favor, say "aye."

(Chorus of ayes.)

CHAIRMAN FLORES: All opposed?

COMMISSIONER COLGAN: No.

CHAIRMAN FLORES: All right.

COMMISSIONER O'CONNELL-DIAZ: Chairman, if I might, with regard to the customer -- reporting customer complaints, I believe that was an issue of clarification and maybe -- I think the ALJ's not recommending rehearing, but just that we clarify that -- that the Company be permitted to submit each day's complaint in a single batch on the following business day as opposed to potentially if there are many complaints, which, you know, that -- hopefully that doesn't happen -- but this -- I think the ALJ gave us a good recommendation, but we don't need to rehear the issue. We just need to clarify.

So I think it's more of a language
clarification.

CHAIRMAN FLORES: I know this was an issue that -- that we worked on closely. So are you -- do you have any thoughts in terms of the recommendation made by the Judge?

COMMISSIONER O'CONNELL-DIAZ: Well, I think we just need to clarify that. And I agree with what Judge Gilbert has given us, that we clarify the meaning of that, for purposes of the filing of those -- hopefully none of the customer complaints that your Company will be having in our state -- but --

CHAIRMAN FLORES: But you're okay --

COMMISSIONER O'CONNELL-DIAZ: Yeah. So it's not a rehearing issue, it's a clarification issue. So --

And how would we do that? Would we do that with a ruling from the Bench or would we just issue --

JUDGE WALLACE: We could -- if the Commission decides to amend the Order next session, we could stick it on that Amendatory Order.
CHAIRMAN FLORES: That's what we'll do.

We'll -- in there was a section that Commissioner O'Connell-Diaz was working on. That's why I asked her if she may have had some other ideas to incorporate.

So we'll clarify this through the Order on the 23rd, but we denied the motion for the rehearing on the issue.

And not to belabor the issue; but, again, my big concern with our ruling on the CFA and DTPA matter was even if hypothetically we were to find that there was no finding of violation of those two acts, this Commission went further than that and basically concluded that we didn't have the authority to invoke the CFA and DTPA and that -- I just don't agree with that reading of the statute and of the law.

And that's one of the reasons why, again, I remain steadfast in my dissent of that point and also, in my view, makes some of our other reasoning somewhat tenuous when we are asking for others to engage the -- this Commission in the
investigation of complaints that are made before us. And so that's one of the reasons why -- again, why I did not join the majority on that matter. That being said, any further discussion on these matters?

(No response.)

CHAIRMAN FLORES: Very well.

JUDGE WALLACE: Mr. Chairman?

CHAIRMAN FLORES: Yes, sir.

JUDGE WALLACE: It's Judge Wallace in Springfield. Just as a matter of procedure, Docket 08-175 is now closed. The petitions for rehearing have been denied.

I would suggest that if the parties wish to file any further pleadings, that -- especially in regard to confidentiality -- that they consider filing a brand-new docket for someone to consider those in. That might work better than trying to have Judge Gilbert -- you know, since the docket's closed we really can't operate on it.

So that's a suggestion. You don't have to act on anything. It's up to the parties to
bring that new docket, but I think it might move
moderately smoother.

CHAIRMAN FLORES: Very well. All the
parties --

JUDGE WALLACE: It would be in the nature of a
new petition for confidential treatment of the audit
materials. And then we can hash -- you know, whoever
gets assigned to it can hash that out with the
parties down the road.

CHAIRMAN FLORES: Thank you, Judge.

Yes, Judge?

JUDGE GILBERT: For what it's worth -- and I
think you did vote on it, you know, but there is a
separate freestanding petition for confidentiality
that was filed in this docket.

JUDGE WALLACE: I think that they voted on
that.

JUDGE GILBERT: Yeah. Yeah. They did.

The point I wanted to make is because
the case wasn't reopened. It really wasn't teed up
correctly. It was, in fact, another blanket request
for confidentiality. So I think on the substance you
would have reached the same result even if it had been appropriately teed up procedurally. But you really didn't have it before you in that sense. So you're free to deny it just because of procedural defects. And I agree with Judge Wallace, it would be -- were I assigned to receive additional matters in this case, it would be -- my role would be much clearer if I knew I had the authority even to review the filings. And until the case is reopened, that's a little unclear to me.

COMMISSIONER O'CONNELL-DIAZ: Not only that, how would we send notice or anything if we don't have a docket to do all that?

JUDGE GILBERT: Yes. Exactly.

COMMISSIONER COLGAN: Mr. Chairman?

CHAIRMAN FLORES: Yes, sir.

COMMISSIONER COLGAN: Just to kind of close out on this issue. This has been a tough case, I think, for everybody. There's been just a lot of deliberation and we're still not totally done with it.

But I just want to, for the record,
make it clear that any objections I've had to the
majority's vote on this has not been in any way to be
viewed as a -- as being opposed to the development of
a good competitive alternative gas market in the
state.

This is a specific case. I believe
that we have the responsibility, clearly given to us
by the General Assembly, to be the gatekeeper on
that. And I think my voting in the minority is only
in the case of this specific case and what the record
reflected in my opinion on that on this specific
case.

So I am in -- very much in favor of
the creation of a strong competitive alternative gas
market in Illinois. And I think we need to have good
players in that market developing that market.

CHAIRMAN FLORES: Is there any further
discussion or comments?

(No response.)

CHAIRMAN FLORES: Thank you so much. Thank
you, everybody. Thank you to all the judges. Thank
you, Springfield.
We're going to be taking a recess and then we're going to follow that up with our administrative year concerning fiscal year 2011 budget. So we will be reconvening shortly. 10 minutes -- make that 15 minutes.

(Whereupon, a recess was taken.)
(Whereupon, the administrative meeting was convened.)

CHAIRMAN FLORES: Let the record reflect that we are back in session now from recess.

MR. ANDERSON: All right. We thought we needed to, as soon as possible, after the General Assembly maybe wrapped up, maybe didn't -- but I think they're wrapped up in terms of things that could affect us. Even though I don't want to -- obviously, could change -- but the budget and then also a couple of other bills that passed to implement the budget.

One, we have, you know, fairly positive news and that's the actual budget itself. The other one, the -- it's referred to as the Emergency Budget Act has a lot of tough stuff in it. And this is what Karl was able to pull out of it that
he thinks may affect us and we wanted to make sure that we were aware of that.

Also the Emergency Budget Act could make the general good news of our budget change. The number one thing -- and let's just start with that one, which is the bills that directly affect ICC FY11 Document Senate Bill 3660. The Governor is allowed to send contingency reserves from any special funds for the fiscal year. We have no idea if or what he will do there. The power in this bill is pretty broad and pretty general.

MR. POUND: Right.

MR. ANDERSON: The Governor can borrow from special funds, which means instead of doing specific sweeps that we knew about when they passed the bill when the numbers were listed, it's just -- he can take them. The positive difference is they have to be repaid when he takes them so hopefully there's a limit on what he'll do and our two main funds are not in shape to sweep. We can get to that in a little bit. But we would strongly -- and I think we've already strongly made the case to the Budget Office
that PUF especially have no room for a sweep.

You guys are included in a provision that includes all the other state officers, including the legislature to do -- I think the way they put it, this is a furlough day mandate.

COMMISSIONER FORD: Will they take it out of your check?

MR. ANDERSON: I'm not sure how they'll do that. I would assume they would have to do that. Because it seems to me that that's the way they've written it because it's one day of compensation each month calculated at -- and I don't know why they used 1/261, but I think that's taking weekends or holidays out or something.

MR. POUND: Probably.

COMMISSIONER COLGAN: I think it includes those days -- well, I've told you before, when I first -- the day I showed up on the job there was a letter on my desk from Governor Quinn --

COMMISSIONER O'CONNELL-DIAZ: Send a check.

COMMISSIONER COLGAN: -- saying give me one day a month? It was from -- signed by Jerry Stermer and
I've been doing that, but --

COMMISSIONER FORD: You have?

COMMISSIONER COLGAN: Yeah.

COMMISSIONER FORD: Bless your heart.

