BEFORE THE
ILLINOIS COMMERCE COMMISSION

BENCH SESSION
(PUBLIC UTILITY)

Springfield, Illinois
Thursday, January 21, 2010

Met, pursuant to notice, at 10:30 a.m. in Room A, Leland Building, 527 East Capitol Avenue, Springfield, Illinois.

PRESENT:

MR. MANUEL FLORES, Chairman
MS. LULA M. FORD, Commissioner
MS. ERIN M. O'CONNELL-DIAZ, Commissioner (Via teleconference)
MR. SHERMAN J. ELLIOTT, Commissioner
MR. JOHN T. COLGAN, Commissioner

SULLIVAN REPORTING COMPANY, by Carla J. Boehl, Reporter
CSR #084-002710
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 Springfield are Commissioners Ford, Elliott and Colgan. We also have Commissioner O'Connell-Diaz joining us from Chicago, Illinois, and myself Manuel Flores. We have a quorum.

Before we begin, I would just like to welcome everyone here to the Illinois Commerce Commission. It is a real honor and privilege here to serve with you. This is my first bench here and I would also like to thank all of the citizens of the state of Illinois as well as the Governor for this opportunity to serve our state.

Before moving into the agenda, I just wanted to make a few other remarks. According to Section 1700.10 of the Illinois 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, there are 12 requests to speak. The speakers are permitted three minutes to address the Commission.

Now, before we further begin, I do want, because we have one of our commissioners not with us presently, we do need a motion to have her be part of this. Do I hear a motion?

COMMISSIONER FORD: So move.

COMMISSIONER COLGAN: Second.

CHAIRMAN FLORES: Thank you. Please be advised this is very important, something that I take very seriously because I believe it is important that we inform the general public -- and we need to vote on the motion. So are we voting?

COMMISSIONERS: Aye.

CHAIRMAN FLORES: So the ayes have it.

As I was indicating, though, in terms of public comment, it is very important, that I take very seriously and I know the Commissioners do, to have the opportunity to hear from the general public.
According, however, to ex parte laws and other procedural matters, we will be unable to respond. My understanding is that first with us today that we have Representative Robert Flider who represents the 101st District. Representative Flider, good morning, Representative.

REPRESENTATIVE FLIDER: Thank you. Thank you, Mr. Chairman and members of the committee. I actually come today accompanied by two individuals from my area Decatur, Illinois. I wonder if they might join me up here and we might be able to present together. I will definitely remain within the time slot.

CHAIRMAN FLORES: Definitely.

REPRESENTATIVE FLIDER: So I would like to introduce to you, and you have them on your list as well, Diane Drew, and Diane is the executive director of CHELP In Decatur. Diane works very closely with senior citizens in the central Illinois region and she has some comments she would like to provide.

And then I have Dave Freyling. Dave is chairman of the Macon County Veterans Assistance
Commission. He is also past commander of the American Legion and is also a member of the Macon County Honor Guard and very involved in our community.

And they have some thoughts that they would like to share. Then when they are finished, I would like to share some final thoughts with you, if that's okay.

CHAIRMAN FLORES: Thank you. Ms. Drew.

MS. DREW: Is that okay? I am kind of short.

Good morning and thank you for this opportunity to speak to you about this request today. My name is Diane Drew and I am the executive director of the Community Home Environmental Learning Project which is known as CHELP. CHELP is a social service agency in Macon County providing services to seniors and disabled citizens of Macon County. On a monthly basis we provide service to approximately 400 seniors and disabled citizens. With our outreach program we make contact with over 1400 seniors annually.

I am here today to address the Ameren rate increase and to encourage you to reject this
request. I would like to address the Commission on behalf of my agency, the elderly and the low income individuals who will have to deal with this rate increase from the power company. Please take into consideration a population that has no control over how much money they make. They live in small homes, large high rises, old houses, mobile homes and apartments, and they struggle with heating those homes.

Now compact that challenge with ever rising costs of heating those homes on a fixed income, and you can see where the problems are beginning. They end quite often with our agency and requests for assistance.

Our agency takes calls from all over Macon County regarding the elderly and low income disabled who have high power bills due to the high ceilings in their homes, the need for space heaters, the need for assistance paying their high power bills, or worse, the need for a nutrition basket, as they have no food due to the fact they paid those high power bills.
There are several agencies in Macon County that provide food baskets to families who cannot afford food at different times during the month. Those same agencies are stating now that they are seeing a rise in their request for food baskets and are showing that these rises are often coming from people who have no history of ever asking for assistance before. This also causes a strain on those agencies.

A fixed income is just that, set. Increases in bills and the high costs of every day living means something has to give somewhere, and it is bound to be in the things that they need most, food and heat during the winter months. A rate increase at this point in time is dangerous for this population as they will have to try to do without, as they did many years ago during the depression, only at this point in time it is less do-able for them. They take medication they can barely afford, many of which are to be adjusted with food which they may or may not have, due to the fact they pay a high power bill.
This population prides itself on paying for what they have, as they grew up during the depression and they know the value of a dollar, only their dollars are handed out in many cases by Social Security from the government, and as we all know they did not get an increase this year.

So when your income does not rise but your cost of heating your home does and that rises drastic for most folks in this category, you can begin to see where the problems impact this population, and our agency tries to answer the needs as often as we can.

Now even more so, the people who are elderly and disabled or low income must tighten their belts and will do without food, medication and even heat at times to survive these cold winter months. A rise at this time is very deplorable and it means that more individuals will need our assistance to survive these cold wintery days, and even our bank account has its limitations.

We just got our power bill at CHELP yesterday. It was $650. Last month it was 397. If
our power bill jumped that much, think what this is
doing to our seniors and our low income disabled
people.

So we please ask you today to say no
to Ameren's increase -- sorry, say no to the Ameren
rate increase at this time.

CHAIRMAN FLORES: Thank you, Ms. Drew.

MR. FREYLING: Thank you. I would like to
thank you for allowing me to be here today. My name
is Dave Freyling and I am 71 years old. My wife is
78. We are on a fixed income, and as Diane is
talking about, fixed income means exactly like what
that is, fixed. We are not going to get a raise this
year through Social Security, nor are we going to get
one next year.

My power bill jumped up $365. Now,
what that amounts to, I looked at the bill the other
day and I couldn't believe it. One-third of that
went to delivery fees, taxes and other things. And,
ladies and gentlemen, to be honest with you, I can't
afford that any more.

We are in the situation right now
where we have our heat set at 62 degrees. Now, you
know, the last couple of weeks it's been down 13, 14
below. It was cold, but we survived. We can't
continue this. Everything that we try to do, we cut
back on the heat, we cut back on everything else
because we have such an outrageous power bill, that
gives us the opportunity we can't go and do the
things we used to do. I love to volunteer. I cannot
go there any more to volunteer because I can't afford
the gas in my car. My wife and I can't go out to eat
because we don't have the money. We have to set
aside so much because we don't know what it is going
to be.

