BEFORE THE

ILLINOIS COMMERCE COMMISSION

PUBLIC UTILITY REGULAR OPEN MEETING

Wednesday, October 2, 2019

Chicago, Illinois

Met pursuant to notice at 10:30 A.M., at 160 North LaSalle Street, Chicago, Illinois.

PRESENT:

CARRIE ZALEWSKI, Chairwoman

MARIA BOCANEGRA, Commissioner

BRIEN J. SHEAHAN, Commissioner

SADZI M. OLIVA, Commissioner

D. ETHAN KIMBREL, Commissioner

SULLIVAN REPORTING COMPANY, by
BRAD BENJAMIN, CSR
LICENSE NO. 084-004805
CHAIRWOMAN ZALEWSKI: Good morning. 10:31.
I'm going to go ahead and start.
Are we ready to proceed in Springfield?

CHIEF CLERK: Yes, we are.

CHAIRWOMAN ZALEWSKI: Thank you.

Under the Open Meetings Act, I call the October 2nd, 2019, Regular Open Meeting to order.
Commissioners Bocanegra, Kimbrel, Oliva, and Sheahan, are with me in Chicago. We have a quorum.

Moving on now to our Public Utility Items, there are edits to the September 5th, 2019, Policy Session Minutes. There are also edits to the September 13, 2019, Special Open Meeting Minutes.

Are there any objections to approving the Minutes as edited?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Minutes are approved.

Moving on to our Electric items, Item E-1 concerns ERM 19-114, which is Ameren's filing to make changes to Rate DS-5 Lighting Service tariffs.
The tariff changes would authorize Ameren's use of different LED light bulbs to replace the current ones to fulfill the purpose of the tariff Rate DS-5.

The staff has reviewed the Filing and recommends not suspending.

Are there any objections to not suspending the Filing?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Filing is not suspended.

Item E-2 concerns ERM 19-117, which is MidAmerican Energy's filing to update its Landlord Agreement. The Filing removes the nonpayment by the tenant as a factor in the Landlord Agreement and makes substantial textual and cosmetic changes to the form.

Are there any objections to not suspending the Filing?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Filing is not suspended.

Item E-3 concerns Docket 18-1511,
which is a complaint against ComEd, related to alleged overbilling due to a faulty smart meter. The complainants filed a Motion to Withdraw and ComEd did not object.

Are there any objections to granting the Motion to Withdraw?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Motion is granted.

Item E-4 concerns a consolidated docket, 18-1725 and 18-1824, which is ComEd's petition to approve tariffs for its proposed Rate Residential Time of Use Pricing Pilot, or Rate RTOUPP.

There are substantive edits to the Order proposed by Commissioner Bocanegra's office.

Commissioner Bocanegra?

COMMISSIONER BOCANegra: Thank you, Chairman.

The proposed rate is a four-year Time of Use rate pilot. The rate establishes three daily pricing periods for customers that sign up and is designed to incentivize residential customers to
shift their energy use from peak periods to times when the costs are lower. As part of the pilot, ComEd will evaluate and report on the behavior of residential customers who elect to pick service under this rate.

The consolidated docket also includes ComEd's request for approval of temporary revisions to its integrated distribution company implementation plan that will enable ComEd to market this rate to its customers.

The Commission believes that residential customers will benefit from Time of Use pricing. The proposed edits will strengthen the Commission's oversight of ComEd's Time of Use pilot by adding additional reporting requirements the Commission believes are necessary to assess the pilot's marketing and educational strategies, impact on ratepayer behavior, implementation costs, and potential benefits to ratepayers.

Additionally, after thoughtful deliberation, our edits remove bill protection in favor of increasing ComEd's effort to educate all
consumers regarding how Time of Use can reduce ratepayers' utility costs thus allowing the pilot to be more accurately -- to more accurately study behavior and consumption patterns.

I move the proposed edits. Is there a second?

COMMISSIONER OLIVA: Second.

CHAIRWOMAN ZALEWSKI: Any discussion?

(No response.)

CHAIRWOMAN ZALEWSKI: I do concur with the majority's opinion. However, I believe that bill protection for low-income should be included in the pilot. I share the AG's concern that the low-income participants should not be subject to the risks presented by the pilot, and I will file my comments on e-Docket later today in the form of a concurrence.