COMMISSIONER COLGAN: -- but here's -- the letter says that the calculation that they laid out was you take the number of days that you work in the month and that includes holidays because you're paid for holidays.

MR. ANDERSON: Right.

COMMISSIONER COLGAN: And it's like a -- we don't really have a workweek.

COMMISSIONER O'CONNELL-DIAZ: Vacation.

COMMISSIONER COLGAN: But they told us -- the instructions were like a five-day workweek. And so how many days you got paid for on that five-day workweek basis, you divide that into your total pay -- not your gross pay -- but your net pay and that's the number you owe to the man.

MR. ANDERSON: Well, the reason I say I assume --

COMMISSIONER FORD: I never paid a dollar.
COMMISSIONER O'CONNELL-DIAZ: I didn't either because you -- accounting-wise they asked us to write a check to the State of Illinois.

COMMISSIONER COLGAN: Yeah.

COMMISSIONER O'CONNELL-DIAZ: So you would not get dollar for dollar. It's a deduction of your wages really. And when you go and do your taxes you don't get dollar for dollar --

COMMISSIONER COLGAN: When I did my taxes I asked my accountant if I could --

COMMISSIONER O'CONNELL-DIAZ: No. So...

COMMISSIONER COLGAN: -- take that as a deduction and he said, Sorry, he didn't think --

COMMISSIONER FORD: I had to do it at CMS, but I only wrote a check for two days.

COMMISSIONER O'CONNELL-DIAZ: And it was voluntary.

MR. ANDERSON: And I assume that that's the reason it said it has not considered a change in salary and should not affect pension or other benefits was, you know, written in --

COMMISSIONER FORD: I see that.
MR. ANDERSON: -- because I think they had to do other legislation for that last -- last year and also this year to protect that.

And the reason I say that you're probably right and they'll probably deduct it is --

COMMISSIONER FORD: I hope they do because I'll forget.

MR. ANDERSON: -- we don't -- we don't touch you guys. I mean, we don't see anything. We don't have anything to do with it at all. It happens however it happens. So we wouldn't know what to do. So I would assume -- I don't know.

COMMISSIONER O'CONNELL-DIAZ: Who can you tell us that --

COMMISSIONER COLGAN: Dan Hines.

MR. ANDERSON: The Comptroller's Office.

COMMISSIONER O'CONNELL-DIAZ: -- like, will it be --

MR. POUND: They're the ones that cut the check.

COMMISSIONER COLGAN: Christine Buell or Bell.

MR. ANDERSON: She's been there forever.
COMMISSIONER O'CONNELL-DIAZ: Because writing a check tax-wise you get screwed.

COMMISSIONER COLGAN: It's a painful experience.

COMMISSIONER O'CONNELL-DIAZ: Well, right. It's like you're making a donation to the State at that point and you never get the whole value of whatever that donation is. So that was why --

COMMISSIONER FORD: Tim, can you find out for us?

MR. ANDERSON: Can you call Christine?

MR. POUND: Yeah.

MR. ANDERSON: Find out how the mechanics of how that will work.

The rest of these things are management kind of things. They're extending the lapse period, which normally ends in August. They're extending it to December, which gives you longer to hold your bills. It's basically a way of moving money from one fiscal year to another. The Governor's going to provide budget statements. There's got to be an Appropriations Committee
reviewing -- a lot of this is -- I don't want to say cosmetic, but it's review kind of stuff.

The Governor's going to set performance goals. Each agency has to develop strategies for meeting these goals. We'll see how that -- we'll see what that means. And we have to review and modify -- review each contract and modify a rebid as necessary in the best interest of the State between Ken and Mary and -- I don't know who else you guys involve in that, but we'll do that. That should not be a huge thing for us because we've been reviewing these things already. So we should be up to speed with any possibilities there.

And then also I guess somewhat connected to the -- this must have been a Compensation Review Board year.

MR. POUND: Yeah, I think so.

MR. ANDERSON: They've basically prohibited the Compensation Review Board from doing anything which -- you know, normally there would be COLAs and recommended increases and that was -- it looks like suspended. So...
COMMISSIONER FORD: So we're on another freeze.

COMMISSIONER O'CONNELL-DIAZ: We haven't had a raise in three years.

COMMISSIONER FORD: I didn't get one last year.

MR. ANDERSON: Two years ago there was kind of a cumulative one because there had been before that a long period, but --

COMMISSIONER O'CONNELL-DIAZ: I see the unions get raises, though.

MR. ANDERSON: Yes, the Union, I think has negotiated a reduction in those. Was there a change in that when they made their deal with --

MR. POUND: Yeah, their COLAs were basically spread out further. They planned for a -- one of them is 2 percent on July 1 and 2 percent on January 1. And it's been changed to 1 percent July 1 and 1 percent January 1 and then 2 percent June 1.

So they pushed their COLAs back to the end of the year -- or spread them out. So --

MR. ANDERSON: But no layoffs. The underside of that was no layoffs through until 2011.

MR. POUND: Right.
MR. ANDERSON: Calendar 2011.

So that's Senate Bill 3660. That is -- the things we kind of went over more at length are the things that we know. Most of the things that I mentioned, we won't know until the Governor or the Budget Office determines them.

And it could have -- generally our budget is the way we introduced it, it's what we got. So I would normally say it's a good budget for us. If you remember, we were down quite a bit from last year. We got some of that stuff back. If you look at why it's an overall decrease, it's mainly because of that one line, Wireless Services Emergency Fund. And that was we had to overdo -- because they under-appropriated two years ago, so we made it up this year. So we were able to cut that back to normal this year, which gave our budget a better look. But most of our meaningful lines went up, which can mainly be seen from the AFSME raises.

I got to figure out what my -- so anyway, while we are in good shape with appropriations, we are not in good shape with the
Public Utility Fund Balance. If we were to spend all of our PUF appropriation, it would be gone end of May.

MR. POUND: Yeah.

MR. ANDERSON: So we're going to have to figure out some ways to cut back in areas to the extent of about 1--

MR. POUND: It's 1.8 with -- depending on whether -- how you count the million dollars --

MR. ANDERSON: We were able -- one of the things we were able to do -- and this was kind of brought to us in a way that worked to our advantage. The Digital Divide Infrastructure Fund, you guys issued an Order in 2006, and we spent all of the money that was due at the beginning of this year, last July. There really was no other -- the law changed and there was really no other money that was going to come out of that fund. So there was about 3 1/2 million left in that.

The Governor's Office came and asked if we would be okay with transferring a million dollars to one of the DCEO funds for one of their
broadband programs. And we said, Well, thanks for
asking--because they didn't really officially need
to--could we get a million in PUF to kind of shore
that up? And they were fine with that and that
happened in the BIMP Bill and in the budget. So that
helps a little bit. We've only got to find enough
money now to--instead of finding 1.8, we only have
to find 8--.8--800,000.

COMMISSIONER O'CONNELL-DIAZ: Just so I have
the numbers, we're short like 800,000? Is that--

MR. ANDERSON: If everything stays even. I
mean, you never know. I mean, we're never sure if--
you know, we have retirements. We have people leave.
We have--you know, we manage through things
throughout the year. But one of the things that
happened last year was all of a sudden companies'
taxes that we normally got and estimated to a certain
level were down. And I think it was Peoples that was
way down.

MR. POUND: Right. I think it was about a
$580,000 refund credit.

MR. ANDERSON: So all of a sudden that's a
pretty large hit. And then we didn't get the -- what are those things called that we use?

MR. POUND: Security authorizations.

MR. ANDERSON: -- security authorizations that sometimes have been very large this year.

COMMISSIONER O'CONNELL-DIAZ: Yeah, we love that.

MR. POUND: And they've been really low this year.

MR. ANDERSON: So the revenues have been affected. The sweeps over the years have hurt. I mean, there's been a lot of things. So we can manage this, but we're going to have to do some things to do it. And when I know what those things are -- Karl's given me a list of things, and I just got to pick some out -- when I know what those are, we'll let you -- you know, we'll inform you guys what we're looking at.