What happens right now is my wife will
get up and will get on the computer and we will
figure out two or three days ahead of time exactly
what that power bill is going to be. Then we will
figure out how we are going to pay this money. This
guy is going to get some this week; this guy is going
to get some this week. But the end result is we have
got to pay the power bill because we have to keep
warm.
In the summer time we keep our thermostat at 82. It gets warm. We keep the humidity out of the air and it's okay. This is not just one family. This is me, my wife and I. Thank God our house is paid for. Can you imagine what it is like for somebody with two and three children to do that, to keep a house warm, plus they have to buy the food and all this stuff?

It is ridiculous what they are trying to do, this rate. You know, they are going to have to learn to cut back just like we do. We have got to have some accountability some place. Now, I know it is difficult in this day and age to cut corners, but they are going to have to because we have to do that.

And I am at the point now where, ladies and gentlemen, I can't cut any more. I am on a fixed income, and the only thing I can do is realistically go out and try to find a part time job. I have had three heart attacks, two open heart surgeries, and survived prostate cancer. And who is going to hire a guy like me? I feel good. I can walk and talk. Like Bob coming over here, Bob got
out of breath because he is dealing with COPD. I can
do some of the things I used to do when I was a kid,
but I can't go out and find a job to do that. So
something has got to stop somewhere, and we are at
the point where our living, you know, our quality of
life is not being what it should be.

I had a nice little -- had a good job
all my life. My wife had a good job all her life.
We put money in the bank. We saved our 401K plan.
Now our 401K plan is 000K because there is nothing
left in it. What they didn't take away with a few
other things, we had to use to spend to buy the power
bill, the groceries and the things that we need.
That's all gone. We have nothing less except our
dignity. There is nothing left.

So this rate can't go through. They
have got to find some other way to do it. And I
don't know how you are going to do it. I can
appreciate the fact -- the situation you are in, the
whole situation, too. And I am not by myself. There
are thousands and thousands of people that are -- you
know, they are in bad shape. They can't get anything
to eat when they pay their bills.

Luckily, I get my medication through the VA. Being in the service, I get that. That's $1200 a month. It doesn't cost me. I get it for $8. I get it for a cheaper rate. But if I were to have to pay that, that's $1200 a month. Social Security, I get 12, 13. That would take everything out, even then. And then when we get a raise -- like I said earlier, we didn't get a raise for that. We are not going to get it on medicine. And yet my rates are going to keep going up, my insurance rates are going to go up, my Medicare is going to go up, the price of gasoline is going to go up. All these things are going to go up. We have got to figure out a way to pay for it. And raising their rates is not going to help me or anybody else.

I think I probably went over my three minutes, but -- I am sorry, but I am quite adamant about this.

CHAIRMAN FLORES: Let me also thank you for your service to our country, sir.

MR. FREYLING: That's what we have to do.
CHAIRMAN FLORES: Representative Flider.

REPRESENTATIVE FLIDER: Yes, thank you, Mr. Chairman and Members of the Commission. First, I want to thank AARP. They came up with the idea of allowing us to address you personally so that we could in a very real life way let you know about some of the concerns of our community and the kind of people that are out there who have views that they would like to share with you.

It is no secret we are in the midst of a recession, and I have brought with me some copies of the news release issued last December from the Department of Employment Security headlined National Recession Rips Illinois Communities. In my community in Decatur we have unemployment of 12.6 percent. Throughout Illinois we have unemployment of 10.5 percent. In Decatur compared to a year ago, 2300 fewer people were working than a year before. And the question is, could these people afford an increase in their utility rates and can their families, in addition to those who are on fixed incomes?
We are not accountants, we are not lawyers, we are not engineers, we are not expert consultants. We are just folks representing our community. But the rate hike we believe would add to the recession that's going on today, and it will cost jobs. Because people who can't pay their power bills, who are going to be forced to find a way to pay those bills, will have less to support other businesses and that is going to have a detrimental impact on jobs, not to mention the fact that organizations like CHELP and others will see their power bills go up.

So I am urging you not only to reject the rate increase, but also to consider rolling back the rates from their current levels, existing levels.

Back in November I did ask the Commission, and we are grateful that you allowed us to do this, to have a hearing in Decatur to allow citizens to testify concerning their perspectives on the Ameren rate case. Over 100 people showed up. I presented some testimony there. I hope you would consider taking a look at some of that, so I won't
repeat that here. But the next day there was a meeting in Wall Street with Wall Street executives and one of the Ameren executives said, oh, we are not hearing much push back, we are not hearing much opposition to our rate case, and it was in total contrast to the meeting that we had the night before in Decatur where over 100 people showed up to express their opposition. So I think there is a little bit of disconnect between Ameren and the community and their citizens.

And there are a lot of people who say, when we talk about the rate increase, they say, well, why bother fighting, why would we even go forward, they are not going to listen to us, you know, they always get the rate increase. I, however, continue to believe that, you know, we must continue to press the case for doing everything we can to minimize the effect on consumers, and in my case I am suggesting a rate reduction. And I hope that you will consider the views of the people. I think that they can win. I think that we can win.

I would like to leave with you copies
of this news release, however you would allow me to
do that, whether it is just for the record or I could
pass those out to you today. I will just leave these
here. You can do with them what you wish, but this
is a real life example of what many are facing.

Once again, thank you for the
opportunity to allow us to testify today. Please
consider these views as you vote on the case in the
future.

CHAIRMAN FLORES: Representative, thank you so
much for taking the time to be here on behalf of your
constituents and thank you to the witnesses for
taking time. We really appreciate the information
and testimony you have shared with us this morning.

Next we have Ms. Jessica Bauer.

Ms. Bauer, would you please -- is Ms. Bauer here?

Ms. Bauer, do you hear us?

CHICAGO SPEAKER: Yes, she is coming to the
mic.

MS. BAUER: Good morning, Commissioners.

CHAIRMAN FLORES: Good morning.

MS. BAUER: My name is Jessica Bauer and I am a
native Chicagoan. I have been a Peoples Gas customer for three years and I am not going anywhere soon. I am starting school here to become a certified nursery school teacher. I work as a nanny and babysitter and my roommate is a full time paralegal.

We are fortunate to have income, but are both paying off student loans and in winter we can barely afford to keep our home at a bearable temperature. So we wear our coats and scarves indoors. We are two single people. What about those paralegals and nannies with families to support? What about the unemployed? What about service workers and other low income workers? It is no wonder thousands of Chicagoans are daily forced to choose between food and heat, and that some families opt for less expensive but more dangerous ways of staying warm, like using electric heaters which cause house fires with tragic frequency.