Are there any other comments?

(No response.)

CHAIRWOMAN ZALEWSKI: All in favor of approving the proposed edits, say aye. All opposed, say nay.

(Chorus of ayes.)

CHAIRWOMAN ZALEWSKI: The ayes have it, and the
edits are approved.

    All in favor of approving the Order as edited, say aye. All opposed, nay.

    (Chorus of ayes.)

CHAIRWOMAN ZALEWSKI: Further vote?

(No response.)

CHAIRWOMAN ZALEWSKI: The ayes have it. The Order is approved.

    Item E-5 is Great American Power's Petition for Interlocutory Review of the ALJ's decision on the issue of whether Staff must file a charging docket -- document prior to the filing of direct testimony in Docket 18-1773.

    This docket, 18-1773, concerns a Commission citation proceeding and investigation against Great American Power. To ensure that all due process actions are afforded in this case, we reverse the ALJ's ruling and request that Staff issue a charging document giving more adequate notice of the alleged violation.

Are there any objections to granting this petition?
(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the petition is granted, and we request that the staff move expeditiously to -- in response to today's decision.

Item E-6 through E-23 concern applications for authority to install Distributed Generation Facilities in Illinois.

The Orders grant the licenses, finding that the applicants meet these specified requirements.

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

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Orders are approved.

Items E-24 and Item E-25 are Dockets 19-0278 and 19-0485, which concern MidAmerican Energy Company's and Ameren's request to reconcile revenues collected under Rider SG. The Orders approve the Reconciliation.
Are there any objections to considering these items together and approving the Orders?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Orders are approved.

Item E-26 concerns Docket 19-0441, which is Sunrise Energy's petition to initiate a proceeding to investigate the Illinois Power Agency's Adjustable Block Program lottery. The Order denies Sunrise's request to initiate investigation, and it grants the IPA's motion to dismiss the amended petition.

There are edits to the Proposed Order by Commissioner Bocanegra and my offices.

Is there a motion to approve the edits?

COMMISSIONER BOCANEGRA: I will motion.

CHAIRWOMAN ZALEWSKI: Is there a second?

COMMISSIONER KIMBREL: Second.

CHAIRWOMAN ZALEWSKI: Any discussion?

COMMISSIONER OLIVA: Yes. Chairman, I just
wanted to state on the record that, while I concur with the result in the edits proposed by Commissioner Bocanegra, I will be dissenting on the legal analysis, and those will be filed on e-Docket.

CHAIRWOMAN ZALEWSKI: Thank you.

All those in favor of approving --

COMMISSIONER SHEAHAN: Carrie, just --

CHAIRWOMAN ZALEWSKI: Yes?

COMMISSIONER SHEAHAN: -- if I may, for the record --

CHAIRWOMAN ZALEWSKI: Sure.

COMMISSIONER SHEAHAN: -- I would just say that I'm going to join Commissioner Oliva's dissent on the legal reasoning.

CHAIRWOMAN ZALEWSKI: Okay.

COMMISSIONER SHEAHAN: I'll vote for it.

CHAIRWOMAN ZALEWSKI: Thank you.

Anyone else?

(No response.)

CHAIRWOMAN ZALEWSKI: All those in favor, of approving the proposed edits, say aye.

(Chorus of ayes.)
CHAIRWOMAN ZALEWSKI: Opposed, say nay.

COMMISSIONER OLIVA: Nay.

COMMISSIONER SHEAHAN: Nay.

CHAIRWOMAN ZALEWSKI: We have three ayes and two nays. The edits are approved.

All those in favor of approving the Order as edited, say aye.

(Chorus of ayes.)

CHAIRWOMAN ZALEWSKI: All opposed, say nay.

(No response.)

CHAIRWOMAN ZALEWSKI: The ayes have it. The Order is approved.

Item E-27 concerns Docket 19-0611, which is the Commission's and Electric Tree's joint Motion to Dismiss formal proceedings against Electric Tree, to revoke or suspended its certificate of service authority. Electric Tree has rectified a problem identified by the Commission.

