BEFORE THE
ILLINOIS COMMERCE COMMISSION

BENCH MEETING
(PUBLIC UTILITY)

Chicago, Illinois
Thursday, September 8, 2011

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

PRESENT:

DOUGLAS P. SCOTT, Chairman
LULA M. FORD, Commissioner
ERIN M. O'CONNELL-DIAZ, Commissioner
SHERMAN J. ELLIOTT, Commissioner
JOHN T. COLGAN, Acting Commissioner

SULLIVAN REPORTING COMPANY, by
Alisa A. Sawka, CSR, RPR
License No. 084-004588
CHAIRMAN SCOTT: Pursuant to the provisions of the Illinois Open Meetings Act, I now convene a regularly scheduled Bench Session of the Illinois Commerce Commission. With us in Chicago are Commissioners Ford, O'Connell-Diaz, Elliott and Acting Commissioner Colgan. I'm Chairman Scott. We have a quorum.

Before moving into the agenda, according to Section 1700.10 of Title II of the Administrative Code, this is the time we allow members of the public to address the Commission. Members of the public wishing to address the Commission must notify the Chief Clerk's Office at least 24 hours prior to the Bench Session. According to the Chief Clerk's Office, we have no requests to speak at today's Bench Session.

(Whereupon, the Transportation Agenda is contained in a separate transcript.)

CHAIRMAN SCOTT: Moving on to the Public Utility Agenda. We'll start once again with minutes
from prior Commission meetings. Up first are a set of transcripts and meeting minutes from closed sessions that are set to be released. Staff recommends that 36 transcripts and meeting minutes be released.

Is there a motion to release these meeting minutes and transcripts?

COMMISSIONER ELLIOTT: So moved.

CHAIRMAN SCOTT: Is there a second?

ACTING COMMISSIONER COLGAN: Second.

CHAIRMAN SCOTT: It's been moved and seconded. All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is 5 to nothing and the identified closed session minutes and transcripts will be released.

Next up are the approval of minutes from our August 17th Bench Session. I understand amendments have been forwarded.

Is there a motion to amend the
minutes?

COMMISSIONER O'CONNELL-DIAZ: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is 5 to nothing and the amendments to the August 17th minutes are adopted.

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

COMMISSIONER ELLIOTT: So moved.

CHAIRMAN SCOTT: Is there a second?

ACTING COMMISSIONER COLGAN: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)
CHAIRMAN SCOTT: The vote is 5 to nothing and the August 17th Bench Session minutes as amended are approved.

Now on to the Electric Portion of today's agenda. Item E-1 concerns a tariff revision filing by Ameren Illinois to incorporate annual reconciliation language into its Power Smart Pricing Rider. Staff recommends that the Commission allow the Company's request by not suspending the filing.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Is there a motion to not suspend the filing?

COMMISSIONER FORD: So moved.

CHAIRMAN SCOTT: Is there second?

ACTING COMMISSIONER COLGAN: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is 5 to nothing and
the filing will not be suspended.

And we will use this 5 to nothing vote for the remainder of the Public Utility Agenda unless otherwise noted.

Item E-2 is a tariff revision filing made by ComEd to revise its retail delivery service rates and incorporate language regarding contract cancellation. Staff recommends that the Commission allow the Company's request by not suspending the filing.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the filing will not be suspended.

Item E-3 is Docket No. 10-0138. This is ComEd's proposal to create and establish Rider PORCB and to revise other related tariffs. Before us today is an Emergency Motion for Clarification brought by ICEA and RESA which ALJ Sainsot recommends we deny.
Is there any discussion?

COMMISSIONER O'CONNELL-DIAZ: Chairman, if I might have Judge Sainsot step us through this because this is kind of a little different item than we usually see.

CHAIRMAN SCOTT: Judge.

JUDGE SAINSOT: Well, as I pointed out in my memo, this -- there's already been a Final Order on Rehearing in this case. I should also point out that Commonwealth Edison has joined in that motion and Dominion has filed a response to that motion. Those were filed after my memo issued.

Dominion's arguments were pretty much the same as what is set forth in the memo, which is the Commission doesn't have jurisdiction to entertain substantive changes to an Order.

There were two arguments made in the Motion for Clarification. One was -- one cited a portion of the Public Utilities Act that had never been mentioned before. Let me see what the other one was. Oh, the other one juxtaposed two different portions of the Order and said there was an
inconstancy. But if you read the Order in its entirety -- in its fullest, it's not inconsistent.

So the memo before you recommends denying the Motion for Clarification.

CHAIRMAN SCOTT: Discussion? Questions?

COMMISSIONER O'CONNELL-DIAZ: Well, you know, I think having gone through this and -- just because it's kind of odd. The movant herein suggests that there is an inconstancy, which you just noted, and that the Commission will revisit this issue at some point in time later. When is that some point in time later? It's in the Order. So...

JUDGE SAINSOT: There is no some point in time later in the Order. The only purpose for that language was to recognize that this is a brand-new program and that things may change and that there may be a legitimate reason in the future to revisit any portion of the PORCB program.