Which brings me to the proposed Peoples Gas rate increase. In the March 2009 Customer Connection insert I received in my bill, the president of Peoples Gas said a bill rate increase is
necessary for infrastructure work to, quote, to maintain the high level of safety and reliability our customers expect, unquote. But claims Chicago Business, pointed out in their June 22 issue of that year, that Integrys, parent company of Peoples Gas, at that very moment was paying out an eye-popping dividend yield of 9.5 percent and, quote, that rich payout is vulnerable unless Peoples can persuade state utility regulators to give it a hefty rate hike in January, unquote.

This rate hike is nothing but a scam, a profit grab. Integrys paid out revenue as dividends, rather than investing in infrastructure, and now says that we have to pay for it. Peoples Gas uses safety as a justification for raising their rates while they already profit off of rates that force tens of thousands of families to make life threatening choices.

You know and I know that there is no justification for this rate increase. The outgoing chairman of this body, Charles Box, said at the last Commission meeting on January 12 that your job is
difficult because your opponents are multi-million dollar law firms with nearly unlimited resources. Clearly, since the utility companies have nearly unlimited resources to try to influence you, they do not need more of our hard-earned money.

Commissioners, it is your duty as a state regulatory agency for utilities to reject this profiteering request. I demand you fulfil your duties and reject the Peoples Gas rate increase.

Thank you.

CHAIRMAN FLORES: Thank you, Ms. Bauer, for taking the time to give your comments.

The next individual that we have is Mr. Doug Nicodemus.

MR. NICODEMUS: Good morning. Can you hear me?

CHAIRMAN FLORES: Yes.

MR. NICODEMUS: I am here to ask the Commission to reject Ameren's request for a fee or a rate hike, whichever it happens to be. I would like to thank AARP for helping to arrange this meeting. They asked me to come and speak.

So I think that there is two issues
here. One, as far as Ameren goes, they requested a fee increase or a rate increase last year and the year before and received a relatively hefty increase. So precedence-wise what's beginning to happen here is that in years past Ameren would every three or four years ask for a rate increase. They would come in with evidence, and usually they would get that increase. But now what's beginning to happen is every year they are coming in and beginning to ask for rate increases, and the precedence is beginning to be set that those rate increases are allowed on a yearly basis. I don't think that's a good idea. The justification just simply isn't there. So that's sort of the regulatory issue from my perspective.

But the larger issue is the economy. We all know what we have been through, six million lost jobs, unemployment rate of, you know, depending on whose numbers you believe, some people say 9 to 16 percent. Illinois in particular has been hard hit in the manufacturing sector. And I agree with Representative Flider. I think that actually what's required here would be a rate reduction. There is no
economic sense in the real world that would allow for any sort of increase. And, quite frankly, from a public relations standpoint, I think that it would benefit Ameren to actually ask for some small rate reductions to show that they, you know, have some interest in the community. For them to simply come back to the well every year and ask for more and more money from communities that can't afford it, it is not good for their image and it most certainly isn't good for Illinois and it is not that good for the Commerce Commission.

So at any rate, I hope that you will take into consideration the idea of rejecting this fee increase and possibly asking them to roll their increases back.

Thank you.

CHAIRMAN FLORES: Next we have Mr. Jose Valenzuela.

MR. VALENZUELA: (Spoken in Spanish; no translation available.)

CHAIRMAN FLORES: Muchas gracias.

MR. VALENZUELA: My name is Jose Valenzuela.
And I here have been a Chicago resident for -- okay, and I here have been a Chicago resident and Peoples Gas payer for over 35 years. I worked as a mechanic at a company in Bedford Park for 26 years until they shut down in 2006. I am here today to tell you on behalf of myself, my family, my neighbors, my community and all working people of Chicago, to not approve rate increase for Peoples Gas.

The first reason you should reject the rate increase is that we, the customers, cannot afford it. Many people like myself do not have a job or have a job that doesn't pay enough to afford all the basics. I understand it is your job under the Public Utilities Act of 2001 to make sure utilities are affordable and available to all of us. Right now thousands of families in Chicago, including people on my block, cannot afford heating gas, and that number will grow if you approve rate increase for Peoples Gas.

The second reason you should reject a rate increase for Peoples Gas is that they do not
need it. The parent company of Peoples Gas increased probably a hundred million in 2000 to 2008. Right now they are paying their CEOs millions of dollars and giving their shareholders huge dividends. A rate increase will only line up their pockets which are already full.

In short, you, this ICC, have no legal right to make all of us, the people of this state, ratepayers, to spend more money that we do not have to keep our record paid up. Also there are very few people who would benefit. It is not a fair balance.

Commissioner Flores, (spoken in Spanish; no translation available).

I ask you, Commissioners, to do your duty and reject the Peoples Gas rate increase.

Thank you.

CHAIRMAN FLORES: Thank you very much, Mr. Valenzuela. The next individual that we have signed up is Reverend Errol Narrain, also in Chicago.

REVEREND NARRAIN: Good morning.

CHAIRMAN FLORES: Good morning.

REVEREND NARRAIN: Sawubon. It is a word that
is taken from the South African people where I come from. It means I see you, I recognize you, I know what's going down deep in your heart.

I thank you for this opportunity to speak against any hike in the price of energy. I have a deep respect for you as humans. Ordinary humans call on the people and trust that the men of the council represent the people's interest of keeping the basic necessities of living affordable and within reach in this great state.

We applaud the Commission for its courage. Your past chairperson last week summarized his tenure and work on the Commission in these words, taking on the huge corporate giants by choosing the side of the people. I believe that the chairperson was not just speaking for himself but for the Commission as a whole. I am sure that keeping such a successful record depends on team work and a relative and just and fair Commission as a whole. We the people always applaud the just and fair work of the Commission.

I am Errol Narraín, rector of
Community Church on the south side of this fair city.

We who work in the city know what poverty is and who the poor are. I came to this wonderful country 22 years ago from South Africa, having suffered for 37 years of suffering (sic) to a single small and powerful group and have personal experience of how a small group can wreak devastating havoc in the lives of people because of greed and profiteering. For 400 years native South Africans were kept poor because a small group were bent on making a profit. Thank God because of the will of the people they are no longer around.

Now we have sat quietly listening to the real stories of a room filled with people of the city, humans who are poor, humans who cannot afford food, medicine, let alone energy to heat their homes in a winter that is only proving to be long and cold. Now, keeping quiet is not a virtue of preachers. We are born to speak. I admit it took great discipline last week; they say you can never keep a preacher down. I am a preacher, but my prayer is yet today that I may not just speak words for the sake of
speaking. My prayer is to pray for you as a Commission that you may have the grace to do your courageous work of being David against the colossal Goliath of corporate interest. My prayer is that you will be true to your mission of this Commission to keep the trust of the people you serve, and they can keep the basic commodity of energy affordable to all.

