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BEFORE THE
ILLINOIS COMMERCE COMMISSION
POLICY SESSION
Wednesday, October 25, 2017
Chicago, Illinois

Met, pursuant to notice, at 10:00 A.M.,
at 160 North LaSalle Street, Chicago, Illinois.

PRESENT:

- BRIEN J. SHEAHAN, Chairman
- SHERINA MAYE-EDWARDS, Commissioner
- MIGUEL DEL VALLE, Commissioner
- JOHN R. ROSALES, Commissioner

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1 CHAIRMAN SHEAHAN: Good morning. I will call
2 our 2017-18 Winter Preparedness Meeting to order.
3 Present with me in Chicago we have Commissioner
4 del Valle, Commissioner Edwards, and Commissioner
5 Rosales. We have a quorum.
6 I remind our speakers that a court reporter is
7 present, and a transcript of this hearing will be
8 available on the Commission's web site.
9 With that, I'm going to turn things over to
10 Commissioner Edwards, who is going to MC the session.

11 COMMISSIONER MAYE-EDWARDS: Thank you, Chairman
12 Sheahan.

13 Good morning, everyone. It is
14 absolutely my pleasure to conduct this Policy Session
15 to address the issue of Winter Preparedness for
16 2017-2018. This Policy Session, not unlike our
17 previous ones, will allow representatives of the gas
18 industry, regional transmission organizations, and
19 Illinois local distribution companies to assure
20 Illinois consumers and the Commission that the
21 upcoming winter demands can be met.

22 With predictions of exceptionally cold

1 conditions in the upcoming winter season, the
2 performance and capacity of natural gas and
3 electricity systems is vital.

4 And we especially wanted the
5 background weather to match the Policy Session today,
6 so we turned it down a little bit for you.

7 (Laughter.)

8 COMMISSIONER MAYE-EDWARDS: The coordination of
9 supply and demand storage pricing and various
10 pipeline operations, as we all know, is extremely
11 critical and important to ensure winter preparedness.

12 As indicated both on today's agenda
13 and in the comments that you will hear, the
14 Commission has asked the participants to address a
15 few issues for today's presentation, and I'll quickly
16 go through those.

17 The first is, How is the U.S. Natural
18 Gas Market positioning itself to meet the 2017-2018
19 winter demands? Second, Are there any remaining
20 adjustments that need to be made in the coordination
21 between gas and the electricity markets to avoid some
22 of the problems experienced in the past, particularly

1 the year of the polar vortex? Third, What challenges
2 are the RTOs facing with respect to assuring electric
3 reliability during the 2017-2018 winter months and
4 how are they addressing those challenges?

5 Fourth, Have the LDCs been able to
6 refill gas storage facilities or otherwise assure
7 access to supply for the 2017-2018 Winter? And,
8 lastly, What steps are being taken to ensure that
9 customers receive safe, reliable gas supply and
10 customer service for the 2017-2018 Winter?

11 I'm very excited to hear from our
12 panelists about the development and processes
13 implemented to meet the needs of the State of
14 Illinois and address any issues that consumers might
15 have.

16 Please allow me to introduce our
17 presenters for the first portion of this morning's
18 Policy Session. We will begin by hearing the
19 national perspective from Chris McGill, Vice
20 President of Energy Analysis and Standards of the
21 American Gas Association. After Chris we will hear
22 the RTO's perspective. Tim Aliff, Director of System

1 Operations will present on behalf of MISO; Kenneth
2 Seiler, Executive Director of Systems Operations; and
3 Rich Mathais, Senior Consultant, will present for PJM
4 Interconnection.

5 We do ask that each speaker please
6 limit their remarks to 15 minutes or less. And
7 please join me in welcoming our first group of
8 speakers. Thank you.

9 (Applause.)

10 MR. CHRISTOPHER MCGILL: Thank you,
11 Commissioner Edwards and Commissioners. It's always
12 my pleasure to come to Chicago and talk about the
13 winter heating season. It normally coordinates very
14 well with AGA's national work on the subject. I
15 always seem to be able to come here and get a sense
16 of what maybe the nation has in store for it.

17 Obviously, Illinois and the Chicago
18 area are focal points for natural gas pipeline
19 capacity as well as storage in the state. So let me
20 try to place it in to context, on a national basis,
21 how the companies have been planning and what they
22 are looking at in the marketplace as we go forward.

1 Let's remember, very quickly, that
2 with the polar vortex of the first quarter of 2014,
3 we saw much colder than normal conditions here in the
4 country as well as in the East-North Central, which
5 is often the region I use, because it is the upper
6 Midwest where we have a lot of customers, and they
7 use natural gas.