COMMISSIONER O'CONNELL-DIAZ: So the statement that appears on Page 26 of the Order, in fact, is a general statement as to all issues in the Commission's decision and that the Commission at any
time it chooses could revisit those issues?

JUDGE SAINSOT: Yes.

CHAIRMAN SCOTT: Follow-up on that point, it's -- in the Order it says could revisit this issue at any time or sometime in the future.

JUDGE SAINSOT: Right. The whole idea of having alternative electric suppliers is brand new to the consumers. So that language was only put in there to recognize that 10 years from now, 5 years from now, 20 years from now things may be very different.

COMMISSIONER O'CONNELL-DIAZ: I think the term that was used is "not adverse" to revisiting the issue. So I don't think it's a clear "should."

Somebody ask a question. I'm looking through this again. I guess I...

CHAIRMAN SCOTT: So the recommendation is to deny the motion.

If there is no further discussion, are there any objections to denying this motion?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Motion is
denied.

Thank you, Judge.

Item E-4 is Docket No. 10-0662. This is a customer complaint brought by Lauren Baggett-Shine against ComEd. Parties have apparently settled their differences and brought a Joint Motion to Dismiss which ALJ Kimbrel recommends we grant.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Joint Motion to Dismiss is granted.

Item E-5 is Docket No. 11-0480. This is a complaint regarding vegetation trimming brought by Steven and Cynthia Nance against Ameren. Both parties have made motions to dismiss this matter and ALJ Albers recommends that the matter be dismissed.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)
CHAIRMAN SCOTT: Hearing none, the matter is dismissed.

Items E-6 through E-8 can be taken together. These items are Applications for License as an Agent, Broker and Consultant under Section 16-15(c) of the Public Utilities Act. In each case ALJ Yoder recommends that the Commission enter an Order granting the requested Certificate.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Orders are entered and the Certificates are granted.

Item E-9 is Docket No. 11-0493. This is Recourse Advisors' Application for Licensure under Section 16-15(c) of the Public Utilities Act. ALJ Albers recommends entry of an Order denying the requested Certificate.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?
(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered and the Certificate is denied.

Items E-10 and E-11 can be taken together. These items are Petitions For Confidential Treatment of ABC Recertification Reports. In both instances ALJ Yoder recommends entry of an Order granting confidential treatment.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Orders are entered.

Item E-12 is Docket No. 11-0577. This is Loyalton Group's Petition seeking cancellation of a Certificate of Service Authority issued in Docket No. 09-0508. ALJ Yoder recommends entry of an Order granting the requested cancellation.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?
(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered and the Certificate is canceled.

Item E-13 is Docket No. 11-0582. This is a joint petition filed by Southwestern Electric Cooperative and Ameren seeking release allowing for SWEC to serve the American Farm Heritage Museum property in Greenville. ALJ Jones recommends entry of an Order granting release.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered and the customer release is approved.

Item E-14 is Docket No. 11-0550. This is Sustainable Star's Application for a Service Authority to Operate as an ARES in Illinois and for associated relief. ALJ Yoder recommends entry of an Order granting the Certificate and the requested confidential treatment.

Is there any discussion?
CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered.

Item E-15 is Docket No. 11-0435. This matter concerns ComEd's filing regarding uncollectible rate -- uncollectible tariffs changes.

Before us today is a Resuspension Order to suspend the filing for another six months' time.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

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

JUDGE DOLAN: Mr. Chairman?

CHAIRMAN SCOTT: Yes.

JUDGE DOLAN: I'm looking at the agenda that we just pulled up over here and it's totally different than what you're reading off. Are we -- I didn't see either one of those -- none of those cases that you
we were talking about.

Oh, okay. Never mind. You know, what, the top of the agenda says "8/17," but on the front page it says "9/8." So I think that's why I was a little confused.

I think everybody that's got the copy that we pulled off of here has the wrong copy. So...

CHAIRMAN SCOTT: I'm glad you said something, though. We're okay then, you think?

All right. We'll turn now to Natural Gas. Items G-1 and G-2 are Docket Nos. 11-0575 and 11-0576, and they can be taken together. These items are filings by North Shore Gas and Peoples Gas requesting special permission to revise energy efficiency-related tariffs to allow for the extension of their non-statutorily mandated energy efficiency programs through the end of 2011. Staff recommends denying the Company's request.

Is there any discussion?

COMMISSIONER O'CONNELL-DIAZ: Chairman, yes, I have just --

CHAIRMAN SCOTT: Yes, Commissioner.
COMMISSIONER O'CONNELL-DIAZ: -- I go along
with -- I think based on our conversation last week,
I think it's clear where I stand with regard to
Staff's recommendation, which I agree with. But as I
have said all along with regard to these many new
programs that we're rolling out, I think that we --
we are the gatekeepers, if you will. And it is
ratepayer money that is being utilized in these new
programs.