The voices of the poor are the voices of God in their hearts and you have already heard them last week and you have heard some today. Some of them will be following me. Their voices are one. No price hike. May you listen to the cries of the poor. May you say with God that speaks consistently like Hebrew and Greek scriptures, I have heard the cries of the poor. No doubt God speaks the same way in the rest of scriptures of other traditions. God's voice of radical love and radical compassion is also one.

As a custodian of the church of God, we barely can afford to heat our churches. I have a large church. We have tightened our belts to the fullest just to keep warm. Worst of all, we are
scaling back our response of radical love and compassion to those who are waiting and hoping in our neighborhoods. Those who are waiting and hoping just happen to be the poor who do not have much in the way of basic necessities. Raising the cost of energy will increase the already large number of those who cannot afford the necessities, let alone the last straw on the camel's back.

The church, the mosque, the temple, the synagogue and other spiritual creative moves of God need buildings for their work, depends on it. These buildings continue -- for these buildings continue the work of these institutions. These institutions or movements are a beacon of light in civilized societies, and raising the cost of energy threatens the survival of those institutions.

These institutions are not just buildings alone. They are people. Raising the cost of energy is a large contributing factor to the demise of these institutions and the people that attend these institutions. Society depends on these institutions for healing and wellness.
Mr. Chairman and members of the Commission, the people are hungry, thirsty, naked and in trouble. Can we be God to them and give them food, water, clothes and now timely help in the way of energy? If we do this, we will be serving God, we as the hungry, the naked, the thirsty, the troubled and the one now who cannot and will not be able to afford energy. Stand up against the giant. Be the David in the story. Be the Commission that makes energy affordable to its people. Perform a Godly service.

Sawubon. I see you, I know who you are, I know what's going down deep in your heart. May God bless you, and may I recommend seeing the movie "Avatar."

CHAIRMAN FLORES: Thank you very much, Reverend.

Next we have Ms. Rebecca Montalvo. Ms. Montalvo, would you please approach?

MS. MONTALVO: Hello. Good morning to everyone in Springfield and good morning to everyone here. My name is Rebecca Montalvo and I am a concerned citizen
of the city of Chicago. I am appalled that the Illinois Commerce Commission is even considering a $161 million hike increase for Peoples Gas. Not only are we in the middle of winter, we are also in the middle of a recession, and unemployment rates are only getting worse.

Integrys, the parent company, as you all know, of Peoples Gas has been leading dividends for its shareholders in the industry. Peoples Gas President Will Evans, Jr., claims that this rate increase is necessary to maintain the high level of safety and reliability our customers expect. That may very well be true, but as we all know we are in the middle of a recession and we all must make sacrifices. So why not lower the dividends of the shareholders during a recession year and allocate the money toward needed improvement and maintenance and safety while maintaining the integrity of Chicago land families.

Richard Douglas once said it is easier to build strong children than to repair broken men. I believe the same goes for families. We all know
there are severe differences and unbalanced
differences between the north side of Chicago and the
south side. For a family in the north side, a 12 to
20 dollar hike on their monthly Peoples Gas bill
might not have them sacrifice their weekly trip to
Starbucks. While for a struggling family on the
south side, it could be the difference between
putting food on the table and keeping the family
warm. And based on minimum wage, trying to get those
extra hours, which doesn't look like it is going to
be likely, they wouldn't be able to and that would be
extra hours having to spend away from your family.

No, preventing the $161 million hike
increase won't fix or prevent the many problems
facing families in poverty, though it definitely
won't add any more. But problems with the working
class and poverty stricken families are problems that
need to be worked on every single day.

So Chairman Flores and Commissioners,
I am asking you to please put yourself in the shoes
of families and citizens that will be severely
affected by this and the ones that won't be severely
affected by this and then decide who will truly make
the greatest sacrifice.

Thank you.

CHAIRMAN FLORES: Thank you, Ms. Montalvo.

Next we have Mr. Jesse Brown.

Mr. Brown, would you please approach?

MR. BROWN: Good morning, Commissioners, and
welcome, Chairman Flores.

CHAIRMAN FLORES: Thank you.

MR. BROWN: My name is Jesse Brown and I was
born and raised in Chicago and I am disabled from my
work at Century Steel. I am here today to speak on
behalf of the disabled as well as the fixed income
Chicagoans. I also am a member of the Cook County
Workers Benefit Council.

I demand that you, the ICC, do your
duty and deny any rate increase to Peoples Gas. This
is a simple matter of fulfilling your responsibility
to the people of Illinois. The Illinois General
Assembly Public Utility Act of 2001 states that it is
your duty, and I quote, to insure the rate for the
utility services are affordable and therefore the
availability of such services to all citizens. Heat and gas is not affordable and available to all in our city right now. Almost 3,000 households in Chicago began last winter without heat. Last April Peoples Gas sent out disconnection notice to over 80,000 families. This fall Peoples Gas disconnected services in our neighborhood for back bills as low as $60. This sky high utility rate for Peoples Gas hit low income workers, family and the disabled and people that's on fixed income the hardest. We are forced to choose between food, heat or short our landlord on rent or even cutting back on medication.

When Peoples Gas shuts off our services, we suffer through subfreezing temperatures and we get sick or we turn to other means of staying warm. There have been fires almost daily this winter in the poor areas of Chicago as the lower income families resort to using electrical space heaters because we cannot afford our bills or our gas bill. I am sure you remember the three children who died in the house fire in December 2008. Peoples Gas shut
off their heating gas.

This rate increase request is clearly a profit grab. The parent company of Peoples Gas, Integrys, increased profits of 61.3 percent in 2008 after you, the ICC, granted Peoples Gas a $71 million rate hike. The chairman, the president, the CEO of Integrys Energy Group received a compensation over $5 million in 2008. Peoples Gas does not need or deserve another rate hike, rate increase.

ICC, do your duty. Fulfill the mandate of the Public Utility Act of 2001 to insure utility services is affordable and available to all. Freeze the rate, not the ratepayers, and reject any rate increase for Peoples Gas.

Thank you.

CHAIRMAN FLORES: Thank you.

Next we have Ms. Lisa Pack. Ms. Pack, would you please approach?

MS. PACK: Good morning. My name is Lisa Pack and I am a small business owner in Chicago. I am here on behalf of myself, my business, my employees, their families and my customers. I am here to oppose
I can use these three minutes of my time to tell you heartbreaking stories about the high prices of gas and the way they have affected the people that I have just mentioned, but I am here to tell you how they have affected me and my business and the businesses of my community.