Are there any objections to granting the Motion to Dismiss?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Motion
is granted.

Item E-28 and E-29 concern Docket 19-0827 and 19-0891, which are applications for a license to operate as retail electric Agents, Brokers, and Consultants in Illinois. The Order grants licenses, finding that the applicants meet the specified requirements.

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

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, Orders are approved.

Items E-30 through E-38 concern applications for authority to install Energy Efficiency Measures. The Orders grant the certificates, finding that the applicants meet the requirements.

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

(No response.)
CHAIRWOMAN ZALEWSKI: Hearing none, the Orders are approved.

Moving on to our Gas items, Item G-1 concerns GRM 19-251, which is MidAmerican Energy's filing to update its Landlord Agreement. The filing removes the nonpayment by the tenant as a factor in a Landlord Agreement and makes substantial, textual, and cosmetic changes to the form.

Are there any objections to not suspending the filing?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the filing is not suspended.

Item G-2 concerns Docket 18-1775, which is Nicor Gas's Proposed General Rates. There are substantive edits to the Proposed Order. The edit proposed agrees with the Administrative Law Judge that the 9.86 stipulated ROE is it not supported by the record and includes adjustments to artificially inflate the ROE calculations.

However, the edit also rejects the Administrative Law Judge's 9.13 ROE as it is not
reasonably sufficient to ensure the confidence in the financial soundness of the Company as required by the long-standing Supreme Court doctrine set forth in both Bluefield and Hope. Instead, the edit finds that the ROE of 9.73 is reasonable, supported by the record, and consistent with the governing legal standard.

I move the Proposed Edits. Is there a second?

COMMISSIONER BOCANEGRA: Second.

CHAIRWOMAN ZALEWSKI: Is there any discussion?

COMMISSIONER OLIVA: Yes, Chairman. I have comments.

CHAIRWOMAN ZALEWSKI: Sure.

COMMISSIONER OLIVA: Today I dissent in part from the majority in this matter with respect to the determination on the rate of equity. Determining a fair and reasonable ROE is a complex and delicate decision-making process. It's been the practice of this Commission to evaluate the various financial models and metrics presented by the parties and to implement its business judgment to achieve a result
that balances the public and private interest.

   Ensuring adequate, efficient, reliable, safe, and least-cost public utility services requires that a utility is positioned appropriately in the market to deliver the services that Illinois communities depend on now and in the future. My colleagues' belief that a 9.73 percent ROE is a fair and justifiable return on equity fails to consider the market nuances properly. In order for Nicor and other Illinois investor-owned utilities to attract and secure necessary capital and maximize its borrowing power for the necessary infrastructure improvements and services that customers want and expect efficiently and economically, the Commission should lead by making reliable rate-making decisions that support the company's financial stability since it has a direct impact on its customers.

   My colleagues in the majority fail to consider the economic impact that an ROE can have on utility suppliers and the citizens of Illinois who rely on the work provided to them through capital investments in the utility space. Nicor's current
financial stability has allowed for the employment of local union members who've worked more than 2 million hours on Nicor projects since 2017, including replacing 2.2 million meters in over 650 Illinois communities. These jobs provided for by Nicor's capital investments ensure the safety and reliability of the pipelines and also put food on the table for families all over Illinois. Lowering the ROE to 9.73 may have ramifications that affect the gas industry on every level in this state.

CHAIRWOMAN ZALEWSKI: Thank you.

Any other comments?

COMMISSIONER SHEAHAN: I -- thank you.

I agree with the Construction and General Laborers' District Counsel; IBEW, Local 19; Company; and Staff that the ROE agreed to in the stipulation is just and reasonable.

While the majority's amendment is an improvement over the PO, I believe it's not just and reasonable and adopts a novel methodology that the Commission has never adopted before that will be vulnerable to challenge if appealed.
I'm going to vote against the edits and the Order and will file a dissent.

Thank you.

CHAIRWOMAN ZALEWSKI: Any other comments?

(No response.)

CHAIRWOMAN ZALEWSKI: All those in favor of approving the Proposed Edits, say aye.

(Chorus of ayes.)

CHAIRWOMAN ZALEWSKI: All opposed, say nay.