And as I, you know, read through what
Staff had in their memo to us, it is with great
concern that it seemed that the -- there were large
sums of money -- and by my calculation and based on
Staff's memo -- the updated memo that we got --
there's close to a million dollars that are being
paid to a contract administrator which I'm not really
quite clear -- I understand. I've actually looked at
things on the Website of the contract administrator,
which talks about what that entity does. It seems to
be an entity of the one person that probably hires
other people as the case may be. But it's a million
dollars and that's like 300,000 a year that is being
paid to a contract administrator.

And from what I understand this is --
these contract administrators, which all of our
programs have. Obviously they don't come for free.
But in this economy -- and it's ratepayer money --
that seems to be a significant chunk of change. And
given what Staff reported to us with regard to the
shortcomings of the administrator in this particular
situation that is before us today, it -- that's what
caused me to look at all of this.

And I did look at the reconciliation
proceedings from the first year of the program. I
think there was a 7 percent disallowance because of
some sort of an insulation that was part of the
program that this was recommended, I guess. And --
but, again, this is ratepayer money.

And I think it's critical that the
ratepayers get a refund from anything that's left as
opposed to giving more money to this contract
administrator that our Staff suggests has not done
what needed to be done in the time period that was
defined by statute. We have two more years of this.
And so in the next -- there's an ongoing reconciliation and I think -- at least I will be issuing some data requests with regard to what exactly is going on and what -- what are we looking at when we have these contract administrators and what are they doing for what I think are large sums of money, at least on -- in this economy that we're in for an entity to get that kind of money. And I don't see that it's -- it's not like it's a group of people. It seems that it's just one entity.

So it gave me pause and so I really kind of dug in and looked at it.

COMMISSIONER FORD: I certainly concur with my Commissioner. Because I, too, had concerns about the amount of money that this sole -- seemed to have been sole sourced to one individual. And I can see that this is close to a million dollars in my estimation.

That, in this economy, we need jobs and certainly in the energy efficiency piece I could see several jobs being allocated to people but one person to do this. And then not bring reports in in a timely fashion, to me there is no excuse for that.
So I concur with you wholeheartedly.

And I will be certainly issuing data requests myself along with you.

Thank you, Chairman.

CHAIRMAN SCOTT: Further discussion?

I have a slightly different take than that. I appreciate and certainly respect the opinions of my colleagues here.

But it's not additional money that we're talking about. It's the continuation of money. And I understand what you're saying about it being ratepayer money, but it's not additional funds that are being sought here. The administrative fee was anticipated at the time of the actual order from this Commission going forward which established this--these programs. And by my calculation I don't see that they're exceeding that amount of dollars that are there.

I think that's a nonissue going forward because the money gets transferred. It gets transferred into other programs that have different administrators. So I don't think you're looking at
an additional sum of money necessarily for this
particular person unless they would be awarded a
contract by somebody else.

The Board that's responsible for
administering these programs was unanimous in their
support of this particular request and that includes
a couple of entities whose mission it is to also look
out for ratepayers. I think these programs are
valuable programs. They're especially valuable for
low income folks in our state. I think that that's
something that we shouldn't overlook at all as well
as the fact that when we asked questions a couple of
weeks ago when we were on the Bench about these
programs we were told that our Staff didn't think
that the utilities would continue with these programs
even though they could in another setting through
38-104.

So I -- for those reasons I think that
the rationale of the Commission in establishing these
programs well before I got here was a good one. And
that much as we do with other places where we've got
programs that have time limits that haven't finished
their work in the time that we have, we frequently
grant extensions. I believe we did it today in a
couple of programs that hadn't spent the money that
was allocated to them.

And so for those reasons I
respectfully disagree with my colleagues on that
point.

COMMISSIONER O'CONNELL-DIAZ: I just want to
clarify about the additional moneys. I wasn't -- it
wasn't additional moneys. The problem here is they
did not finish their work within the statutory time
period. Furthermore, the -- it was reported to the
Board that the work was going to be done. So in my
estimation I would seriously be looking at in the
reconciliation proceeding whether, in fact, there
should be a refund from the contract administrator
because they didn't finish their contractual
obligation to the Board during the time that is set
by statute.

What they're asking for is to roll
over those amounts into this other program and it
disadvantages ratepayers because it will go back on a
per-therm basis as opposed to a refund on their bill. And that is not fair to ratepayers who are paying for this.

And, again, I go back to what the contract administrator is being paid. It's a large sum of money. A person that has, I think, an office in her home and we're talking about ratepayer money. So that is my trouble with doing this. I think that, you know, the program's going to -- the other program's going to start in a couple months and the ratepayers will be refunded from this appropriate time period that was based on statute and this is a fair thing.

I don't think it's going to disrupt anything except -- you know, I'm going to be really looking at this. And I have said that all along with regard to these moneys that are -- you know, at some point if it's a gravy train, we're the one that's letting it out of the station and we need to be really looking at those dollars. And if the other consumer -- consumer representatives that are on that Board don't see this, well, that's fine, well and
good. This Commission's obligation by statute is to ensure that ratepayer funds are being appropriately spent, and that's why we have the prudence review. So I don't mean to disrespect your opinion. I understand, but I just wanted to clarify it wasn't additional --

CHAIRMAN SCOTT: We can disagree.

