BEFORE THE
ILLINOIS COMMERCE COMMISSION
REGULAR OPEN MEETING
(PUBLIC UTILITY)
Chicago and Springfield, Illinois
Thursday, September 22, 2016

Met, pursuant to notice, at 10:30 a.m.,
September 22, 2016.

PRESENT:
MR. BRIEN J. SHEAHAN, Chairman
MS. ANN McCABE, Commissioner
MS. SHERINA MAYE EDWARDS, Commissioner
MR. MIGUEL DEL VALLE, Commissioner
MR. JOHN R. ROSALES, Commissioner

SULLIVAN REPORTING COMPANY, by
Devan J. Moore, CSR
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CHAIRMAN SHEAHAN: Pursuant to the Open Meetings Act, I call the September 22nd, 2016 Regular Open Meeting to order.

Commissioners McCabe, del Valle, Edwards, and Rosales are present with me in Chicago. We have a quorum.

We have no requests to speak; and we will, therefore, move into our Regular Public Utility Agenda. We have no minutes to approve today.

Item E-1 concerns changes to Ameren's Smart Grid AMI Deployment Plan.

Is there a motion to approve the proposed Order?

COMMISSIONER MAYE EDWARDS: So moved.

CHAIRMAN SHEAHAN: Is there a second?

COMMISSIONER ROSALES: Seconded.

CHAIRMAN SHEAHAN: Any discussion?

Commissioner, del Valle?

COMMISSIONER DEL VALLE: Thank you, Mr. Chairman.

Pursuant to the Energy Infrastructure Modernization Act, two participating utilities
submitted original AMI and Infrastructure plans, which the Commission analyzed and approved. Subsequently, the companies have been filing annual updates, which the Commission need not investigate.

In both this proceeding and the dismissal in April of CUB's Complaint on Ameren's 2016 Annual AMI Plan Update, the Commission has not considered whether any modifications to Ameren's AMI Plan are needed, including additional targeted reporting, or whether all of the promised benefits of the modernization have been or will be materialized. This is because the Commission has repeatedly looked to merely satisfy the bare minimum requirements of the Public Utilities Act regarding whether information regarding these large expenditures is present without any findings on the quality of that progress or achieved benefits.

Absent from the Commission's review of these modernization projects, however, is any vision or direction from the Commission of ensuring the promised benefits -- particularly, the important customer and societal benefits -- are actually
delivered in an efficient and timely manner.

Additionally, in this proceeding, CUB and EDF, again, advocate for the Commission to promote community solar and Time of Use rates. On both of these issues the Commission has declined.

I'll state again, the competitive markets remain unable to provide any meaningful Time of Use offerings, and it is time for the utilities to take the initiative to offer these products. Ameren formally included them as a promised benefit in their original cost benefit analysis. And, as I noted in a dissent earlier this year, the utilities certainly should not be permitted to block RESs from providing community solar. Five years after the Smart Grid Law was passed, both of these benefits are virtually non-existent in Illinois, and there's currently no pathway in place to ensure that they materialize.

I will vote for this order, as I believe that the additional meters will benefit all of Ameren's customers. However, for more than a decade now the Commission has known about the valuable consumer benefits, which have not yet
materialized in any meaningful way, that are enabled
by the modernizations. I believe that, ultimately,
the responsibility falls on the Commission to ensure
that those promised benefits, and the broader range
of new services made possible by AMI, are actually
delivered in a timely fashion to customers. Thank
you.

CHAIRMAN SHEAHAN: Any other discussion?

(No response.)

CHAIRMAN SHEAHAN: There's a motion and a
second. All of those in favor say, "Aye".

(Chorus of "Ayes".)

CHAIRMAN SHEAHAN: Opposed say, "Nay".

(No response.)

CHAIRMAN SHEAHAN: The "ayes" have it, and the

proposed Order is approved.

Item E-2 concerns the ICC's amendment

of Code Parts 412 and 453. We do have some

amendments, which I think we probably should handle,
to the proposed Order.

I'll move that we approve the

amendments. Is there a second?
COMMISSIONER ROSALES: Seconded.

COMMISSIONER McCabe: Seconded.

CHAIRMAN SHEAHAN: Is there any discussion?

(No response.)

CHAIRMAN SHEAHAN: All of those in favor say, "Aye".

(Chorus of "Ayes").

CHAIRMAN SHEAHAN: Opposed say, "Nay".

(No response.)

CHAIRMAN SHEAHAN: The "ayes" have it, and the edits are approved.

Moving on to the proposed Order as edited, is there a motion and a second?