Furlough days are probably going to be a part of it. Right now we've been doing a voluntary program, which has gotten, you know, decent response. But, obviously, it's not going to get the response a
mandatory program gets. The Union has a voluntary program. We kind of match that. I think we'll have to adjust that. That will probably end up being most of it. But when I know -- and which would obviously affect, you know, people under you guys.

So when I know for sure what our mixture of things to cut is -- and the other question is, the Governor's stuff and whether that makes it -- if he decides to say, Okay, I'm going to use my emergency powers to reduce these lines, well, maybe that takes care of us. I mean, we won't know until that -- so those are the things we're looking at.

COMMISSIONER O'CONNELL-DIAZ: And he has how much time to do that? 60 days?

MR. POUND: I think he has until January 1st to make -- to set his reserves.

MR. ANDERSON: It's not helpful to the agencies the way this is structured because it's hard to plan.

So, anyway, that is the highlights of the budget, and you guys can take a look at the details here at your convenience and if you have any questions about what anything means, you know, Karl
can point you to them. The budget documents really aren't any different from where we started. So --

COMMISSIONER FORD: So the furlough days for the Staff are not mandatory, but for us, they are?

MR. ANDERSON: Yeah.

COMMISSIONER FORD: That's why I hadn't sent any money. Now that I know they are mandatory, he'll tell me what to do.

MR. ANDERSON: Well, during the last year we didn't read them as mandatory for anybody and --

COMMISSIONER O'CONNELL-DIAZ: That was a contribution.

COMMISSIONER COLGAN: Well, it said "voluntary" in that letter.

MR. ANDERSON: To be honest with you, we implemented a voluntary program because we wanted to -- I mean, we wanted to --

COMMISSIONER COLGAN: But our contributions don't come out of this budget; right?

MR. ANDERSON: No, you guys are GRF. You're the only GRF at the Commission.

MR. POUND: Your Staff's out of our budget but
your salaries aren't.

CHAIRMAN FLORES: So SB-3662 --

MR. ANDERSON: That was a BIMP Bill, Budget Implementation Act.

CHAIRMAN FLORES: Okay. Tell as about that.

Has that been -- is that a proposal or is that --

MR. ANDERSON: No, this is passed. Everything on here has passed.

CHAIRMAN FLORES: So --

MR. ANDERSON: The transfer from Grade Crossing Protection is kind of a normal kind of transfer.

It's not something weird. And Grade Crossing Protection after the passage of the Capital bill last year is in good shape. We would still resist any -- strongly any sweeps to it because it's -- we don't want it to go back where it got a year ago, which was dire.

The 2 million from the Digital Divide Infrastructure Fund, what I mentioned earlier, is where we got a million into PUF for that. And interest to vendors for late payments is accrued -- I don't understand that one.
MR. POUND: That's fairly minimal. Basically if we used to pay a voucher late, which RHC doesn't have too much of a problem with, we have to pay interest on that. And they changed the law so if the interest you owe is less than $50, you pay it once a year instead of when you issue the voucher.

MR. ANDERSON: That will come into play I would think really in Medicaid and those big numbers where they owe them a lot of money. So...

CHAIRMAN FLORES: Let's go back to the transfer, the $2 million, what -- and I just, you know, when going through the telecommunications rewrite I -- you know, I thought our team did a really good job on the consumer protection issue, but I also thought that they held their own on the broadband policy. And my fear is that -- and I'm not trying to -- and I know DCEO has work to do, but I have a concern giving a million dollars from our fund to another agency.

I have not -- and I have not been around that long, so I'd like some input and feedback from some of the other Commissioners here. And,
again, not to put anyone in a negative light, but I don't see a lot of interfacing between DCEO and our Commission. And it just may be that perhaps we may not be seeing that interfacing because we're not Staff.

But if we're going to be committing that much money, I think it would be worthwhile for us to be sitting with DCEO and figure out how we are collaborating in a strategic fashion, in a way where they know what our priorities are, what our mission is here and how we are delivering and how we're utilizing these dollars to make an impact with broadband deployment.

But, that being said --

COMMISSIONER FORD: The only thing I can say is for the last two years they never asked before.

MR. ANDERSON: Two years ago they took 4 1/2 million from this fund --

COMMISSIONER FORD: And they didn't give us a dollar.

MR. ANDERSON: -- without telling us about it.

CHAIRMAN FLORES: I have a problem with that.
COMMISSIONER FORD: I'm glad.

CHAIRMAN FLORES: I mean, look -- I have a problem with that.

COMMISSIONER O'CONNELL-DIAZ: Everyone has a problem with it --

COMMISSIONER FORD: Yes.

CHAIRMAN FLORES: Commissioner O'Connell-Diaz, do you have a problem with it?

COMMISSIONER O'CONNELL-DIAZ: -- there was nobody listen -- -- and we voiced our concern then, but there was nobody listening.

CHAIRMAN FLORES: Commissioner O'Connell-Diaz is not happy.

COMMISSIONER FORD: I'm not happy.

CHAIRMAN FLORES: Commissioner Ford, are you happy?

COMMISSIONER FORD: No.

CHAIRMAN FLORES: Commissioner Colgan, are you happy with that?

COMMISSIONER COLGAN: Well --

CHAIRMAN FLORES: I mean, I don't mean to put you on the spot; but the point I'm trying to make
here is --

COMMISSIONER COLGAN: -- the overall --

MR. ANDERSON: We don't really have a statutory way to use that money now anyway.

CHAIRMAN FLORES: That may be the case, Tim.

That may be the case. That does not mean that we shouldn't, though, develop some internal policy about how it is that we could utilize that money. That's a lot of money. And just to say that we don't have the statutory -- look, if there is no statute or law that speaks on it, that means that there is no language on it, which --

MR. ANDERSON: No, that's not what I meant.

CHAIRMAN FLORES: Okay.

MR. ANDERSON: The Digital Divide Act that created that fund in 2001 came from the last rewrite of the Telecommunications Act. That's all AT&T money -- Ameritech, SBC, whatever it was at the time money. They were required to put in --

MR. POUND: 15 million to our fund.

MR. ANDERSON: $15 million.

MR. POUND: 15 million to DCEO's fund.
MR. ANDERSON: 15 million to that fund. And we then attempted at the time to get a program to distribute this -- I mean, this is grant money. This isn't -- I can't pay people with this.

CHAIRMAN FLORES: I know. I know.

MR. ANDERSON: And I can't do anything with it other than give grants to other people. We're not very good at that. And there's not a lot of things that I say we're not very good at because I think we're pretty good at most things. Giving grants out to people is not our strength.

What we ended up doing was created a docket and going through a case in which people came in and made the case for getting their money and then you guys had to vote on an Order to disburse this money and then Staff oversaw the disbursal. And it was -- I don't know -- not smooth, not the way you would normally do grants.

The General Assembly wasn't pleased even though I would say about half of it, if not more, was their fault. They changed the law several times. We had to start back up with rules and stuff
in the middle. I mean, there was -- this was not something that was all -- it would have -- it's better to do this more efficiently than we chose to do it.

I don't know what we would use this money for if we were given back the authority. I mean, there's a statute that said, do this.

CHAIRMAN FLORES: Right.

MR. ANDERSON: We did that and --

CHAIRMAN FLORES: Well, how much money --

MR. ANDERSON: -- subsequently the statute was to say DCEO, do this.

CHAIRMAN FLORES: How much money do we have left?

MR. ANDERSON: Well, we now have a million in PUF where we can actually spend it and use it and it -- without the million going to DCEO, we wouldn't have gotten the million in PUF.

COMMISSIONER O'CONNELL-DIAZ: Because that was the trade-off.

CHAIRMAN FLORES: That's fine. But how much money for -- let's go back to my original -- how much
money do we have left?

MR. ANDERSON: There's 300,000 left. So that 300,000 statutorily goes to Jesse White's Braille Library at the State Library by an automatic transfer. We figured this would get 10 more years because it's about $75,000 a year that automatically goes to that fund. So that's what we have left in there.

CHAIRMAN FLORES: So that money's earmarked?

MR. ANDERSON: Yeah, I mean, you can take it -- you can take all of it, but somebody's going to have to figure out a way to pay the Braille Library every year. We didn't want to -- we didn't want to deal with that one.