COMMISSIONER FORD: Absolutely.

COMMISSIONER O'CONNELL-DIAZ: -- it was the moneys from this pot. And we've had other situations where we've had contractors come into the Commission, start doing work, not do the work that they're being paid for and I have always -- I said, We need to refund that.

COMMISSIONER FORD: I simply -- I'm looking at Staff's report. And I always give the analogy of when I was in a school and I had reports that had to come to the district office. I could not tell my superintendent that I -- two days before that I could not give a report. That shows me signs of incompetence. And when a contract administrator tells her Board eight days before that she cannot
complete something, then that gives me pause also.

And the fact that -- the inability to properly account for money, that certainly gives me pause in this economy. And especially for the City of Chicago with all the low-income people we have in this city, I'm just certainly very upset about this incompetency in my opinion.

So we can disagree without being disagreeable.

CHAIRMAN SCOTT: Absolutely.

Commissioner Elliott.

COMMISSIONER ELLIOTT: Well, I think there's points on each side that are -- that are well taken. And I think that my view of this is that the original program here that's being asked to be continued was a Commission-generated efficiency through an Order, which I think at this point has been superceded by legislation. And there is less than four months remaining on this.

I think it's reasonable to make the transition to the legislative base program. I think points regarding the administration and lending are,
you know, well raised and well taken, I think, and properly looked at in a reconciliation proceeding. And I think it does bear scrutiny and should in any type of prudency review as to whether the ratepayer dollars are being spent are being spent wisely and prudently.

And I think in my estimation I think it's just time to put the former program past and move forward with the legislative-mandated program. There's a bit of overlap in terms of coverage that just -- you know, Staff has brought to our attention. And I think that at least to some degree it's lessened by denying the special permission.

So I would supports Staff's position that special permission be denied.

CHAIRMAN SCOTT: Is there further discussion?

(No response.)

CHAIRMAN SCOTT: I assume there's a motion to deny the special permission?

Commissioner Colgan.

ACTING COMMISSIONER COLGAN: I agree with what Commissioner Elliott said and I also hear your
arguments. There's some arguments in two directions here.

One's about the administrative costs.

The other's about a program for low-income people.

And it kind of puts me torn one way or the other.

But, you know, I'm thinking that there's a case made for, you know, what Commissioner Elliot just said for moving forward on programs and the money will be refunded and the refund will be in a better situation with this recommendation than in the future.

So I -- you know, I think there's really good arguments both directions here, but I'm going to support the Staff recommendation.

CHAIRMAN SCOTT: Is there a motion to that effect to deny the special permission?

COMMISSIONER ELLIOTT: So moved.

COMMISSIONER FORD: Second.

CHAIRMAN SCOTT: All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Opposed?

(Response of no.)

CHAIRMAN SCOTT: No.
The vote is 4-1 and the Staff recommendation of denying the special request is approved.

Items G-3 and G-4 can be taken together. These items are Martinez Auto Repair's complaints against Nicor and Raymond Ruiz's complaint against Peoples Gas. In each case the parties have apparently settled their differences and brought a Joint Motion to Dismiss which the ALJ recommends that we grant.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Joint Motions to Dismiss are granted.

Item G-5 is Docket No. 11-0190. This is Brian Berry's complaint as to billing and/or charges against Peoples Gas. ALJ Riley recommends that the Commission enter an order denying the complaint.

Is there any discussion?
CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered and the complaint is denied.

Item G-6 is Docket No. 11-0223. This matter is a rulemaking proceeding for amendments to Title 83, Part 595 of the Administrative Code concerning gas pipeline accident reporting. ALJ Haynes recommends entry of an Order authorizing the submission of the proposed amendments to the Joint Committee on Administrative Rules.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered and the proposed rules will be sent to JCAR.

Moving on to Telecommunications. Item T-1 is Docket No. 10-0701. This is Bullseye Telecom's Application for a Certificate of Service Authority under Section 13-401 of the Public
Utilities Act. ALJ Riley recommends entry of an Order denying the requested certificate.

I believe we have some revisions to this Order?

COMMISSIONER O'CONNELL-DIAZ: Yes, Chairman.

Working with Commissioner Elliott's office we have made revisions to the Order that, in fact, change the Order to omit the analysis with regard to managerial, financial and -- what's the third one -- technical. As we are precluded due to federal legislation -- federal law to make that inquiry and also condition the approval of such a certificate on that.

So I do understand where Judge Riley was coming from. I think he asked for this information and it was a no-go and stonewalling from the company. And out of respect for the Commission I think I would have been probably maybe in your same shoes in your recommendation. But, unfortunately, under the laws that stand the Commission doesn't have jurisdiction over that. We cannot require them to file that with us.

So the changes that have been
circulated I believe among all the Commissioners from Commissioner Elliott and myself reflect that reality bite.