COMMISSIONER ROSALES: So moved.

COMMISSIONER McCabe: Seconded.

CHAIRMAN SHEAHAN: Is there any discussion?

Commissioner del Valle?

(No response.)

CHAIRMAN SHEAHAN: Commissioner McCabe?

COMMISSIONER McCabe: I share the concerns about marketing practices by some Retail Electric Suppliers. I agree with the Order's training
requirements for RES agents and agree with the ordered workshop so that parties can discuss the details of the uniform training program.

That said, I have concerns that the proposed 412 Rule is overly prescriptive in some areas. For example, the proposed rule requires RESs to notify customers when rates change by more than 20 percent rather than Staff's initial proposal of 30 percent.

While notifications regarding substantial rate increases can be valuable for customers, I share Staff's concern that customers may disregard the frequent notice.

The Order recognizes the lack of information in the record regarding the potential number of notifications at each level. I encourage the parties to provide additional information in the record to shed more light on this issue.

The Order declines to adopt annual workshops, as ICEA recommended, because the results would not be enforceable in the rules. Even if not required in this order, I encourage the parties to
consider an annual workshop. An annual check-in between the interested parties could facilitate better compliance with, and understanding of, the rules and provide an opportunity to discuss future changes. Thank you.

CHAIRMAN SHEAHAN: Commissioner del Valle?

COMMISSIONER DEL VALLE: Thank you, Mr. Chairman. I want to thank you, Mr. Chairman, for your leadership in editing this docket. I appreciate the way that you ensured that all offices had an opportunity for input.

And I also want to thank your former staff person, Elizabeth, because I think she did a wonderful job in communicating with all --

CHAIRMAN SHEAHAN: Thank you.

COMMISSIONER DEL VALLE: -- and then your new staff that are also doing an excellent job in communicating with all of the offices regarding this particular docket.

I also want to thank all of the other parties for all of the time that they've spent and their hard work.
This has been a long process, but I truly believe that to ensure a vibrant and robust marketplace in Illinois, electricity customers must know and understand what they are being offered and what they are buying.

The requirements that we propose here protect, inform, and educate Illinois' customers. And that's good. I look forward to the First Notice Comments from all of the parties on how we can strengthen this proposal to accomplish this goal. But I think it's a very strong proposal already.

Thank you.

CHAIRMAN SHEAHAN: Thank you.

COMMISSIONER MAYE EDWARDS: Mr. Chairman, can I add something in, please?

CHAIRMAN SHEAHAN: Please.

COMMISSIONER MAYE EDWARDS: Commissioner del Valle, I wanted to somewhat echo your sentiment. We do want to encourage the state of Illinois to have a robust, you know, marketplace. We obviously are pro-choice. We've welcomed alternative suppliers. I think at this point we have about 84 alternative
suppliers, which is the most I think out of any other state; if not, maybe second.

And I think we've had situations in the past where we've kind of had the opportunity to look and say, Okay, this is what's working and this is what's not. And so we've, therefore, worked all together, all five of us, individually -- in our individual capacities -- to come together and work on this docket.

I think what we're trying to do is, of course, continue to encourage that robust marketplace of choice, but at the same time discourage bad actors, as we've seen over the last couple of years. So I think that we have a product where we can do that, and I'm proud to be a regulator and to have such a great choice, but at the same time able to regulate. Thank you.

CHAIRMAN SHEAHAN: Thank you.

Over some number of years our Consumer Services Division has seen an increase in public complaints regarding the marketing practice of some Retail Electric Suppliers which led to this
I'd like to thank the Attorney General and her staff, and CUB and their staff for their suggestions. We've adopted many of their suggestions in the edited rule that we will adopt today. This rule works to protect consumers by providing them with sufficient information to make informed decisions and prevent Retail Electric Suppliers from using separate marketing practices.

Some of these changes include standardizing the contracts and creating a uniform disclosure statement to clearly display the terms, restricting the use of utility names and logos and requiring rate notifications to prevent deceptive marketing practices, limiting the definition of fixed rate offers and agreeing to all of the renewable offers to reduce customer confusion and expanding consumer protections for in-person solicitation and marketing.

I'm proud of this rule. I'm looking forward to getting feedback as we move through the process and, as Commissioner -- as all of the
Commissioners have stated, maintaining a policy in this state where consumers have a lot of choices; and they're well-informed choices. So with that, are there any objections to approving the first Notice Order as edited?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the first Notice Order as edited is approved. Items E-3 and 4, Ameren Illinois's Reconciliation of Revenues. Is there any objection to considering these items together and approving the proposed Order and approving the Reconciliations?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Orders are approved. Items E-5 and 6 concern complaints against ComEd. Are there any objections to considering these items together and granting Joint Motions to Dismiss with prejudice?