CHAIRMAN FLORES: And that may be fine -- so that's all the money we have left. Basically all the money is accounted for, in other words; right?

MR. POUND: Right.

MR. ANDERSON: Yes.

CHAIRMAN FLORES: In terms of it's going somewhere.

MR. ANDERSON: And all the rest of it either
went to our Order or they took it out of --

MR. POUND: Got swept a couple times.

MR. ANDERSON: -- or the legislature took it out last year.

COMMISSIONER FORD: Took all of our money.

COMMISSIONER O'CONNELL-DIAZ: They swept it.

COMMISSIONER FORD: The Senate approved it.

MR. ANDERSON: So -- and that's what happens.

The speaker and the Senate president, whoever they happen to be, come to a budget agreement and you can oppose it all you want --

COMMISSIONER O'CONNELL-DIAZ: They're looking in every cookie jar.

MR. ANDERSON: -- but it's done.

COMMISSIONER O'CONNELL-DIAZ: If you got money, they're going to come and get it. That's just the way it is.

MR. ANDERSON: I mean, you don't go to a committee on this kind of stuff. I mean, you can put in a slip for -- you know, speak to them; but by the time they put this stuff in a committee, it's done.

COMMISSIONER FORD: The deals.
MR. ANDERSON: They either got the votes or they don't and --

CHAIRMAN FLORES: I would -- for what it's worth, I would like to propose that there would be more collaboration between DCEO and our Commission. And I think it's important from a policy perspective --

MR. ANDERSON: Let me know how you guys want that to be because we collaborate quite a bit with them. They depend on us for a lot of technical stuff. And, in fact --

COMMISSIONER O'CONNELL-DIAZ: Like the ARRA money.

MR. ANDERSON: A lot of that. And, in fact, we reviewed most of their stuff. They've got all of the ARRA money. It's like $50 million. This million is going in with that 50. So they've got a big thing. They come to us all the time. Pete Wagner who worked for us in Telecom and just left is going there. It's what he's going to do because he was doing most of it I think anyway.

CHAIRMAN FLORES: So now they're taking our
COMMISSIONER O'CONNELL-DIAZ: Jonathan Feipel.

CHAIRMAN FLORES: First they took our money --

COMMISSIONER FORD: And now they're taking our people.

CHAIRMAN FLORES: -- and now they're taking our people.

COMMISSIONER FORD: Yeah, it's sad.

MR. ANDERSON: But if you guys want to have --
I mean, we talk to them. I don't, but, I mean, our Telecom people talk to them a lot.

CHAIRMAN FLORES: And maybe we need to have this conversation at another point. I don't want to belabor the issue. I want to respect everyone's time.

It would be nice, though, to see more of DCEO in the meetings that we have. You may be -- and it's great that we're having this interface with the Staff, but I would like for DCEO to have more of a presence when we hold policy committee meetings and when we hold other notice-type hearings.

MR. ANDERSON: Well, if they're not a party in
the case, the only thing you can do is invite them. I mean, but you can invite them --

CHAIRMAN FLORES: We will.

MR. ANDERSON: -- and some of them will show up.

CHAIRMAN FLORES: I would just ask for your -- okay. I would just ask for your help in terms of -- again, to facilitate more collaboration and coordination.

And I'm going to tell you why. This is an example. They are working on Smart Grid stuff. They are working on Smart Grid initiatives. And if we're not talking to one another, we may end up with divergent policies. We may end up with proposals that just don't make sense or are not congruous. They're also working on energy efficiency. They're also working on electric plug-in vehicle initiatives. They're working with everything that we are dealing with. And if we don't have more coordination and if we're not in sync, it could be problematic.

COMMISSIONER O'CONNELL-DIAZ: Well, let me just tell you that we have tried to be more in sync with
them. And I can recall us, like, knocking on the
doors with various people that we knew there as the
Commission and the door wasn't open real far for us.
That was --

MR. ANDERSON: That's gotten a little better.
I mean, it's gotten a little better since then.

COMMISSIONER O'CONNELL-DIAZ: Maybe -- yeah,
but there was kind of just -- and I don't know if
that's changed, but they do have a lot of the --

COMMISSIONER COLGAN: Warren Ribley.

MR. ANDERSON: No, it's the Governor's -- it's
Warren Ribley who's --

COMMISSIONER COLGAN: I know him well.

COMMISSIONER O'CONNELL-DIAZ: It was
personality issues. They didn't want to share. And
I agree. I mean, that's what we thought, but it
was -- we got a different drift.

MR. ANDERSON: I met with the director, Feipel
and some other people working with some of the
universities on the Smart Grid and basically told
them what you just said. We invited them into the
Smart Grid collaborative early on --
COMMISSIONER O'CONNELL-DIAZ: Right.

MR. ANDERSON: -- and said, Please come. Have somebody monitor this. Know what we are doing and then tell us what you're doing. We're not after credit or any -- we're not going to make -- you know, there's no interest in making anybody look bad, but this has to be streamlined or it's going to get confusing and it's not going to work.

They kind of put it that, Well, we don't want to get into your stuff. Well, we're asking you to get into our stuff --

COMMISSIONER FORD: Right.

MR. ANDERSON: -- it's the way our stuff works.

COMMISSIONER COLGAN: The issue is their stuff and our stuff --

CHAIRMAN FLORES: I mean, first of all, it's the People's stuff. It's the People's stuff. Like you just said, it's the State's stuff. You know --

MR. ANDERSON: So this recent meeting with their director, Warren Ribley -- who's really good -- was, We think we made a mistake. We think we should be more involved. We're going to start doing that.
They sent us some of the people they were talking to.

COMMISSIONER O'CONNELL-DIAZ: Dismissive, I guess that would be the word.

MR. ANDERSON: And I think they've turned on that. They realize that it's a big thing they want to do and that we can be a benefit, not a --

CHAIRMAN FLORES: But, Tim, with all due respect, it's great that you met with him. He hasn't met with any of us. You know, he hasn't met with any of us. And I'm not going to go into --

MR. ANDERSON: But you've got to be a little careful on that because you guys are going to be making a lot of decisions.

CHAIRMAN FLORES: That may be the case, but there are different settings in which he can meet with us, Tim. And maybe what we have to do --

MR. ANDERSON: It's not the setting. It's what you're going to talk about. I mean, it depends on --

CHAIRMAN FLORES: There's no reason why he couldn't offer himself -- all right -- an explanation to the Commission about what is going on with Korea and Smart Grid.
MR. ANDERSON: I'm sure he would do that.

CHAIRMAN FLORES: And I think it would be helpful because I think he would also be able then to interface directly with the Commission -- the Commissioners and to hear questions from the Commissioners, not necessarily a point of view that may be misperceived as bias or in some way, you know, knock us out of the box, so to speak, in terms of being able to decide in the future in the event that there's something that comes before us in a docketed matter.

But they have to understand -- and I think in a healthy kind of a way. Not in a way where we're trying to exert our influence over him and his authority as the, you know, the top economic development policymaker for the Governor's Office and for the State, but to make sure that we are jelling. I mean, I think there's a lot of -- I don't have to say this to you -- there's a lot of excitement in the Commission here.

And it just seems to me that it would be an exercise well worth the time. So to send also
a positive message to the rest of the players, the rest of the industry so that they see that both agencies are working collectively.

How often do we hear about when companies go to DCEO but then they may come over here and they're hearing something else? That happens. And I think it would -- if nothing else, it would set a very good signal to other folks who are looking at Smart Grid not only from a policy perspective but from a market perspective. People want to invest more money in this area. People want to expand. And I think it would send a positive message to have the economic development group, you know -- DCEO for the State and then the Commission interfacing. I'd like --

COMMISSIONER FORD: John says he knows him so I think that's an avenue -- that's an entree.

COMMISSIONER COLGAN: If we can get a meeting with Warren -- like you say, I think we'd have to be, you know, careful about the topics; but --

COMMISSIONER O'CONNELL-DIAZ: Cautious.