And that's -- I don't know if Commissioner Elliott --

COMMISSIONER ELLIOTT: I agree with everything you said. I just would point out that I appreciate the work that Tom Stanton did as our legal assistant in the case and brought a lot of institutional memory and history and context to this issue, which I think has sort of been bounced around in a lot of different ways over the years. And hopefully we can, with this Order, provide a consistent approach to addressing these 13-401 certificate cases going forward.

So I would move the Order as amended.

CHAIRMAN SCOTT: Move the revisions first.

COMMISSIONER ELLIOTT: Yes.

CHAIRMAN SCOTT: Very good.

Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.
(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is 5 to nothing and the revisions are adopted.

Is there further discussion on this matter?

(No response.)

CHAIRMAN SCOTT: Is there then a motion to enter an Order granting the Certificate as per the revisions?

COMMISSIONER ELLIOTT: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is 5 to nothing and the Order as amended is entered and the Certificate is granted.
And I appreciate all the work that both your offices did.

COMMISSIONER ELLIOTT: Mr. Chairman, I'd like if for the next three Orders --

CHAIRMAN SCOTT: Yes.

COMMISSIONER ELLIOTT: -- as well, I might as well wrap this up in a package.

CHAIRMAN SCOTT: Let me introduce them --

COMMISSIONER ELLIOTT: Sure.

CHAIRMAN SCOTT: -- and then we'll get --

Items T-2 through T-4 will be taken together. These are Applications for Certificates of Service Authority under Sections 13-401 through 13-405 of the Public Utilities Act. In each case the ALJ recommends entry of an Order granting the requested Certificates.

Commissioner Elliott, I know you've got some revisions here.

Commissioner O'Connell-Diaz --

COMMISSIONER ELLIOTT: Right. Consistent with the prior Order with regard to the 13-401 Certificates, these Orders have been revised to
reflect that and consistency with the prior Order.

And I would move those amendments.

CHAIRMAN SCOTT: Very good.

Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: The vote is 5 to nothing and

the revisions are adopted.

Is there any further discussion on

these matters?

(No response.)

CHAIRMAN SCOTT: Is there a motion to enter the

Orders as revised?

COMMISSIONER ELLIOTT: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?
(Chorus of ayes.)

CHAIRMAN SCOTT: The vote is 5 to nothing and the Orders as amended are approved and the Certificates are granted.

Items T-5 through T-12 can be taken together. These items concern proposed rulemaking proceedings for Parts 730, 732, 737, 745, 755, 756, 791 and 793 of Title 83 of the Administrative Code as contemplated in Staff Telecom Reports. Staff recommends entry of orders initiating the proceedings.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Orders are entered and the proceedings are initiated.

Items T-13 through T-16 can be taken together. These items are Petitions requesting confidential and/or proprietary treatment of the Petitioners' Annual Reports. In each case the ALJ recommends entry of an Order granting the requested
relief.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Orders are entered and the requested protective treatment is granted.

Items T-17 through T-20 can be taken together. These items are each citation proceedings against telecommunications carriers for failure to file their 2009 Annual Report. In each case ALJ Baker recommends entry of an Order dismissing the proceeding as the Company has now filed its report and is in compliance.

Any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Orders are entered and the citation proceedings are dismissed.

Moving on to Water and Sewer. Item
W-1 is Docket No. 11-0569. This is a filing by Illinois-American Water Company seeking waiver for the Company's accounts to use the Guide For Prospective Financial Information issued by the American Institute of Certified Public Accountants in preparation for a rate filing. ALJ Jones recommends entry of an Order granting the waiver.

Is there any discussion?

(No response.)

CHAIRMAN SCOTT: Any objections?

(No response.)

CHAIRMAN SCOTT: Hearing none, the Order is entered.

Lastly, we have a few items of other business for today. First up is a report from Staff concerning summer storms and some of the resulting outages and reliability challenges.

Is there someone there from Staff just to give us a briefing on that?

MR. BEYER: Good morning. This is Gene Beyer.

CHAIRMAN SCOTT: Good morning, Gene.

MR. BEYER: Is this on? Oh, I'm sorry. I
This is Gene Beyer. Good morning.

Today Staff and I will provide an overview of our inquiries regarding the outages experienced in ComEd service territory as a result of the July 11th storms.

Before getting to that I will identify the major electric outages experienced in Illinois this summer. Then I will refer to the Administrative Code Part 411 that specifies when and how those outages are reported to the ICC. I will then identify the Staff guidelines for deciding when to inquire into and study a particular outage.

Before I continue, please be aware that on August 18th ComEd filed a petition for determination that ComEd is not liable for damages resulting from service interruptions caused by six storms that affected ComEd's system this summer. That open Docket No. 11-0588 may affect Staff's ability to respond to some of your questions today.

Let me first refer to Part 411. Administrative Code Part 411.120 specifies the
requirements for reporting outages. Utilities are required to report an event that causes service interruptions to 10,000 or more customers for 3 or more hours. Once the reporting begins reports continue every 2 hours until service is restored to all customers.