COMMISSIONER ROSALES: With prejudice?
CHAIRMAN SHEAHAN: Judge, Kimbrel, is it with prejudice or without prejudice on Items E-5 and 6?

JUDGE KIMBREL: With prejudice.

CHAIRMAN SHEAHAN: With prejudice, Commissioner Rosales. Thank you.

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the motions are granted.

Item E-7 concerns a complaint against ComEd.

Are there any objections to granting the Joint Motions to Dismiss without prejudice?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the motion is granted.

Items E-8 through 19 concern various citations for failure to file Compliance Recertification Reports.

Are there any objections to considering these items together and approving the Orders suspending the certificates?
(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Orders are approved.

Items E-20 through 24 concern various citations for failure to file Compliance Recertification Reports.

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

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Orders are approved.

Items E-25 through 27 concern petitions to cancel ABC Certificates.

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

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Orders are approved.

Item E-28 concerns McEnergy's Application for Cancellation of its Service
Authority.

Are there any objections to approving the proposed Order cancelling the certificate?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Order is approved.

Items E-29 and 30 concern Applications for Certification as Installers of Distributed Generation Facilities.

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

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Orders are approved.

Item E-31 concerns Tenaska Power Management's Application for a Certificate of Service Authority.

Are there any objections to approving the proposed Order granting the certificate?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Order is
Moving on to our Gas Agenda, Item G-1 concerns Peoples' petition to reopen a docket regarding transfer of interest into a property.

Are there any objections to granting the Petition to Reopen?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the petition is granted.

Item G-2 concerns Peoples Gas and North Shore Energy Savings Gas Program for Years 1 through 3.

Are there any objections to approving the proposed Order approving the Energy Savings?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Order is approved.

Item G-3 concerns a consumer complaint against Nicor.

Are there any objections to approving the proposed Order denying their complaint?
CHAIRMAN SHEAHAN: Hearing none, the Order is approved.

Item G-4 concerns Think Energy's Application for Certificate of Service Authority.
Are there any objections to approving the proposed Order granting the certificate?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Order is approved.

Moving on to our Telecommunications Agenda, Items T-1 through 4 concern Petitions for Emergency Relief to protect confidential information.
Are there any objections to considering these items together and approving the proposed Orders granting the petitions?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Orders are approved.

Items T-5 and 6 concern Petitions to Cancel Certificates of Service Authority.
Are there any objections to
considering these items together and approving the
proposed Orders?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Orders are
approved.

Item T-7 concerns Netrino and
Everstream's Motions -- Everstream's Motion to
Withdraw its Joint Application.

Are there any objections to granting
the Motion to Withdraw?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the motion is
granted.

Moving on to our Water Agenda,
Item W-1 concerns Illinois-American's Petition for
Initiation of Reconciliation Hearing.

Are there any objections to approving
the proposed Order?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Order is
approved.

Item W-2 concerns Aqua Illinois'

Are there any objections to approving the proposed Order granting the petition?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Order is approved.

We have one item -- or two items on our Miscellaneous Agenda. Item M-1 concerns the Commission's motion to authorize release of information and entry into an interagency agreement with the Illinois Department of Natural Resources.

Are there any objections to approving the proposed Order?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, the Order is approved.

Item M-2 concerns the Commission's own motion to develop and adopt rules concerning rate case treatment of charitable contributions.

Is there a motion to approve the
proposed Order adopting the rules?

COMMISSIONER McCABE: So moved.

CHAIRMAN SHEAHAN: Is there a second?

COMMISSIONER ROSALES: Seconded.

CHAIRMAN SHEAHAN: Commissioner del Valle?

COMMISSIONER DEL VALLE: Thank you, Mr. Chairman.

Between 2012 and 2014, just three years of formula rates, ComEd recovered roughly $23 million in ratepayer funds for charitable contributions. This year Illinois' four largest utilities are recovering nearly $11 million dollars combined.

How these contributions are steered is at the discretion of management, and not transparent. And when the public sees a newspaper article or a utility's logo indicating a utility's monetary support for a group or event -- and we see the press releases regularly -- they generally do not know it is ratepayer money collected in what many courts around the country have characterized as an involuntary levy.
Many years ago, the Illinois Supreme Court concluded that a monopoly utility's charitable contributions cannot be financed with ratepayer money. But the General Assembly enacted Section 9-227 directing the Commission to consider charitable expenses as an operating expense.