MR. ANDERSON: They don't know.
COMMISSIONER COLGAN: Because they don't know -- they are the economic development agency. And, you know, like a lot of the -- some of the things we've talked about -- like the electric car is a good example. I know you've having a big interest in that. That is our turf in the sense that the tariffs that need to be dealt with and those kind of go like this with the whole economic development issue.

So there is -- you know, it's the -- and I think we just see this in general in all kinds of ways how in the modern culture many, many of these siloed issues -- and it's like, No, I'm focused on what's right in front of me rather than kind of looking around to see how you can bring about better outcomes --

MR. ANDERSON: The other thing is we're set up to talk to a lot of people. I mean, that's the way all of our processes run. Everybody has an open forum to come in here and make their case to the Commission and deal with the Commission. I mean, not other -- other places aren't necessarily like that.
And it's foreign to them and they don't understand it. And they get nervous about what they can talk to us about because they don't understand ex parte and they think, Well, I just can't talk to them.

So, I mean, you're dealing with that, too. It's a -- there aren't too many people in the State government who understand the Commerce Commission's ways, and they don't take the time to understand them. So that all was a -- inclined to go up. It's not out of malice, I don't think, most of the time. It's just misunderstanding.

COMMISSIONER O'CONNELL-DIAZ: You know, I think there was a turf situation here because I can recall being at a conference over at the McCormick Place and they introduced everybody. DCEO got introduced. The Chairman of the Commission was not introduced and it was our docket that provided for any of that stuff happening. And it just was -- I was just like shocked. I thought it was just so rude and so -- and hopefully that has changed and there's a different kind of group in there. But I just had the sense that there was this -- you know, We're DCEO and we're
in charge of this and you guys have some kind of
tangential position. And it was -- I can't think of
a better word than "dismissive." And I -- it
shouldn't be like that. It should be that we should
all be working together.

And we had tried to reach out to them
in many of our different forums that we had. And, in
fact, you know, we had some people from our
Commission that had gone there. So we thought, Hey,
there, this is great, you know, someone -- and, boy,
it was a different tenure. And maybe that's changed
now. Maybe there's a different director, but...

MR. ANDERSON: I think to some extent some of
it is small pea political, too.

COMMISSIONER O'CONNELL-DIAZ: Yeah.

MR. ANDERSON: I mean, we're just not going to
be part of that equation --

COMMISSIONER O'CONNELL-DIAZ: No.

MR. ANDERSON: -- I mean, I got to get a
project going for --

CHAIRMAN FLORES: I hear you.

MR. ANDERSON: -- certain reasons. Well, we're
not going to -- we're not an enabler on that. I mean, that's not what we do.

COMMISSIONER FORD: We're toxic, huh?

CHAIRMAN FLORES: I don't like being toxic.

No, I hear you. We hear you.

MR. ANDERSON: No, I don't think we're toxic. I think there was a period where we were -- or at least we were viewed that way. But I think that's over.

CHAIRMAN FLORES: We're not toxic.

MR. ANDERSON: I mean, I don't think -- for example, I don't think that Telecom bill gets done this year without the amount of time and effort that our guys put into that.

COMMISSIONER O'CONNELL-DIAZ: But, you know what, our people just don't ever get the credit for really being the up-front work that they do. They just don't --

MR. ANDERSON: Even though on the House floor on that bill this year we did.

CHAIRMAN FLORES: Okay.

COMMISSIONER O'CONNELL-DIAZ: That's good.
MR. ANDERSON: And it was over and over and
over again for --

CHAIRMAN FLORES: The Telecom?

MR. ANDERSON: Yeah. From what I was told
about 30 minutes from Chairman -- Kevin McCarthy.

CHAIRMAN FLORES: That may be in the House. I
don't know about the Senate.

COMMISSIONER O'CONNELL-DIAZ: Usually
somebody's got their steel-toed boots on for us.

CHAIRMAN FLORES: But that's a whole nother
issue.

I think -- I would just, again -- I
don't mean to belabor this issue; but I think it
would -- we have to figure out a way, though, to set
up a meeting and --

MR. ANDERSON: I have no -- I mean, I have no
problem if you guys want to meet with them. I mean,
that's completely fine.

CHAIRMAN FLORES: No. No.

MR. ANDERSON: As long as it's okay with Mary.

COMMISSIONER O'CONNELL-DIAZ: I just don't know
whether they want to really have a lot to do with us.
MS. STEPHENSON-SCHROEDER: Tim brings up some very valid points. A lot of the times we don't know what they're going to be involved in, so we do always need to be cognizant of that. And beware -- and the onus falls on us. It really does. We have to, you know...

CHAIRMAN FLORES: Do you want me to send a subpoena -- send them a subpoena, Mary?

MS. STEPHENSON-SCHROEDER: I'm just saying it always falls on us to be careful of the areas.

COMMISSIONER O'CONNELL-DIAZ: Yeah, because, I mean, your name -- your name will be on a subpoena and it will be from the office across the -- no, I'm not kidding you. Is that true?

When -- in the past -- and I hate to keep -- but it's astounding to me where we should all be working together, we have different factions of State government and they're -- you know, gotcha -- and to the point that subpoenas were issued with Commissioners' names on them for having conversations with utility executives about different programs that they had. They were seen at a conference talking.
So subpoenas were issued.

Now, that's the kind of crud that you got to deal with. And so Mary is right, we need to be really cognizant that -- you know, it's all not Raggedy Ann and Andy. You know, it's kind of -- can be ugly.

MR. ANDERSON: We've never been criticized for not talking to groups enough. You guys aren't -- you guys aren't talking to enough people, you know, involved in your industry area. It's always, Why were you talking to them? Why were you talking to them? Why were you talking to them? That's what it's always been as long as I've been here.

COMMISSIONER O'CONNELL-DIAZ: In Philadelphia -- you heard at the conference in Washington that you and I were at -- you heard the Chairman of the Commission there telling us about that he had made a commercial to educate consumers about this new thing called Choice, and he was with the president of the utility on TV. And it took them all day to film this and he was joking around about it. But, you know, you go to other places and that's
okay. Why? Because they're educating the consumers.
If we ever did something like that, well, I think we'd be down next to the ex-governor on trial in the Dirksen Building.

MR. ANDERSON: Well, an example of that would be, I mean, if you, as the chairman, and -- and there was -- standing on a --

COMMISSIONER O'CONNELL-DIAZ: Street corner.

MR. ANDERSON: -- staging a commercial with Frank Clark, I think the response would be interesting. I think it would be an interesting response.

COMMISSIONER O'CONNELL-DIAZ: It would not be a good response.

CHAIRMAN FLORES: I hear you.

COMMISSIONER O'CONNELL-DIAZ: But in other states you can do this. And so we're really -- we're like this. This is how we find ourselves a lot of times.

But with regard to DCEO, we did make -- we used to -- we did make that entree and it was just kind of -- well, you were around. It was
kind of like a freeze tone --

COMMISSIONER COLGAN: Was that when Jack --

COMMISSIONER FORD: I think it was before Jack.

COMMISSIONER O'CONNELL-DIAZ: It was before

Jack. It was -- somebody else was there.

COMMISSIONER FORD: It was before Jack.

MR. ANDERSON: Jack was the first one. I mean,

with --

COMMISSIONER O'CONNELL-DIAZ: But then he left

and there was someone else there, and there was

just -- for the last couple years has been --

COMMISSIONER COLGAN: And then Warren came in

when Jack left.

COMMISSIONER O'CONNELL-DIAZ: And, actually, I

have to say the then Lieutenant Governor was very

involved with the broadband stuff and so there was

a --

MR. ANDERSON: And that's why Quinn is

funneling it to DCEO. It's one of his pet projects.

I mean, we get --

CHAIRMAN FLORES: I hear you. I hear you.

But --
COMMISSIONER O'CONNELL-DIAZ: They don't want to share.

CHAIRMAN FLORES: -- we're not chopped liver here.