Some of the information required by Part 411, and many -- I believe we all see those notices that come to the Commission -- some of that information includes an estimate of the number of customers the interruptions affect; the starting date of the interruptions; the starting time of the interruptions; the duration of the interruptions; the locations; description of the causes; dates and times when the entity expects to restore electric service; the call volume to the jurisdictional entity during the interruptions as compared to normal call volume; and the steps that the utility's taking to address that call volume. So there are about nine pieces of information that Part 411 requires to be filed for each reportable outage.

This summer beginning in June Ameren
reported 2 outages to us. One that began on June 1st and lasted until June 2nd. And it affected about 18,000 customers in Southern Illinois, primarily the Mount Vernon and Benton areas. On July 27th lasting till July 29th Ameren experienced the effects of severe storms in Western Illinois, primarily Adams County and Quincy requiring restoration of service to about 68,000 customers.

Also beginning in June ComEd reported a June 21st outage. That affected all ComEd regions and affected over 400,000 customers. June 30th ComEd reported on another storm. It lasted for a couple of days -- at least the effects lasted for a couple days affecting over 90,000 customers in their north and south regions. July 11th storm, that affected all of ComEd's regions, interrupted power to over 800,000 customers. July 27th another storm affected over a 100,000 customers in Rockford, Chicago and all of their other regions. July 28th, another storm affected ComEd's regions, primarily the south region; required customer restoration to about 57,000 customers. And on August 2nd another storm hit the
Chicago region affecting over 140,000 customers.

In addition to those reportable outages MidAmerican Energy reported one storm in June to us as a courtesy that affected 4,000 customers on their system near the quad cities.

Staff monitors these events and contacts the utilities whenever we have questions. That contact may be a phone call or an e-mail or it may be more extensive and require a detailed set of questions as in the case of the July 11-related outages. When determining whether or not to make inquiries and then deciding whether an inquiry is brief or extended our general considerations include the impact of the outage upon customers and the utility's system; whether there are customer notice and other customer service issues; the duration of the outage; concerns regarding service restoration; and whether there have been recent events of a similar nature or at the same company.

We are also watchable for circumstances suggesting that deficiencies in practices within the utility's control, such as
construction, maintenance or tree trimming, may have contributed to the outages. Those guidelines capture large and small events.

Sometimes we learn of outages through the media. Sometimes customers or companies give us courtesy calls on outages that aren't otherwise reportable. So we're able to inquire on most of the outages on the Company's system.

Our inquiries into the ComEd July 11th outage were prepared by three divisions within the agency: the Energy Division, the Financial Analysis Division and the Consumer Services Division. The extensive and detailed inquiries cover the following areas: 1, system condition, maintenance and inspection before the storms; 2, identifying each distribution circuit and substation that experienced service interruptions as a consequence of the storms; 3, characteristics of the storms and their effect on the system; 4, emergency plans; 5, restoration efforts; 6, the costs associated with restoring service; and 7, customer service and communication.

Staff's review of the Company's
responses is ongoing. We are prepared today to discuss our questions and the areas into which we inquired. Our next steps are to continue our review of the responses, follow up with the Company as needed, and then summarize our review and findings in a report.

That concludes my remarks and await any questions you may have.

CHAIRMAN SCOTT: Commissioner Elliott.

COMMISSIONER ELLIOTT: Thanks, Chairman.

Gene, do you look at the -- whether the events are repeated for similar distribution and substation circuits? I mean, year after year do events -- is there some pattern or is that looked at at all in the Staff's analysis?

MR. BEYER: I'm going to have John Stutsman respond to that question. He is coordinating the Energy Division's inquiry into this outage and has done so on other outages as well.

MR. STUTSMAN: If I understand your inquiry, we do -- in the analysis of data that we get annually from the companies we look at repeating worst
performing circuits to see if there's some commonality of cause that could be contributing to those repeaters or if it's just a random occurrence.

COMMISSIONER ELLIOTT: Okay. Thanks.

COMMISSIONER O'CONNELL-DIAZ: And just -- I know I've -- I understand that our -- some of our Staff have been at the -- for lack of a better word, the City meetings, the regional meetings that ComEd -- where different mayors and municipal leaders and State reps have called. And so the Commission has been available for information to, you know, help that process and help everyone understand that we are, in fact, doing our fact-gathering at this point. Is that a correct assumption?

MR. STUTSMAN: Yes, that's true.

CHAIRMAN SCOTT: Anyone else?

(No response.)

CHAIRMAN SCOTT: Gene, John, thank you very much. Appreciate it.

MR. BEYER: Thank you.

CHAIRMAN SCOTT: Next up is a resolution concerning Lifeline Awareness Week.
Commissioner Colgan.

ACTING COMMISSIONER COLGAN: Thank you, Chairman.

Yeah, we're today kicking off and announcing Lifeline Awareness Week in cooperation with the Governor's Office, with NARUC and NASUCA and the Federal Communications Commission on a national basis, and we've had a series of meetings internally to organize this effort. Consumer Services Division was -- been very involved. Jim Zolnierek, here today, from Telecom has been really helpful and his staff. Beth Bosch from Public Information has been kind of coordinating this effort for all of us.