COMMISSIONER SHEAHAN: Nay.

COMMISSIONER OLIVA: Nay.

CHAIRWOMAN ZALEWSKI: We have two nays, which are Sheahan and Oliva. The three ayes have it, and the edits are approved.

All in favor of approving the Order as edited, please say aye.

(Chorus of ayes.)

CHAIRWOMAN ZALEWSKI: All opposed, say nay.

COMMISSIONER SHEAHAN: Nay.

COMMISSIONER OLIVA: Nay.

CHAIRWOMAN ZALEWSKI: The three ayes have it, and the Order is approved.
Item G-3 concerns Docket 19-0293, which is Liberty Utility's request to reconcile revenues collected under Rider Volume Balancing Adjustments for the 2018 calendar year. The Order approves the reconciliation.

Are there any objections to approving the Order?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Order is approved.

Item G-4 concerns Docket 19-0805, which is an application for a Certificate of Service Authority as an alternate -- alternative gas supplier in Ameren's, North Shore Gas, and Nicor Gas's service territory. The Order grants the Certificate.

Are there any objections to approving the Order?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, Order is approved.

Moving on to our Telecommunications items, Item T-1 concerns Docket 19-0650, which is the
SprintCom's petition to recognize certain inter-corporate transactions and issue certificates. The Order cancels the certificate of service authority for WirelessCo and grants Certificates of Service Authority to Provide Commercial Mobile Radio Services to Sprint Spectrum and Sprint Spectrum Realty Company.

Are there any objections to approving the Order?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, Order is approved.

Items T-2 and T-3 concern petitions to cancel Certificates of Authority, to provide local and interexchange telecommunications services. The Orders cancel those certificates.

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

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Orders are approved.
Moving on to our Water and Sewer items, Items W-1 and W-2 concern Illinois-American Water applications for Certificates of Public Convenience and Necessity to Provide Wastewater Service in the Village of Godfrey and to provide Water and Wastewater service to certain areas in Will County. Illinois-American Water is also asking for Approval of the Purchase of Certain Assets in the Village of Godfrey.

The Orders approve the certificates and Asset Purchase Agreements.

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

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Orders are approved.

Item G-3 -- excuse me -- W-3 concerns Illinois-American Water's applications for Certificates to Public Convenience and Necessity to Provide Water and Wastewater Services in Hardin County. The Interim Order approves the Engagement
Agreements with the three identified appraisers.

Are there any objections to approving the Order?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Order is approved.

We now move on to our Miscellaneous items. Item M-1 concerns the revisions of the Illinois Technical Reference Manuel or IL-GRM. The primary goal of the IL-GRM is to provide a transparent and consistent basis for calculating energy savings under the different programs.

This Order will initiate a formal proceeding to adopt the revisions and to expedite the process so that the revisions take effect on January 1st, 2020.

Are there any objections to approving the Order?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Order is approved.

There are no petitions for rehearing.
We have three items under Other Business. Item 01 -- excuse me -- O-1 concerns approval of the Procurement Administrator's Recommendations regarding the Illinois Power Agency's solicitation of bids to sell zonal resource credits to Ameren, Commonwealth Edison Company and MidAmerican Energy Company, under Section 16-111.5 of the Act.

Are there any objections to approving the Procurement Administrator's Recommendations?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Recommendations are approved.

Items O-2 and O-3 concern approval of Batches, Contracts, and Confirmations under the Adjustable Block Program and Solar for All programs.

Are there any objections to considering the Program Administrator's Submissions together and approving the Submissions?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none, the Submissions 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 Chairman.

CHAIRWOMAN ZALEWSKI: Thank you.

Do any of the commissioners have any other business to discuss?

COMMISSIONER KIMBREL: Madam Chair, I would like to introduce Gabrielle Long to the Commission. She's my new advisor, born and raised in South Carolina, went to UVA, and is a graduate of Loyola's law school. So welcome, Gabrielle.

CHAIRWOMAN ZALEWSKI: Welcome.

Anything else?

(No response.)

CHAIRWOMAN ZALEWSKI: Hearing none and without objections, the meeting is adjourned.

Thank you.

(Whereupon the above matter was adjourned.)