I have been a customer of Peoples Gas for 31 years in the community of Bridgeport. Along with my peers, we have been paying gas bills over the years, hence contributing to the success of the gas company.

It is my understanding it is the objective of the ICC to strike a fair balance of profit between shareholders and the customers. Fair is a gray and very undefined definition. I have done some research and in contrast have found it to be anything but fair, borderline racketeering at best.

Peoples Gas and its parent company, Integrys Group, increased their annual profit by 61.3 percent, over 251 million in 2008. Do you know anyone that has made that kind of profit? I don't.
My business profit went down by 45 percent. My gas bill has always been an issue to the profitability of my business, but now in this economic crisis it is crucial. I have seen five businesses close down within a four-block radius of mine just in the past few months. And how many more are on their way out, businesses that have helped Peoples Gas build their company by paying their bills.

In the winter of 2008, 56,000 families’ households in the Chicago area were without gas, thousands of shut-offs for unpaid bills just under $200. Does that sound fair? I think not.

In closing, I demand the ICC board not to abandon their obligation per the State of Illinois Public Act of 2001 to insure the rates for utility services be affordable and available to all citizens.

Thank you.

CHAIRMAN FLORES: Thank you, Ms. Pack.

Next we have Mr. Allen Graham.

Mr. Graham, could you please approach?

(Pause.)

CHAIRMAN FLORES: Is everything okay?
COMMISSIONER O'CONNELL-DIAZ: He is approaching the bench.

MR. GRAHAM: Good morning.

CHAIRMAN FLORES: Good morning.

MR. GRAHAM: My name is Allen Graham, a citizen of Chicago. And we demand that you do your duty and stop the increase from going up because we cannot afford it.

CHAIRMAN FLORES: Thank you, Mr. Graham.

Next we have Ms. Shela West.

MS. WEST: Good morning, everyone, and welcome, Manuel Flores.

CHAIRMAN FLORES: Thank you.

MS. WEST: My name is Shela West. I spoke last week regarding the Peoples Gas rate hike. I will reiterate my point. We cannot afford this. Please don't let this pass.

I am currently unemployed and my brother has to take care of me. I am borderline homeless.

Illinois has been subjected to increased sales tax, property tax, CPA sales hikes
and there is going to be service cuts. It goes through -- if it goes through the ICC, Peoples Gas will seem like they are punishing the state of Illinois. When will this end?

I will make another point I made. It is simply too expensive to live in Illinois. My brother and my cousin all left the state. I strongly suspect they are not the only ones. While other states do have their problems, Illinois seems to be in the consistent red when it comes to their finances. This will not help. In fact, it will make it worse. The morale of this state is very low and will hit rock bottom. Like my family, people will either leave or lose faith in everyone in power. That includes political leaders and unfortunately the ICC, should this pass.

I have one more thing to say. I realize everyone has to do their job here, and this is not an easy decision to make. But, please, Peoples Gas will have to make sacrifices of their own. They can do it without asking us to turn our pockets over.
And there was an incident where my friends and I had to call 9-1-1 because a building was on fire, strongly suspected it was caused because of space heater use. No more deaths. No more hikes of any kind, whether it is Peoples Gas or Ameren.

Thank you.

CHAIRMAN FLORES: Thank you, Ms. West.

That concludes the public announcement session.

(The Transportation portion of the proceedings was held at this time and is contained in a separate transcript.)

We will be turning now to the Public Utility Agenda. There are minutes to approve from the December 15, 2009, pre-bench session. I understand that amendments have been forwarded. Is there a motion to amend the minutes?

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.

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed? So the vote is

5-0 amending the minutes.

Is there a motion to approve the

minutes -- as amended? Let me read that over and

make sure the record is clear. Is there a motion to

approve the minutes as amended?

COMMISSIONER ELLIOTT: So move.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER COLGAN: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed? The vote is 5-0

approving the minutes as amended.

The Commission will be considering

Item G-4 at the end of the session before the closed

session.

Moving on to the electric, we will

begin with the Electric Agenda. Item E-1 (10-0053)
is an annual reconciliation of costs associated with
the AmerenIP's asbestos mitigation program. Staff
recommends entering the order initiating the
reconciliation proceeding. Is there a motion to
enter the order?

COMMISSIONER ELLIOT: So move.
CHAIRMAN FLORES: Is there a second?
COMMISSIONER COLGAN: Second.
CHAIRMAN FLORES: It's been moved and seconded.

All in favor say aye.

COMMISSIONERS: Aye.
CHAIRMAN FLORES: Any opposed? The vote is
5-0. The order is entered.

We will use this 5-0 roll call vote
for the remainder of the agenda unless otherwise
noted.

Item E-2 (10-0054) is an order to set
the price index used to set the dollar amounts of any
unconditional guarantee, payment bond or letter of
credit pursuant to Part 451 of the Commission's
regulations. Staff recommends entering the order
adopting the annual price index.
Is there any discussion? Any objections? Hearing none, the order is entered.

Item E-3 is Docket 09-0303. This is a complaint by James R. Smith against Commonwealth Edison Company. The parties have settled and moved to dismiss. Administrative Law Judge Riley recommends dismissing this complaint without prejudice.

Is there any discussion? Any objections? Hearing none, the order is entered.

Item E-4 is Docket 09-0487. This is a petition for a license to operate as an agent broker or consultant, ABC. The order finds that the petitioner has not met the financial, managerial and technical requirements of an ABC license. Administrative Law Judge Yoder recommends entering the order denying the requested authority.

Is there any discussion?

COMMISSIONER O'CONNELL-DIAZ: Yes. Is Judge Yoder there, please?

CHAIRMAN FLORES: Yes, the judge is approaching the bench.
JUDGE YODER: Yes, Commissioner.

COMMISSIONER O'CONNELL-DIAZ: Could you just go through for my edification because it is not a normal thing that we deny applications such as this so obviously -- and I am in agreement with your result but could you just step us through your analysis and your ultimate conclusion regarding this request?

JUDGE YODER: Yes. When the application comes in, it is reviewed by myself and then also it is assigned to a party in the Engineering Division and also in the Finance Division. Finance obviously reviews the financial parts of the application. That memo should actually say it was, I believe, the technical qualifications, is what Mr. Mulder was found not to fit. The Engineering Division found some deficiencies. They wanted additional information on the managerial and technical qualifications. They send those to me where they felt the application was deficient.