I think we all understand how in this highly connected world that we live in, how important it is to be connected with telephone service especially because it links us up with our community, with the government programs that are important, with family, friends, in case of emergencies. And we know that not everybody can afford these services. So that's why these programs are available.

And so, you know, we've huddled up
with internally as well as with a bigger network of organizations across the state, with several State departments, Human Services and with Illinois Community Action Association and all the LIHEAP outlets, with CUB, with AARP, all pitching in and trying to make this program much more visible and how for people to get involved in the program.

So, you know, I've drafted this resolution saying that we're, as a Commission, in support of Lifeline Awareness Week and the activities that are happening in conjunction with that.

And if you have questions, I'd be glad to answer those; but I ask for your support of the Resolution.

CHAIRMAN SCOTT: Are you moving to adopt the Resolution?

ACTING COMMISSIONER COLGAN: I move to adopt the Resolution.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

COMMISSIONER FORD: Second.

CHAIRMAN SCOTT: Any further discussion?
COMMISSIONER O'CONNELL-DIAZ: I'd just like to thank Commissioner Colgan and also I know that NARUC has been very instrumental in getting this out there. And I think it's no -- no story -- I'm going to say -- that no one doesn't understand today with the economic situation.

There's a whole new group of people that are in that low-income situation, unfortunately. So this program has a whole new host of people that it can benefit. And it's good that we are getting -- being part of a team that gets the word out and helps people understand that they're not alone. That there is some support. And it's a tough world out there and this is one of those programs that can really help people when they need it most.

So thank you, John, for leading this up. And I know there's a press event later this afternoon and -- so I'll be looking for you on the 6:00 o'clock news.

ACTING COMMISSIONER COLGAN: Thank you.

CHAIRMAN SCOTT: Any further discussion?

(No response.)
CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is 5 to nothing and the Resolution is adopted.

Thank you, Commissioner Colgan.

ACTING COMMISSIONER COLGAN: You're welcome.

CHAIRMAN SCOTT: Up next is a Report to be sent to the General Assembly pursuant to 13-407 of the Public Utilities Act concerning communications markets. I believe we have someone from Staff who's available to take us through this.

Mr. Zolnierek.

MR. ZOLNIEREK: Good morning. This is the tenth Report that we will be submitting to the General Assembly pursuant to Statute 13-407 of the Public Utilities Act. As you know, in previous years we've collected telephone information and broadband information. More and more broadband information is being collected by -- through DCEO and group -- a
nonprofit organization, Broadband Illinois. And we've been working with them and communicating with them in their collection efforts. And I think the broadband collections are really improving. And you'll see some of that information in the Report. The report reflects the first -- really the first round of collections from Broadband Illinois and we expect to see improvements over time. We've been pointing some holes where, you know, we know carriers may not be providing all the information they should and things like that. So it's been a relatively cooperative effort and we appreciate their efforts, and I think the data looks a lot better. It's more consumer-friendly. Consumers can now go and type in their address and see who providers in their area are and I think that's very helpful. And that's all reflected in the Report. Regarding the telecommunications information, I think we see a lot of what we've seen in the past. I think the trends have continued, fewer wirelines being reported, an increase in CLEC
market share over previous years.

The one other new thing I think in the Report to note is that we are seeing better and better wireless substitution information also. In the past we've seen -- oddly enough, the Center for Disease Control seems to be the best source of wireless information. They've been doing a survey and gathering some health information. And at one point they realized they had some pretty valuable wireless substitution information. And they've been putting that out, thankfully, to everybody that's interested. And recently they started actually breaking it down by state. So now we even have a state-level information on substitution and we've incorporated that into our Report.

Their Report estimates that 24.4 percent of the adult population in Illinois live in households with only wireless service. That's pretty significant analysis in terms of the wireless substitution. All that is reflected in the Report and the rest of it, I think, is pretty self-explanatory from reading it.
The one thing I would note, the Chairman actually caught a typo and we would correct that. In Table 2 the number of retail providers was reported as 124 and it should actually be 123. So we'd like to correct that before we pass it on.

With that, if you have any other questions, I'd be happy to answer them.

CHAIRMAN SCOTT: Any questions?

COMMISSIONER O'CONNELL-DIAZ: I'm just glad to see that the reporting for the wireless carriers is up. So I don't have to chase those people down the hallway when I see them -- Get that stuff to Jim. So that's really good because that's kind of the really significant number. And it's important for you to have that in order for you to give a full report to us and for us to give a full report to the General Assembly. So I'm really glad on your efforts in achieving that success.

COMMISSIONER FORD: And I was wondering -- when I was perusing the Report, I saw the CDC and I said, How did that get in here? I'm glad you clarified that issue. That's interesting to know.
MR. ZOLNIEREK: Thank you.