COMMISSIONER O'CONNELL-DIAZ: Well, you know, when you do make the hand across the aisle, if you will, of any kind you get scared about going -- not scared, but you kind of --

MR. ANDERSON: In this Telecom Bill we had broadband -- we were going to get a bunch of the information on broadband and that got separated completely. We kept the phone stuff but we lost all the broadband stuff to DCEO. And that was coming not from DCEO, not from the legislature, that was coming from cable. I mean, cable did a number on that bill for the last two weeks of it. I mean, this thing was done and they --

COMMISSIONER FORD: Well, I want U-verse, too.

COMMISSIONER O'CONNELL-DIAZ: Don't even talk to me about it. I want broadband.

COMMISSIONER COLGAN: Well, I think the toughest work there is to do is collaboration. I
mean, even if you don't have the ex parte and the
Open Meeting Act and all that stuff to deal with,
collaboration is really hard work to do.

CHAIRMAN FLORES: And that's what we're trying
to do.

COMMISSIONER COLGAN: And it takes cooperative
agreements. It doesn't mean we to have even be all
on the same page. It just means that we all have to
understand that we are trying to work together. So
if we want to have that -- a meeting with DCEO and I
thought maybe even EPA is kind of -- is out there on
issues that we touch on.

I think you have to have a clear
agenda for the meeting and that would have to be run
by you. And we would have to be really open at the
beginning of the meeting that this is the agenda and
we're not going to just sit around and rap about how
we could work together. You know, clear issues and
proposals for how we can do things.

CHAIRMAN FLORES: Well, I think it would be
maybe helpful to hear from them on what issues that
they're working on that may have an impact or
connection to what we're doing. And I think that
maybe a policy -- that might be a policy committee
meeting.

COMMISSIONER FORD: Oh, yeah.

MR. ANDERSON: The last thing dealing with this
stuff is that at this point in time every year we --
Karl has to, prior to July 1st when the new budget
takes effect, allocate the appropriations. We do it
within each of the six bureaus and the other areas,
and then we do it with you guys.

With you guys it's always been kind of
rote before -- it was just always a kind of -- you
know, divided up four ways and then all the extra --
or five ways and then all the extra goes under the
Chairman and it's usually the Auditor and, you know,
Carol and things like that -- it used to be Billy.

Things are different. So it's not as
simple of an allocation. I don't want to put Karl in
a position to guess as to how to allocate you guys's
funds. Because I don't think he would -- I think
that would be difficult.

So I guess I'm just wondering how you
want to go about approaching that.

COMMISSIONER FORD: Do you divide it five ways?

MR. ANDERSON: Normally we've done that, but there's -- it's not -- what would we do if we divided it five ways? Some people have would more than they needed and some people wouldn't have enough.

MR. POUND: Yeah.

COMMISSIONER FORD: But it still should be equal if you divide it five ways. That's the only equal way I see it.

CHAIRMAN FLORES: How have we done it in the past? Isn't that how we've done it in the past?

COMMISSIONER O'CONNELL-DIAZ: Then why would it be unequal?

MR. ANDERSON: There's different levels of --

COMMISSIONER FORD: Salaries?

MR. ANDERSON: Yes.

We're going to have to figure -- I mean --

COMMISSIONER FORD: I want it done five ways.

MR. ANDERSON: Well, why don't we put together a draft and we can send out -- we can send a draft.
COMMISSIONER FORD: If somebody wants to borrow some money, I'd loan them some. That has happened in the past --

MR. ANDERSON: And that would be fine.

COMMISSIONER FORD: -- and I had no problem with that.

COMMISSIONER COLGAN: Yeah.

MR. ANDERSON: I don't want to guess wrong is what I'm saying.

COMMISSIONER FORD: Okay. Then --

CHAIRMAN FLORES: Show us what the numbers are because I don't think anyone knows what the numbers are. I mean, I think we probably all individually have an idea of what we'd used up individually, but --

MR. ANDERSON: I will just -- and we're talking about next year. I mean, this year we're not talking about.

COMMISSIONER FORD: Just divide it up and send it.

MR. ANDERSON: We've got three weeks left in this year. And that's fine. We will put together a
draft allocation and we will send it out to the five of you and you guys can review it and then let us know how close we are.

I mean, and there's some moving pieces. So it's -- I don't want to get it -- this is always a sandy surface. I don't like to get into you guys's budget area.

COMMISSIONER FORD: If I'm not able to send anybody to school this time, I won't do it.

MR. ANDERSON: So, I just wanted you to know where we're coming from.

COMMISSIONER FORD: I understand. Took a lot out of my budget --

COMMISSIONER COLGAN: Well, it's a first for me, so --

MR. ANDERSON: Also at this point our recommendation --

COMMISSIONER COLGAN: -- I'd like to have a maybe a little tutorial. I'm sure I can call on you --

MR. POUND: That's fine.

COMMISSIONER COLGAN: -- to get an explanation
for what --

COMMISSIONER O'CONNELL-DIAZ: I mean, what, there's X amount of dollars and we split it five ways and so then we each have to manage that money and out of that comes our travel, our assistants' pay and what else?

MR. POUND: Telecommunications, which is usually a pretty minor part of it. Those are the main elements.

MR. ANDERSON: Your travel and your assistants are your main chuck. I mean, that's -- and I think we got the travel back in terms of --

MR. POUND: Yeah, we did.

MR. ANDERSON: You know how we were down? I think we got that back.

COMMISSIONER FORD: Good.

COMMISSIONER COLGAN: What do you mean we got that back?

MR. ANDERSON: We lost it in last year's budget. They did an indiscriminate cut without really explaining or telling us they were doing it. So you guys were pretty tight on travel this year
1 compared to previous years. And now that --
2      COMMISSIONER COLGAN: Is that why we have to
3      get approval from the Governor's Office?
4      MR. ANDERSON: No, that's the case --
5      COMMISSIONER FORD: That was because of
6      Blagojevich, travel ban.
7      MR. ANDERSON: That's been the case as far
8      as -- as long as I've been here.
9      COMMISSIONER FORD: But usually -- before even
10     Staff could go. When I first came to this
11     Commission --
12      COMMISSIONER O'CONNELL-DIAZ: You signed up --
13      COMMISSIONER FORD: -- 15 people were going to
14     go to NARUC and then they would -- they ended up
15     sending 2. I remember I had to pay my own fare. The
16     first year I missed my tutorial in Michigan because
17     that was the travel ban.
18      MR. ANDERSON: They'll still reject NARUC
19     fairly quickly.
20      COMMISSIONER FORD: I think the Chairman can go
21     over there and help us out with that one.
22      CHAIRMAN FLORES: Well, I think our Staff --
unfortunately our Staff has been put at a
disadvantage.

COMMISSIONER FORD: They have. They have.

COMMISSIONER O'CONNELL-DIAZ: We used to
have -- in the heyday we'd have 20 people go on
NARUC --

CHAIRMAN FLORES: I think it's a shame --

COMMISSIONER O'CONNELL-DIAZ: -- we were such a
leader and we just lost all of that.

MR. ANDERSON: I think that goes back well
before I got here. That was probably when you --

COMMISSIONER FORD: It does. Probably when I
came in 2000.

CHAIRMAN FLORES: These are not, you know,
junkets --

COMMISSIONER FORD: No, they are not.

CHAIRMAN FLORES: These are not junkets.

COMMISSIONER FORD: Intensive work.

CHAIRMAN FLORES: Very intensive work.

COMMISSIONER COLGAN: And if we expect the
Staff to kind of be --

CHAIRMAN FLORES: Let me ask maybe --
COMMISSIONER COLGAN: Well, wait a minute. I was talking.

CHAIRMAN FLORES: I'm sorry. I apologize.

COMMISSIONER FORD: I'm sorry.

COMMISSIONER COLGAN: If we expect our Staff to be in sync with, you know, progressive movement forward there is just a lot going on in -- you know, Smart Grid, all those things are happening. If we expect them to be in sync with where the Commission wants to go, we have to figure out a way to get them to meetings.

And I remember I saw Eve Moran at the NARUC meeting and I was saying, Well, I'm really glad you got to come to the meeting and she had told me she came there on her own -- at her own expense.

MR. ANDERSON: Eve does that a lot.

COMMISSIONER O'CONNELL-DIAZ: And she had to take vacation time to do that.