8 The following year was colder also,
9 particularly for your area, about 7.6 percent colder.
10 But the last two winter heating seasons, nationally
11 and here in the Midwest, have been dramatically
12 warmer. When you talk about 16 and 17 percent
13 variations from the norm for the nation, that is an
14 extraordinarily large deviation from the norm. So
15 the past winter heating seasons have been very, very
16 warm.

17 From a national perspective of what I
18 see in the market currently, domestic production is
19 strengthening again. Natural gas to power
20 generation, this year, 2016, was a record year for
21 power generation, using natural gases. It's down
22 about 3 Bcf per day compared to 2016. However, in

1 October it's actually been up 3 Bcf per day from last
2 October. Acquisition pricing has hovered around \$3.
3 Underground storage injections have generally been
4 modest week to week compared to history.

5 But now we have another demand factor
6 nationally in our marketplace. We have significant
7 pipeline exports to Mexico, LNG exports
8 internationally; and certainly in our population --
9 and just a little bit more as we go forward -- I
10 would say predictable national gas imports from
11 Canada.

12 All of this has been happening at a
13 price range that's very similar to what we've seen
14 over the last several years. However, note the red
15 line there that in late spring/early summer natural
16 gas prices went up just a little bit around the
17 country. They went over \$3. That has tended to have
18 a little bit of an impact on what the Energy
19 Information Administration sees as the average cost
20 for natural gas to residential consumers this year.
21 They think it has gone up about 2-and-a-half percent.
22 Let's remember that our companies are putting natural

1 gas in storage during that time, so that cost of gas
2 going into storage is a little bit higher than it was
3 in 2015 and '16.

4 It's really important to understand
5 what has happened in the United States with the shale
6 revolution and domestic production. Prior to it
7 really coming online, we saw, in the 2007-2010 time
8 frame, somewhere between 50 and 55 billion cubic feet
9 per day of domestic production. That wasn't very
10 long ago.

11 Looking at that shaded area, that was
12 a time when the Marcellus Shale, Utica Shale of the
13 east produced about 3 billion cubic feet per day.
14 Today those locations produce 26 billion cubic feet
15 per day, and it can't possibly be used where it's
16 produced. That was then.

17 The two curves you see above that are
18 about 70 Bcf per a day -- actually, a little north of
19 that -- that's now. That's where the country has
20 gone. And there are opportunities to increase
21 production, but of course the demand requirements
22 need to be there also. Part of those demand

1 requirements recently have come from exports of
2 natural gas.

3 Sabine Pass, in Louisiana, exports
4 somewhere a little bit north of 2 billion cubic feet
5 per day. To give you a sense of scale, we produce
6 something a little north of 70 billion cubic feet per
7 day. In addition to that, they just had a fourth
8 train come online and Cove Point is coming online.

9 Mexico receives LNG exports from the
10 United States. Capacity is growing. Together those
11 two demands for our natural gas on a daily basis
12 exceeds 7 billion cubic feet per day, almost 10
13 percent of the country's total production. To think
14 of that 10 years ago, people would have thrown their
15 hands up in the air and run out of the room. But
16 even with events like what we saw with the hurricanes
17 this year, going back and reminding you, those
18 disruption events virtually caused no pricing
19 reaction in the marketplace. In my view, as an
20 analyst, this is the classic definition of abundance.
21 This is well-supplied. And of course the
22 infrastructure for our companies, the expanded

1 infrastructure to deliver that to consumers, is there
2 also.

3 The Potential Gas Committee from the
4 Colorado School of Mines this summer, in July,
5 released their newest estimate of natural gas
6 resources in the country. The number is enormous.
7 It's larger than it's ever been. Over 3,000 trillion
8 cubic feet of natural gas future supply. And their
9 expectation, that's up from about 2800 cubic feet 2
10 years prior. So the resource base in North America
11 and here in the United States more and more becomes
12 less and less of an issue.

13 Storage levels a little higher than we
14 saw earlier in the year of course because we had such
15 a warm winter in 2016 and '17. Storage inventories
16 have basically closed in on themselves. They're a
17 little bit behind, about a percent or so behind.
18 Last year right now -- I mean a percent or so behind
19 the 5-year average, about 4 percent behind last year
20 right now, in terms of storage accumulations.

21 From a national perspective, I see no
22 issue with that whatsoever. And I would go back to

1 reminding you that not only is the storage capacity
2 there, but we are dealing with a flowing gas supply
3 in this country that's much larger than it was a
4 decade ago.