ACTING COMMISSIONER COLGAN: Yes. As I was reading through the report, I was -- I wanted to thank you for the comprehensive report. There's really good comprehensive data in there, but there's also a good narrative for how things have evolved and how -- you know, where we were versus where we are and how we got there. I think it's really informative for somebody who, you know, would be looking for an explanation of how things have evolved. It's well documented in that report.

MR. ZOLNIEREK: Thanks. And credit goes to my staff, too.

ACTING COMMISSIONER COLGAN: Sure.

COMMISSIONER ELLIOTT: It's nice that they -- they wouldn't give the data to us, but at least they're giving it to somebody and we can -- we can incorporate it in our reports.

CHAIRMAN SCOTT: Is there a motion to approve the Report and have it sent to the General Assembly?

COMMISSIONER O'CONNELL-DIAZ: So moved.

CHAIRMAN SCOTT: Is there a second?
COMMISSIONER FORD: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is 5 to nothing and the Report will be sent to the General Assembly.

Jim, thanks very much. It's very good Report. We appreciate it. Thank you.

Next up are a couple of FERC matters for which we'll go into closed session to address.

Is there a motion to go into closed session?

COMMISSIONER ELLIOTT: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)
CHAIRMAN SCOTT: The vote is 5 to nothing.

We'll go into closed session.

(Whereupon, at this point Pages 53-64 of the proceeding are contained in a separate closed transcript.)
CONTINUATION OF PROCEEDINGS

CHAIRMAN SCOTT: During closed session the
Commission discussed filing Comments in FERC Docket
No. RM11-26-000.

Is there a motion to file the Comments
with FERC?

COMMISSIONER FORD: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

COMMISSIONER ELLIOTT: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is 5 to nothing and
the Comments will be filed with FERC.

The Commission also discussed filing
Comments with FERC Docket No. ER11-4081-000.

Is there a motion to file the Comments
with FERC?

COMMISSIONER ELLIOTT: So moved.
CHAIRMAN SCOTT: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

ACTING COMMISSIONER COLGAN: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is 5 to nothing and the Comments will be filed with FERC.

One last note, the Commissioners will meet for an administrative meeting directly following this meeting to address the schedule for the 2012 Commission calendar, but I believe we do that in the videoconference room, if I understand that correctly.

Judge Wallace -- oh, I'm sorry.

Commissioner Colgan.

ACTING COMMISSIONER COLGAN: One thing I failed to mention in relation to the Lifeline Awareness Week is I forgot to mention my legal policy advisor, Linda Wagner, who has done a lot of work in connection with this, and I wanted to recognize her and give her our
thanks and the Commission's thanks for the record.

CHAIRMAN SCOTT: Very good. Thanks.

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

JUDGE WALLACE: That's all, Mr. Chairman.

CHAIRMAN SCOTT: Very good.

Hearing none, this meeting stands adjourned.

JUDGE WALLACE: No. Recess.

CHAIRMAN SCOTT: I'm sorry. Recess.

(Whereupon, a recess was taken and the Administrative Meeting is contained in a separate transcript.)
BEFORE THE
ILLINOIS COMMERCE COMMISSION

BENCH MEETING
(ADMINISTRATIVE MEETING)

Chicago, Illinois
Thursday, September 8, 2011

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

PRESENT:

DOUGLAS P. SCOTT, Chairman
LULA M. FORD, Commissioner
ERIN M. O'CONNELL-DIAZ, Commissioner
SHERMAN J. ELLIOTT, Commissioner
JOHN T. COLGAN, Acting Commissioner

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CONTINUATION OF PROCEEDINGS

CHAIRMAN SCOTT: Okay. We were in recess so we will reconvene now as an administrative meeting to discuss the 2012 calendar. I understand everybody got a memo and a couple of calendar choices from Judge Wallace.

Everybody had a chance to look at that?

It seems to me -- I'm going out on a limb here that everybody is okay -- or could be okay with the traditional calendar as it was set forth by Judge Wallace.

John, I know you had raised an issue about whether or not to move some things to Thursdays, but I know that --

ACTING COMMISSIONER COLGAN: Yeah.

CHAIRMAN SCOTT: -- creates a conflict for Commissioner Ford.

COMMISSIONER FORD: And I told him that.

ACTING COMMISSIONER COLGAN: Yeah. I'm good.

Yeah.

CHAIRMAN SCOTT: Okay. Is there a motion then
to adopt --

COMMISSIONER ELLIOTT: So moved.

CHAIRMAN SCOTT: -- the 2012 traditional calendar?

COMMISSIONER O'CONNELL-DIAZ: So moved.

CHAIRMAN SCOTT: Okay. Second?

COMMISSIONER ELLIOTT: Second.

CHAIRMAN SCOTT: All in favor say, Aye.

(Chorus of ayes.)

CHAIRMAN SCOTT: Any opposed?

(No response.)

CHAIRMAN SCOTT: The vote is 5 to nothing and the traditional 2012 calendar as submitted by Judge Wallace is approved.

Any other business to come before this meeting, Judge?

JUDGE WALLACE: No, that's all.

CHAIRMAN SCOTT: Okay. In this case now the meeting stands adjourned.

MEETING ADJOURNED