An Administrative Law Judge's ruling was sent out to Mr. Mulder to have him provide additional information. I believe we actually asked
for some in the past 12 months relevant details of projects that he had worked on showing his electrical industry experience to qualify him to be an ABC. The information he provided in response to that was submitted also for the Engineering Department to review. They felt that he had really not provided any much additional information showing what he had done. He had a few clients that he had worked with.

And based on the Engineering Department's review and my review that they had not provided additional information, the proposed order was sent out to Mr. Mulder denying the application. No brief on exceptions was received by him. Therefore, the order, final order, was presented to the Commission for its consideration.

COMMISSIONER O'CONNELL-DIAZ: Thank you, Judge Yoder.

CHAIRMAN FLORES: Thank you, Commissioner. Any other questions or further discussion? Any objections? Hearing none, the order is entered. Items E-5 (09-0529) and E-6 (09-0554) will be taken together. These are joint motions to
dismiss complaints -- or complaint cases, rather, against Commonwealth Edison Company. Administrative Law Judge Moran recommends dismissing these complaints with prejudice.

Is there any discussion in this matter? Any objections? Hearing none, these complaints are dismissed with prejudice.

That concludes the electric portion of today's agenda.

Turning to Natural Gas, Items G-1 (GRM#375) is a filing by North Shore Gas Company to amend Rider 1 which governs recovery of municipal taxes. Staff recommends not suspending the filing.

Is there any discussion? Any objections? Hearing none, the filing is not suspended.

Item G-2 is Docket 09-0349. This is a complaint against Nicor Gas Company that has settled. Administrative Law Judge Hilliard recommends entering the order dismissing the complaint with prejudice.

Is there any discussion? Any objections? Hearing none, the order is entered.
Item G-3 is Docket 09-0568. This is a complaint against Interstate Gas Supply that has settled. Administrative Law Judge Haynes recommends dismissing the complaint with prejudice.

Is there any discussion? Any objections? Hearing none, the complaint is dismissed with prejudice.

As mentioned earlier, we will be taking up G-4 at the end. That concludes the natural gas portion of today's agenda.

Now moving to telecommunications, starting with the Telecommunications Agenda, Items T-1 (TRM#621&622) and T-2 (TRM#632&62) will be taken together. Illinois Bell Telephone has filed to amend various services. Staff recommends not suspending or investigating the filings.

Is there any discussion in this matter? Any objections? Hearing none, the filings will not be suspended or investigated.

Items T-3 (TRM#624) and T-4 (TRM#625) will be taken together. Verizon North and Verizon South are increasing the price for additional
telephone directories. Staff recommends not suspending the filings.

Is there any discussion? Any objections? Hearing none, the filings are not suspended.

Items T-5 is Docket 09-0566. Illinois Bell Telephone Company has petitioned to modify its certificates to change the boundaries of its Joliet, Elwood and Lockport exchanges. Administrative Law Judge Riley recommends entering the order granting the certificates.

Is there any discussion? Any objections? Hearing none, the order is entered.

Items T-6 through T-8 (09-0469, 09-0473, 09-0528) will be taken together. These are interconnection agreements or amendments to interconnection agreements. Administrative Law Judge Haloulos recommends entering the orders approving the agreements or amendments to agreements.

Is there any discussion? Any objections? Hearing none, the orders are entered.

Item T-9 (10-0055) is an order
requiring telecommunications companies providing local service -- or, excuse me, local servers to offer competitive data. This is done annually. Staff recommends entering the order requiring the production of data.

Is there any discussion? Any objections? Hearing none, the order is entered.

Item T-10 is Docket 09-0383. This is a rulemaking to delete provisions of the Commission's regulations deemed to be unnecessary and redundant. Staff recommends entering the order authorizing the first notice period.

Is there any discussion? Any objections? Hearing none, the order is entered.

Item T-11 is Docket 09-0551. This is a petition by Illinois Bell Telephone Company to sell a 1.73 acre parcel of land in Highland Park, Lake County. Administrative Law Judge Riley recommends entering the order approving the sale.

Is there any discussion? Any objections? Hearing none, the order is entered.

This concludes the telecommunications
portion of the agenda, and there are no water and
waste water items.

Turning to other business, we have
Liberty Consulting's 4th Quarter Verification Report
on Ameren Outage Investigation. Staff recommends
accepting the Liberty report and putting it on the
website. Do we have someone from Staff here to
briefly explain Liberty's findings?

Good morning, sir.

MR. BUXTON: Good morning.

CHAIRMAN FLORES: Would you please identify
yourself for the record?

MR. BUXTON: My name is Philip Roy Buxton and I
am an engineer working in the Energy Division of the
Commission Staff.

CHAIRMAN FLORES: Thank you very much,
Mr. Buxton. Would you please proceed?

MR. BUXTON: It's been quite some time since
the Commission asked for an investigation of the
Ameren outages back in the year 2006. And it's been
over a year since the Liberty Consulting Company
finished that audit or investigation and provided the
report to you. That was Part 1 of the investigation. Part 2 has been going on since then, and Part 2 consists of up to three years of verification work by the same consultant in order to make sure that the, I believe it was, 157 recommendations that came out of the investigation are considered and implemented by Ameren.

There has been one year of the verification work finished at this point and since -- excuse me a second -- since you hadn't heard really from Staff or the consultant since that time, as you got the report I thought it would be a good opportunity to let you see the report that they filed at the end of the 4th quarter verification work, just so that you knew that the verification was ongoing, that Ameren seems to me is doing a good, responsible job of implementing the recommendations on a reasonable schedule, and just to kind of keep you up on what has gone on.

It's a very thick report. It covers all 157 recommendations. The Staff report at the front of it gives you a very summary idea of what's
going on, but just to summarize it from my point of view, I think it is going pretty well and I don't have any complaints.

CHAIRMAN FLORES: Any questions by the Commissioners?

COMMISSIONER O'CONNELL-DIAZ: Mr. Buxton, Commissioner O'Connell-Diaz. This investigation was prompted by the outages that unfortunately occurred in the Ameren service territories and it was upon the direction of the Commission that we have gone on this path. And as I understand your review of the report, the company has been following a plan that took awhile to get it to us, but with our Staff's help and constantly calling the company before us, we got a plan together.

So it is my understanding from your advising us today, as well as the report, that the company has remediated and followed the plan that has taken awhile to get done, but that we are in good shape, is that a correct assessment?

MR. BUXTON: Well, we are working towards getting all the recommendations implemented. Now,
you shouldn't think that they are all done. They are not. There is only a fraction of them are finished. But they are working on another fraction and they have plans to work on the rest in order to get them all done in a reasonable time.

It is my personal opinion that there is no way in the world that one entity was going to be able to finish 157 recommendations in a really short time. So it is going to take some time to get them all done. But they are making progress, and I think they are making good progress. I think they are being responsible in their reaction to the recommendations to improve the safety and reliability of their electric service. And like I said before, I am satisfied with what I am seeing.

