BEFORE THE

ILLINOIS COMMERCE COMMISSION

PUBLIC UTILITIES SPECIAL OPEN MEETING

Wednesday, January 13, 2021

Chicago, Illinois

Met pursuant to notice via videoconference
at 1:30 p.m.

PRESENT:

CARRIE ZALEWSKI, Chairwoman
(via Chicago office)

D. ETHAN KIMBREL, Commissioner
(via Chicago office)

SADZI M. OLIVA, Commissioner
(via videoconference)

MARIA S. BOCANEGRA, Commissioner
(via videoconference)

MICHAEL T. CARRIGAN, Commissioner
(via Springfield office)

BRIDGES COURT REPORTING
BY: Michael J. Duffy, CER
Notary Public
CHAIRWOMAN ZALEWSKI: Under the Open Meetings Act and in accordance with the Governor's Executive Order, I call the January 13, 2021 Special Open Meeting to order.

Before we proceed, and for clarity of the record, I would ask everyone to state their name before speaking and to speak slowly and clearly so that the court reporter can capture everything that is said.

I already checked that we have all Commissioners with us and so with five on, we have a quorum. We have no requests to speak, no Transportation Agenda, just two items on our Public Utilities Agenda.

CHAIRWOMAN ZALEWSKI: Item 1 concerns the December 16, 2020 Regular Open Meeting minutes. There are edits to the minutes. Are there any objections to approving the minutes as edited?

(No verbal response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the minutes are approved.

Item 2 concerns Docket 20-0308,
which is Ameren Illinois' proposed general increase
in rates and revisions to other terms and
conditions for gas services. The order approves
the proposed increase subject to the adjustments
specified in the order and its appendices.

There are substantive edits to the
order proposed by Commissioner Kimbrel's office.
The edits amend sections of the order that address
capital structure and rate of return. The edits
adopt a capital structure with 52 percent common
equity, 47.061 percent long-term debt, 0.110
percent short-term debt, and 0.833 percent
preferred stock. The edits also adopt a cost of
common equity of 9.67 percent to averaging party's
suggested calculation. Is there a motion to adopt
the proposed edits?

COMMISSIONER CARRIGAN: Commissioner Carrigan
moves for adoption.

CHAIRWOMAN ZALEWSKI: Okay. I'll take that
as the motion for Commissioner Carrigan. Is there
a second?

COMMISSIONER BOCANEGRA: Second.
CHAIRWOMAN ZALEWSKI: Okay. Commissioner Bocanegra, I heard you first. Commissioner Bocanegra seconds. Are there comments regarding the edits?

I have comments. I am going to vote nay on the order as edited. I disagree with the majority's method in calculating the return on equity, or ROE. Specifically, I believe that the majority's ROE number implicitly accepts adders and financial models that have been traditionally and repeatedly rejected by the Commission.

Ameren's proposed ROE, under the edits, is influenced and pushed higher by floatation costs and the ECAPM and expected earnings models. The record clearly shows objections by Staff and IIEC, CUB, and FEA to Ameren's use of the floatation cost adjustments in previously rejected models.

While averaging can help mitigate the impact of the models and adders, the Commission has repeatedly rejected. The majority indirectly accepts those models and adders by utilizing
Ameren's proposed initial ROE without considering which model estimates are outliers. Therefore, I believe the methodology is flawed.

I am worried this approach may result in encouraging parties to inflate or deflate their proposed ROEs in future rate cases to push the simple average of ROEs in their desired direction.

Okay. If there's no other comments, I am going to call to vote on the approval of the edits. If you are in favor of approving the edits, please say, "aye," and if you are opposed, please say, "nay." Commissioner Bocanegra?

COMMISSIONER BOCANEGRA: Aye.

CHAIRWOMAN ZALEWSKI: Commissioner Carrigan?

COMMISSIONER CARRIGAN: Aye.

CHAIRWOMAN ZALEWSKI: Commissioner Kimbrel?

COMMISSIONER KIMBREL: Aye.

CHAIRWOMAN ZALEWSKI: Commissioner Oliva?

COMMISSIONER OLIVA: Aye.

CHAIRWOMAN ZALEWSKI: I vote nay, so four
ayes have it and the edits to the order are approved.

I now call a vote on the approval of the order as edited. If you are in favor of approving the order as edited, please say, "aye," and if you are opposed say, "nay." Commissioner Bocanegra?

COMMISSIONER BOCANEGRA: Aye.

CHAIRWOMAN ZALEWSKI: Commissioner Carrigan?

COMMISSIONER CARRIGAN: Aye.

CHAIRWOMAN ZALEWSKI: Commissioner Kimbrel?

COMMISSIONER KIMBREL: Aye.

CHAIRWOMAN ZALEWSKI: Commissioner Oliva?

COMMISSIONER OLIVA: Aye.

CHAIRWOMAN ZALEWSKI: I vote nay.

So those four ayes have it and the order as edited are approved. This concludes our Public Utilities Agenda.

Judge Teague-Kingsley, do we have any other matters to come before the Commission today?

JUDGE TEAGUE-KINGSLEY: No, Madam Chair.
CHAIRWOMAN ZALEWSKI: Do any of the commissioners have any other business to discuss?

COMMISSIONER KIMBREL: Madam Chair, if I could just make a comment?

CHAIRWOMAN ZALEWSKI: Sure.

COMMISSIONER KIMBREL: Respectfully, the methodology adopted by the majority in this opinion has survived appeal. It did include all of the party's positions, as you stated. As we all know, the administrative law judge who did a good job here, Judge Jorgensen, she was very critical of the methodology adopted last year by this Commission. So there was reasoning behind changing the methodology here, which I don't think I need to express any further, but -- anyway, thank you.

CHAIRWOMAN ZALEWSKI: Okay. Any other comments?

(No verbal response.)

CHAIRWOMAN ZALEWSKI: Okay. Hearing none and without objection, the meeting is adjourned. Thank you.

(Whereupon the meeting was adjourned at 1:37 p.m.)