COMMISSIONER FORD: Yeah, that's terrible.

COMMISSIONER O'CONNELL-DIAZ: Back in the day I used to pay my own way because I -- if I was the head person there, I wanted someone else to go so I'd say,
Okay. I'll pay my way. The Commission never paid for me to go. And even when I became a Commissioner because they wouldn't let us go and I knew that in order to, you know, have -- participate you have to go to NARUC. I mean, you can't just say, Oh, I'm going to go once a year. You have to go. If you want to serve on the committee, you've got to be there.

And I paid my own way for about two years. Two years because they would never let us travel. But when we would go, there was always a large contingent of our Staff that was allowed to go and they participated in, like -- they would be leaders in telecom because our Staff were on all those Staff subcommittees and they brought all that knowledge back to the dockets. They also had now colleagues all over the country that they could talk to about different issues.

And now even more so with the Smart Grid and all that we're doing with that, it just kind of begs for participation from our people. And that we have people that volunteer to pay and then they
have to take a vacation day to do it. I mean, that is just like -- it's a double insult. So, you know, we just haven't been a player in that game.

MR. ANDERSON: And that's a legal requirement.

MS. STEPHENSON-SCHROEDER: That's a legal -- I mean, that comes -- unfortunately, having to take a vacation day is a legal because then you're getting into workers' comp issues. If somebody should get hurt or injured while they're traveling and they're paying their own dime, I mean, I don't know --

MR. ANDERSON: We don't do that to be mean. We don't make them.

MS. STEPHENSON-SCHROEDER: We don't. But that came down because, you know, we're not covering them. They haven't been approved to go. So I -- again, I don't know the personnel enough to know what we can and can't do. I mean, that's Tim and Leanne's domain. But, actually, telling people they can pay and then just go off, we just can't from a legal perspective.

COMMISSIONER COLGAN: So that's the -- the issue is if they are paying their own way, then it
becomes an issue of taking the time off; but if the Commission was paying for them to go --

MR. ANDERSON: Oh, yeah.

COMMISSIONER COLGAN: -- it's fine.

MS. STEPHENSON-SCHROEDER: Tim, I don't know this, this is just my lack of knowledge. I don't know if somebody puts in -- because I know we've had this before. For instance, they might get a fund from another entity that will pay it out the State and they had that approved from the Governor's Office, then that's a different scenario because then they don't need to use vacation time.

MR. ANDERSON: The key is the approval.

MS. STEPHENSON-SCHROEDER: Right. That's --

MR. ANDERSON: And we do that a lot. In fact, since the tightening of the budget, we've been trying to do that a whole lot where, you know... Railroad almost always gets their stuff paid for. MISO -- I mean, Randy hardly ever has to -- Randy's group hardly ever has to pay because they usually pick up -- you know, either MISO or PJM.

COMMISSIONER O'CONNELL-DIAZ: Well, NARUC has
the stipends which the Commissioners take advantage of. I mean, I never go and have to pay anymore. Really almost all the time I got my stuff paid for. You got to go to conferences and whatnot --

MR. ANDERSON: I tend to not --

COMMISSIONER O'CONNELL-DIAZ: No, but I'm saying that some of our Staff could participate in some of those stipend opportunities and -- so I don't know --

MS. STEPHENSON-SCHROEDER: Which would be excellent.

And also, for instance, in the instance of we brought up ALJ Moran, if she would have turned in and filled out the paperwork and turned in a request to her supervisor and then it goes to Tim, then we submit that and it shows, no, there's not going to be any State funds and then it gets approved, then she wouldn't need to use vacation time because it's been approved by the State.

The problem is when people don't turn it in and don't go through the approval process, that's where our hands are tied.
MR. ANDERSON: And it's a pain in the butt.

COMMISSIONER FORD: Do you have to -- if the State's not paying, why do we have to send it in?

MR. ANDERSON: Because if you don't, you're not -- it's a liability, I guess --

MS. STEPHENSON-SCHROEDER: Yes, it is.

MR. ANDERSON: It's a liability question.

MS. STEPHENSON-SCHROEDER: If somebody is off -- not tech- -- and again, that's something, you know, we can talk about, but we need to cover ourselves. For instance, as I said, you know, sometimes I had -- and I'm just using me as an example -- I had a person go out to NARUC, pay their own way, didn't tell me. They just said they were going to take vacation days. I didn't even know they were out there. I can't cover them if something were to happen to them. You know, if they were -- God forbid -- to be injured or something in an accident -- technically, when you're all out there, if you're in an accident, you're on State time -- you would be covered under the Workers' Compensation.

COMMISSIONER FORD: But if she's on vacation
she's still not covered?

MS. STEPHENSON-SCHROEDER: No. No. She's not.

So that's why when the individual did it --

COMMISSIONER FORD: What about personal business? It seems to me I would take -- it's better to take personal business. At the Board we took personal business for those kind of things.

MS. STEPHENSON-SCHROEDER: What I'm saying is it has to go through approval.

COMMISSIONER FORD: It shouldn't have to go through, should it?

MS. STEPHENSON-SCHROEDER: Well, we would still need to approve it through our agency in order to approve the person being out there on business time.

MR. ANDERSON: And the difficulty is when you've done that, when you've put in and it's denied --

COMMISSIONER O'CONNELL-DIAZ: And they say no.

MR. ANDERSON: -- then you decide to go --

COMMISSIONER O'CONNELL-DIAZ: Then you're --

then you're in harm's way.

MR. ANDERSON: I think it's natural. I don't
think it's any lack of human nature that you ask three times and you get denied three times, you're going to stop asking. I mean...

COMMISSIONER O'CONNELL-DIAZ: And the other thing, too, is it didn't matter -- in days gone by we would put in for approval, even though it was being paid, they would say no. Just to say no.

COMMISSIONER FORD: And we still went.

MR. ANDERSON: But let me just --

COMMISSIONER O'CONNELL-DIAZ: That's a bad thing.

MR. ANDERSON: Let me just point this out. Yesterday the Governor was asked what he's going to use his emergency budget powers for and he didn't say anything other than reduce legislators' salaries and travel restrictions for State employees.

COMMISSIONER FORD: Again?

MR. ANDERSON: So be prepared. I mean, that's already been thrown out there. And, you know, that can be reserved under the Emergency Budget Act. And I don't know how broad that's going to be. But, I mean, that could easily happen. He can't reduce
legislators' salaries. I don't know why he said that, but he said it.

COMMISSIONER O'CONNELL-DIAZ: Well, but, I mean --

COMMISSIONER COLGAN: Just to make friends.

COMMISSIONER FORD: I guess so.

COMMISSIONER O'CONNELL-DIAZ: -- as if we have like, NARUC stipends to go to these events. I mean, is there -- I'm missing what that would be when you have this national organization paying for you to go so you can bring that knowledge --

MR. ANDERSON: Well, it's very similar to what happened in the mid -- early to mid '90s and then again in the late '90s and early 2000s when political and economic things -- I mean, I worked at the legislature for a lot of years. We used to always go -- Staff and legislators used to always go to NCSL, which was the legislative version of NARUC. I don't think they've gone for 12 years. I don't think there's been a Staff member there for 12 years. And it's just because it became too -- it became -- you know, the scales of being worth the effort changed.
So, I mean, that's what happened in that area. Now, I think the legislators that are into it and involved still go; but they're kind of more like you guys, they make their own -- they're not part of the larger stuff.

COMMISSIONER O'CONNELL-DIAZ: Yeah; but, I mean, we were put in the position of having to ask permission even though everything was paid and if we were told no, then you couldn't go. I mean, then -- like, in my mind, if they say, no, you can't go, then kind of like you have to go against their permission, which is ridiculous.

MR. ANDERSON: Right. Like you're 16 and you're sneaking out the back.