COMMISSIONER O'CONNELL-DIAZ: And Staff will continue to monitor to insure that there is no slippage, and if there were to be slippage in what the Commission has been advised will be the program, you certainly would be reporting back to us with regard to that, correct?

MR. BUXTON: Yes, we will. We have got -- the
consultant is retained for two more years. I am not sure that all 157 recommendations will be completed by that time, but most of them will be. And, yes, if anything seems to come along to cause a problem that you need to know about, we will be sure and let you know.

COMMISSIONER O'CONNELL-DIAZ: Thank you very much and thank you to Staff for really keeping the company on track. We had kind of a rough start with regard to this investigation, but I believe we can see that we have got a plan in place, and with Staff's guidance the company is doing what they are supposed to be doing.

CHAIRMAN FLORES: Thank you, Commissioner. I would also like to commend the Staff for being diligent on this matter and making sure that the investigation and the implementation on the recommendations made by this Commission are being implemented.

I would urge you, Mr. Buxton, to continue to monitor, obviously closely, these implementation recommendations, although I must
confess I haven't had the opportunity because I just literally started, haven't had a chance to review all these matters. But given the sensitivity and the importance of having electrical power and having outages, these are obviously very sensitive matters. So we want to insure that the implementation program goes forward as expeditiously as possible, and we will certainly be looking forward to continued progress reports from Staff.

Now, you indicated that something was going to be published on the website?

MR. BUXTON: If you will instruct us to do that, yes. It is kind of a technicality, and I am not an attorney, but as I understand it, things like this really require the Commission to instruct us to put it on the website so that we don't get in trouble.

CHAIRMAN FLORES: I have not had an opportunity to meet with counsel. I think it would be prudent first to meet with Commission counsel to get some type of an official report or recommendation on the publication.
I will say, though, that we have to inform the public of what's going on. I think it is crucial that the general public, that the general citizenry, be informed with regards to these matters. But, again, I will reserve at this time any type of official making a motion at this time, just so that I have the opportunity to meet with counsel. I am a big supporter and proponent of using the internet for these types of matters to communicate. So we will review this matter to look at how it is that we can provide the information in an open, a very open, process and using the technology. But let us just --

COMMISSIONER O'CONNELL-DIAZ: Excuse me, we do have our general counsel here who has stepped up to the bench, so she may be of some assistance.

MS. STEPHENSON-SCHROEDER: Chairman Flores, this is Mary Stephenson-Schroeder. You can go ahead if you would like to proceed in approving it and we can get it placed on the website.

CHAIRMAN FLORES: Very well then.

MS. STEPHENSON-SCHROEDER: If that gives you some direction.
CHAIRMAN FLORES: Thank you. I would like to then entertain a motion to accept the report.

COMMISSIONER ELLIOTT: So moved.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: All in favor?

COMMISSIONERS: Aye.


COMMISSIONER O'CONNELL-DIAZ: And just, Chairman Flores, just so that you are aware that our Commission website is reflective of the reports that come before us, and they are placed on the website along with our e-Docketing system which allows the public to look at every single document that is filed in matters that are before the Commission. If people have questions with regard to navigating that website, they can contact our Clerk's office. But the information that we rule on and the records that comprise the outcomes at the Commission are on our website and are open to the public and have been for many, many years.
CHAIRMAN FLORES: Absolutely. And I have had a chance to peruse the website and am looking forward to working with everyone on the website and continuing on leading the charge in making sure that we are the most technologically savvy commission in the country.

COMMISSIONER O'CONNELL-DIAZ: Just so you know, our e-Docketing system has won national awards.

CHAIRMAN FLORES: That is right.

COMMISSIONER O'CONNELL-DIAZ: We are very proud of our IT group, as well as our Clerk's office, that has made that a reality. And, in fact, it is used as a model of other regulatory commissions across the country.

CHAIRMAN FLORES: And not to digress, they should be recognized for their outstanding work in that regard.

We do need another motion, though, to accept -- not only for the acceptance of this report but then to move forward to actually have it posted on the website. So do I hear a motion for that matter?
COMMISSIONER ELLIOTT: So moved.

CHAIRMAN FLORES: Second?

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: Well, all in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed? Okay. The ayes have it, 5-0. We will accept this report and, further, we will also have -- we have asked Staff to post this report on the website.

And, again, I do want to congratulate all who have been working on this report. Thank you to Staff and then also thank you to our IT. They do deserve a tremendous amount of credit, as Commissioner O'Connell-Diaz indicated, for their efforts in using the internet to make our records more readily available.

So now moving on -- thank you, Staff. Is there anything further from Staff?

MR. BUXTON: No, we will put this on the electric reliability page.

CHAIRMAN FLORES: Very well. Thank you, sir.

All right. Now turning now to Item
G-4, this is North Shore Gas Company and Peoples Gas Light and Coke Company's proposed general increase in natural gas rates. The Docket is 09-0166 and 09-0167 Consolidated. Administrative Law Judges Moran and Haynes recommend entering the order.

I have spent the last couple of days combing through the order and the record. And while I am forming opinions on the issues, I have not had sufficient time to give the record the full examination necessary to render a reasonable decision, for this matter has been before us now quite a long time. Therefore, at this time I will be voting present on this case at this time.

I do believe and understand that amendments have been circulated. Commissioner O'Connell-Diaz?

JUDGE HAYNES: You know, before the Commissioners get to that -- Judge Haynes talking, thank you. We just need to bring up to the Commission's attention that in addition to the public comments you have heard the past couple of Commission meetings, there are also online comments that have
been filed. And the last time we checked there were 50 comments for North Shore and 91 comments for Peoples Gas.

In addition, the Clerk's office has received written correspondence, and none from North Shore but there are 29 comments for Peoples Gas. In order to see those, though, you would have to visit the Clerk's office. So we just want to bring that to the Commission's attention.

Thank you.

COMMISSIONER O'CONNELL-DIAZ: Thank you.

CHAIRMAN FLORES: Commissioner O'Connell-Diaz?

COMMISSIONER O'CONNELL-DIAZ: Thank you. Yes, my office has worked with actually some of the other Commissioners actually with regard to developing some consensus language to be placed in the determinations with regard to Rider ICR.

In particular, the initial concern was the baseline that we would start with. And we have crafted changes that the baseline statement is to be submitted to the Commission by way of a meeting with Staff and the Company 60 days after the entry of this
order. I believe it was the AG that raised this point and it resonated with us. As we looked at the record, we saw different cites to this.