The Commission's original Part 325, which attempted to find an equitable balance for recoverability of charitable expenses, was subsequently invalidated by the courts. In the years since, the Commission has consistently found the evidence supporting these expenses in numerous rate cases lacking.

Over 40 states, either by law, rule, or case law prohibit the recovery of charitable contributions from ratepayers, finding the practice unreasonable, inequitable, and even unconstitutional.

In Mississippi, where its legislature similarly passed a law directing its Commission to consider the recoverability of charitable contributions, the Commission did so by adopting a rule barring the recovery of charitable contributions
in base rates. After some research, I found that even those few states that do permit the recovery of charitable contributions, the amounts approved are dwarfed by the amounts recovered in Illinois.

Staff's initial proposed Rule for reinstating Part 325 went a long ways towards minimizing -- but not of course eliminating -- the risks involved in recovering these expenses by ensuring the greatest level of transparency for reviewing the utility's process of making contributions with ratepayer money, and by ensuring that the utility would have to inform the public of the use of ratepayer-funded charitable contributions. But those requirements were arbitrarily removed from the Rule.

With the modest initial disclosure requirements being approved today, I expect continued difficulties and litigation in rate cases around these substantial sums, and that the rule will do little to improve the accountability of the utilities' distribution of these funds.

These companies and their shareholders
should -- I repeat "should" -- play an important role as corporate citizens through their charitable giving. But the source of that giving should not be the involuntary levy on ratepayers; and if it is, the entire process should be transparent.

For these reasons and those stated in my two dissents, I'm voting "no" today. Thank you.

CHAIRMAN SHEAHAN: Any other discussion?

(No response.)

CHAIRMAN SHEAHAN: We have a motion and a second to approve the proposed Order adopting the rules. All of those in favor say, "Aye".

(Chorus of "Ayes".)

CHAIRMAN SHEAHAN: Opposed say, "Nay".

COMMISSIONER DEL VALLE: Nay.

CHAIRMAN SHEAHAN: The vote is 4 to 1, and the Order is approved.

In Other Business we have an item regarding the Illinois Power Agency's Fall 2016 Solicitation of Bids to Sell Zonal Resource Credits to Ameren.

Is there a motion to approve the
Procurement Administrator's Recommendations on Selection of Winning Bids?

COMMISSIONER ROSALES: So moved.

CHAIRMAN SHEAHAN: Is there a second?

COMMISSIONER MAYE-EDWARDS: Seconded.

CHAIRMAN SHEAHAN: Any discussion?

(No response.)

CHAIRMAN SHEAHAN: All of those in favor say, "Aye".

(Chorus of "Ayes").

CHAIRMAN SHEAHAN: Opposed say, "Nay".

(No response.)

CHAIRMAN SHEAHAN: They "ayes" have it, and the methodology is approved.

Judge Kimbrel, do you have any other matters to bring before the Commission this morning?

JUDGE KIMBREL: No, Mr. Chairman.

CHAIRMAN SHEAHAN: Thank you.

Commissioners, this is the time usually reserved for Commissioners to bring items before the Commission.

Commissioner Rosales, I believe you
have an item?

COMMISSIONER ROSALES: Thank you, Mr. Chairman.

I would like to take this moment to acknowledge Hispanic Heritage Month, celebrated every year from September 15th through October 15th. The Hispanic population in the United States is over 56 million, constituting over 17 percent of the nation's total population.

In Illinois, the Hispanic population is somewhere near 2.2 million, which, to the person, mirrors the same percent of the nation, with the other 17 percent of state residents being of Hispanic descent.

So it's important to take a moment to reflect on Hispanic Heritage Month, with an eye toward finding ways to improve acceptance and diversity in all areas throughout the state for men and women of all ethnicities and races.

Last week Governor Bruce Rauner cut the ribbon at the Illinois Hispanic Chamber of Commerce. And if you were there, or watched a clip on TV, it took a very long time to cut the ribbon...
with those large ceremonial cardboard scissors. I appreciate the Governor attending and speaking at the event, which kicked off the Hispanic Heritage Month here in Chicago.

At the ICC we celebrate Hispanic Heritage Month in our "diversity and inclusion" program, in which all employees -- all employees -- are recognized for their talent, their experiences, and their contributions in moving the Illinois Commerce Commission forward.

Thank you, Mr. Chairman.

CHAIRMAN SHEAHAN: Thank you.

Are there any other comments from the Commissioners?

(No response.)

CHAIRMAN SHEAHAN: Hearing none, without objection, we stand adjourned.

(Whereupon, the above matter was adjourned.)