COMMISSIONER O'CONNELL-DIAZ: Well, and also it begs the issue of the independence of the Commission. Because actually the Governor's not supposed to be able to tell us what to do. We get a budget and we have to stay within that budget and that's what our rules are. Not that, you know, we need to feel like we're 16 years old and being -- and just as Manny said, you know, these are not junkets.
I mean, trust me, I'd rather -- at
7:30 in the morning I'd rather not be at a breakfast
with a bunch of other regulators. I'd rather be, you
know, with my head on a pillow maybe or sightseeing,
but that's not what goes on at those things. I mean,
it's just not...

CHAIRMAN FLORES: Commissioner O'Connell-Diaz,
do you know -- in your new role with -- on the Board
of NARUC, would you be kind of enough to find out --
or we can do this too, but I thought maybe because
you had more -- within your position there -- can you
tell us how much money they can offer us in terms of
stipends?

COMMISSIONER O'CONNELL-DIAZ: Well, it's
just -- I can answer that for you right now. What
happens with the stipends is that they are sent out.
Everyone gets notice from NARUC and sometimes it's
just for Commissioners only. Sometimes it's for
Staff, but it -- more often than not it's for
Commissioners only.

CHAIRMAN FLORES: And we can't, let's say,
apply that to Staff, offer that funding? They
won't --

COMMISSIONER O'CONNELL-DIAZ: No, because it's NARUC's money. And it's the Commissioners -- it depends though. Sometimes there are funds available.

There's also some other -- Bob G. at the -- that was for everybody. There's different ones and everyone gets -- you get sent that information. So it's not really just something that NARUC -- and also they never really know, you know, what they're going to offer. So you've got to be like mindful. Carol Weller's really good about, you know, finding -- just like Mark. We're all getting a stipend and we have to go on that steel-toed boot place -- I don't know what we're doing.

COMMISSIONER FORD: Right. It's a tour.

COMMISSIONER O'CONNELL-DIAZ: But I'm always just like, Sign me up for everything. I'll go to everything if I can get more money.

MR. ANDERSON: Is there a brochure for that?

COMMISSIONER O'CONNELL-DIAZ: As long as there's no pictures.

So you really -- Carol does keep us
well informed with regard to it. But they generally
tend to be for Commissioners. Although there are
some that are for Staff. And I know that a lot of
our folks -- because Bob G. had the thing in Chicago
and it was two nights at a hotel. So that was a good
amount of money.

It never covers registration though.

None of that stuff ever covers -- so there's also
that 495 that you got to pay out of somewhere. So
there are those opportunities for -- but, you know,
and NARUC never knows till a couple weeks maybe
before, but you need to like be --

MR. ANDERSON: On it.

COMMISSIONER O'CONNELL-DIAZ: On it. Right.

Yeah. So...

COMMISSIONER COLGAN: Well, I think we need to
take advantage of all of those opportunities. But I
think we also need to just keep in mind that we are
in extraordinarily tough economic times. You know,
it's just --

MR. ANDERSON: Compared to what's going on -- I
would almost say most agencies, we are -- I think we
would have to consider ourselves fortunate.

COMMISSIONER O'CONNELL-DIAZ: Very lucky.

MR. ANDERSON: Extremely lucky.

COMMISSIONER COLGAN: Yeah, they're calling it the great recession. I've been through a lot of recessions and none of them have been called "great."

COMMISSIONER O'CONNELL-DIAZ: Because they don't want to put the "D" word on it.

COMMISSIONER COLGAN: You're right.

MR. ANDERSON: California is the only state that's worse off than us from a state government standpoint.

COMMISSIONER COLGAN: And we can spend the rest of the day assigning blame -- there's plenty of it to go around -- but a lot of it actually just has to do with the overall economy. I mean, I don't think we've -- even within that context, I don't believe that we have dealt with it appropriately.

But still, I mean, we're dealing with the fallout from that and the fact that we got our budget approved for what we requested is a --

COMMISSIONER O'CONNELL-DIAZ: It's big.
COMMISSIONER FORD: It's miraculous.

COMMISSIONER COLGAN: -- is like a miracle.

CHAIRMAN FLORES: Good job, guys.

COMMISSIONER COLGAN: We just need the cash to back it up.

COMMISSIONER O'CONNELL-DIAZ: I think it's a recognition about the really -- the important work that this Commission does. I mean, we get a lot of flak but we just -- we do this pivotal work that -- it's not friendly. It's not fun. It's tough and -- but somebody's got to do it.

MR. ANDERSON: And, you know, something I didn't mention when I was telling you guys that you guys should know because I don't think you hear this very often, when we were -- I sent out e-mails when they were doing amendments to the budget and they struck your entire salaries out of the budget.

COMMISSIONER COLGAN: Oh, God.

COMMISSIONER FORD: Oh my God.

MR. ANDERSON: For about two days we were spending a lot of time down at the Capitol. And after talking -- you know, the first thing we did is
we went to as many legislators as we could and talked
to them about what it was, you know, how this
isn't -- first of all, we don't think it's legal;
second of all, it's not good.

We finally got with the house budget
director who said, that isn't even supposed to be you
guys. It's supposed to be the Civil Service
Commission because we're hitting all the part-time
boards. Oh, okay. Well, can you fix it? Yeah,
we'll fix it. So they fixed it.

But there were numerous members of the
House who were very helpful and very sympathetic and
kind of even publicly when they didn't realize that
it had been fixed were still going after it as an
unfair thing. So I'd say there were --

COMMISSIONER COLGAN: That's good to hear.
COMMISSIONER FORD: Was Monique on board?
MR. ANDERSON: No, she wasn't on board. I
don't think she was one of the ones that was --
COMMISSIONER O'CONNELL-DIAZ: Well, I was
calling it a fumigation act, too.
MR. ANDERSON: It was nice to find out that was
a mistake.

COMMISSIONER O'CONNELL-DIAZ: I know.

MR. ANDERSON: Frank Mautino, who was from Spring Valley, he was still going off. He says, I think this is terrible what you're doing to the Illinois Commerce Commission. And the staff had to come over, We're not doing it anymore. Oh, okay. Sorry.

COMMISSIONER O'CONNELL-DIAZ: Well, good.

COMMISSIONER FORD: Is that your Congressman, Mautino?

MR. ANDERSON: Mautino is from down --

COMMISSIONER O'CONNELL-DIAZ: M-a-u-t-i-n-o, Mautino.

MR. ANDERSON: Mautino.

COMMISSIONER FORD: Well, I'll have to see if mine said a word, Will Burns -- or is it Ken Dunkin?

MR. ANDERSON: Will wasn't in the -- it never got to Will.

COMMISSIONER FORD: See, I just moved from Will to Ken.

MR. ANDERSON: Neither one of them were in the
Approp Committee, so it didn't get to them. I'm sure Will would have been helpful.

And, by the way, these are -- this is West Publishing, which is our on-line research and is replacing LexisNexis.

COMMISSIONER O'CONNELL-DIAZ: Lula needs to do that. She's become such a lawyer.

MR. ANDERSON: And it's -- we're saving some money there.

And the other one is Sullivan Reporting, which is a two-year thing. I don't know if it's okay to talk about it in front of them. But we have a statutory mandate, so we needed this --

COMMISSIONER O'CONNELL-DIAZ: Yeah, how much is that extra costing us with regard to the reporting that's going on now in all the Bench sessions?

MR. ANDERSON: That's extra. I mean --

COMMISSIONER O'CONNELL-DIAZ: Significant? In the days of the economy I think that would be something that should be looked at because you can't use that stuff. It's -- I don't know why it's there.

COMMISSIONER FORD: Put it in the legislation.
COMMISSIONER O'CONNELL-DIAZ: But it's costing a lot of money.

MR. ANDERSON: I will say that, you know, I think we get a good -- we get a good product for what we spend but --

COMMISSIONER O'CONNELL-DIAZ: Sullivan's is an excellent court reporting. They always have been. They know our lingo and they got it.

MR. ANDERSON: Commissioner Elliott, I will get you in the office on these approvals.

COMMISSIONER ELLIOTT: Yes, sir.

COMMISSIONER COLGAN: I didn't even know you were there.

CHAIRMAN FLORES: Is there any further business?

(No response.)

CHAIRMAN FLORES: Very well. Hearing no other matters, this meeting now stands adjourned.

(Whereupon the meeting was adjourned.)