But we have provided in the order that it is the Commission's role to balance the needs of this program with the additional implementation costs which will be borne by customers. The Commission finds noteworthy the company's desire to be proactive in updating its infrastructure. In turn, the Commission does not want to impose an additional cost on the public beyond those that are absolutely necessary, especially during these particularly harsh economic times. The Commission must be sure that any additional line item placed on a customer's bill by way of a right of recovery will provide an edit that is certain.

We are sensitive to and again acknowledge the valid concerns of other parties that the Commission not finance infrastructure improvements of the company. Recovery should be limited to those specific costs that are in line with the standards previously outlined.
As such, we direct the company to meet with Staff to determine the baseline for calculating the costs that can properly be recovered under the rider as modified herein. The company is to file a statement and the company-modified tariff language with the Commission 60 days following approval of this order which will outline how the company will calculate that portion of the accelerated program.

Again, I think it is clear from the record in this matter we have 100-year-old pipes in the ground here in the city of Chicago. While we have been assured by way of testimony in this record that there is no threat that we know of, but just by the nature of pipes being 100 years old, it could have the potential of causing a catastrophic situation, which I am sure none of us want to see. So there is a great need, not just with this particular company infrastructure, I think it is a situation that we find our country facing with aging infrastructure across our country.

But if confined to this record, this is what Rider ICR will do. It will be a measured
program that will have safeguards that our Staff will
be looking at every year so that every penny that is
collected by the company is deemed to be prudent and
appropriate. We have a deadline of 2030, so this is
going to be an ongoing project. It is not going to
be something that is done in the next two years or
the next even five years.

So also with regard to there is
additional language with regard to the audit section.
We propose that the independent audit occur every
five years after the first reconciliation and that is
when the Commission will first see the actual costs
that flow through the rider. We will have the five
years of costs to review when that audit is required.
Additionally, I think there is some non-substantive
changes that we did throughout this section.

So I would submit this to my fellow
Commissioners for their consideration and support.

CHAIRMAN FLORES: Any other further discussion
with regard to this amendment? Is there a motion to
accept the changes proposed by Commissioner
O'Connell-Diaz?
COMMISSIONER FORD: So moved.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER ELLIOTT: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed? The vote is 4-0. The amendments are accepted.

I understand that Commissioner Ford has also proposed some amendments. Commissioner Ford?

COMMISSIONER FORD: I have prepared some revisions to the calculations of the utility's cost of common equity which have been distributed to my fellow Commissioners for review. These revisions specifically call for the calculation of the utility's cost of common equity by using an average of the utility's and Staff's DCF estimates using the constant growth model and an average of Staff's CAPM results, with and without the Blue Chip forecast. I believe that the constant growth is appropriate under these circumstances and supported by the record.
Furthermore, using an average of the CAPM results will take into account the volatility of the market during this time. Staff relied on spot data.

And I submit these to my fellow Commissioners.

CHAIRMAN FLORES: Is there any discussion on Commissioner Ford's amendments?

COMMISSIONER O'CONNELL-DIAZ: I would just thank Commissioner Ford's office for those amendments, and I would support them.

CHAIRMAN FLORES: Commissioner, is that a motion then?

COMMISSIONER O'CONNELL-DIAZ: It's a motion.

CHAIRMAN FLORES: To accept Commissioner Ford's amendment. Is there a second?

COMMISSIONER ELLIOTT: Second.

CHAIRMAN FLORES: It's been moved and seconded. All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed? The vote is 4-0. The amendment is accepted.
I understand that there may be some other amendments or recommendations.

COMMISSIONER ELLIOTT: Yes, Mr. Chairman. I made some non-financially impacting changes to the rate design area of the order. And those have been circulated and I would move those amendments as well.

CHAIRMAN FLORES: Is there any discussion on Commissioner Elliott's amendment?

COMMISSIONER COLGAN: I second the motion.

CHAIRMAN FLORES: It's been moved and seconded. Well, I don't know if you can technically move that. He moved it, so I am going to need a second.

COMMISSIONER COLGAN: Second.

CHAIRMAN FLORES: We need another second. You made the first move.

COMMISSIONER ELLIOTT: Yeah.

CHAIRMAN FLORES: All right. So all in favor?

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed? The vote is 4-0. Commissioner Elliott's amendment is also accepted.

Is there any final discussion before
voting on the final order?

COMMISSIONER COLGAN: Mr. Chairman, I would just like to say that this is a really complex and exhaustive order to go through. It is the first rate case that I have had the opportunity to participate in. I have spent an immense amount of time poring through it, and I have come to the conclusion that the Commission with these amendments has done the very best that it can to come to the proper conclusion, and I will look forward to working with you and the other Commissioners to see to it that this, especially this replacement of pipe, is done and done in a proper way and in the best interests of the customers of Peoples Gas.

CHAIRMAN FLORES: Any other comments or further discussion before we vote? All right. I want to know, apparently there have also been some non-substantive edits that have been made to the order. Is there a motion to enter the order as amended?

COMMISSIONER FORD: So moved.

CHAIRMAN FLORES: Is there a second?
COMMISSIONER ELLIOTT: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed? The vote is 4-0. The order as amended is entered.

I wish to thank the Administrative Law Judges Moran and Haynes, the petitioners, Staff and all of the parties for their hard work in this case and also to the Commissioners for their hard work and analysis in this matter.

Moving forward, we have two FERC matters on the agenda which will require a closed session. Is there a motion to go into closed session, please?

COMMISSIONER O'CONNELL-DIAZ: So move.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed? The vote is 5-0
to go into closed. Please let me know when the room
is clear in Chicago.

(Whereupon at this point
pages 70-118 of the
proceedings are
contained in a separate
closed transcript.)
CONTINUATION OF PROCEEDINGS

CHAIRMAN FLORES: Very well, thank you, everybody. In closed session the Commission discussed filing two FERC cases. First is Docket EL10-27-000. Staff proposes filing comments regarding the Christian County Generation, LLC, petition for a declaratory order. Is there a motion to file the comments with the FERC?

COMMISSIONER O'CONNELL-DIAZ: So moved.

CHAIRMAN FLORES: Thank you. Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: It's been moved and seconded. All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed? The vote is 5-0. Comments will be filed with the FERC.

The next item is FERC Docket ER09-412-010. Staff has proposed filing comments on PJM's compliance filing on the RPM capacity market. Is there a motion to file the comments with the FERC?

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

COMMISSIONER COLGAN: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed? The vote is 5-0. The comments will be filed with FERC.

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

JUDGE WALLACE: None, Mr. Chairman.

CHAIRMAN FLORES: Thank you very much, Your Honor. Thank you everybody for everything, outstanding job, and thank you for welcoming me here to be part of your team.

Any other matters? Hearing none, this meeting stands adjourned. Thank you.

ADJOURNED