5 One thing I would like to point out is
6 the market does change. It does adjust. This slide
7 is interesting because, if you go to 2014, each of
8 these bars represents the peak day for natural gas
9 demand in the United States. It's generally in early
10 January. This is almost 139 -- or about 139 billion
11 cubic feet during January of 2014. Last year, during
12 a very warm winter heating season, it was still 135
13 Bcf.

14 Part of that is an indication of
15 what's happening in the marketplace. What's
16 happening here is natural gas to power generation is
17 peaking on top of the winter heating season load.
18 This becomes a challenge, or a bigger challenge, for
19 meeting demands of customers during those periods of
20 time; but, in fact, the companies that I represent,
21 the local gas utilities, seem to have been able to do
22 that on a very reliable basis. I do not expect all 4

1 of the years that we see here -- 2014, '15, '16 and
2 '17 -- are higher numbers than any year prior,
3 regardless of what happened during the winter heating
4 season, warm or cold. And I don't really expect that
5 to change.

6 The importance of storage, again,
7 demonstrated even this year, 135 Bcf of consumption,
8 58 Bcf nationally came out of storage. That's
9 43 percent on that coldest day. Over the course of
10 the entire winter heating season usually storage
11 accounts for 15 to 20 percent of total gas that goes
12 to consumers. So it's very dynamic and very
13 flexible.

14 Here is the expectations from our
15 National Weather Service regarding the 2017-18 winter
16 heating season. If you look on the left, that's the
17 October through December forecast that was made in
18 September. It, basically, said the lower 48 was
19 going to be warmer than normal, and so far that's
20 been true. There's a little bit of a chill in the
21 air to, but it has been significantly warmer than
22 normal.

1 When it comes to our view of the
2 upcoming winter heating season and what that might
3 mean to consumers is the fact that the longer term
4 forecast, January through March, that conditions --
5 particularly, here in Illinois, the upper Midwest,
6 Northern Tier -- are likely to be much closer to
7 normal this year than they were last year.

8 For consumers that means they are
9 likely to consume more. Prices are up a little bit.
10 If consumption is up, bills will be up a little bit.
11 We surveyed our companies on that question, and we
12 will be talking in detail to the companies here
13 today. But on a national average basis for the 42
14 companies that we got responses from this year, most
15 expected some increase. They expected the increase
16 to be somewhere in single digits -- and I'm talking
17 about expenditures for natural gas -- a 5 to 10
18 percent range, at the high end. Although, I would
19 say, in our survey, we had an outlier at 24 percent
20 and an outlier at minus 3 percent on expectations for
21 expenditures; but most were around that 5 percent
22 target. And of course all of those expectations

1 utterly depend on what the weather actually turns out
2 to be.

3 Commissioner, I've held to my 15
4 minutes or less. I'd be happy to answer any
5 questions, if I can.

6 COMMISSIONER MAYE-EDWARDS: Commissioner
7 Rosales, do you have a question?

8 COMMISSIONER ROSALES: I do.

9 Thank you for being here.

10 MR. CHRISTOPHER MCGILL: Yes, sir.

11 COMMISSIONER ROSALES: We wanted clarification
12 on the predictability of Canada. What did that mean?
13 I didn't understand, that Canada is predictable.

14 MR. CHRISTOPHER MCGILL: We have a total supply
15 in the country of, generally, very close to 8 billion
16 cubic feet per day. Canada has been supplying about
17 5 billion cubic feet per day for the last couple of
18 years -- winter, spring, fall, summer.

19 COMMISSIONER ROSALES: But if we're so
20 abundant, why are we receiving imports from Canada?

21 MR. CHRISTOPHER MCGILL: So there are
22 traditional trading relationships with Canada. Also,

1 if you think about the location of major cities along
2 the Canada border, or the U.S. border, and areas like
3 the Northeast, sometimes it's easier to access the
4 Canadian pipeline infrastructure or for them to
5 utilize the U.S. pipeline infrastructure to swing gas
6 back into Canada.

7 COMMISSIONER ROSALES: So that was an overview
8 of the country, not specifically Illinois?

9 MR. CHRISTOPHER MCGILL: Yes, sir, of the
10 country. Now, that number, in history, has been as
11 large as 10 billion cubic feet per day. It's about
12 half that today.

13 COMMISSIONER ROSALES: Thank you.

14 COMMISSIONER MAYE-EDWARDS: Just one question.
15 I know you said in your presentation that it's been
16 anticipated that we'll have another winter with
17 warmer than normal temperatures. When we say
18 "normal", I think that word sometimes can tend to be
19 a little bit in a gray area.

20 So the last couple of years -- the
21 last, specifically, two winters we've had warmer than
22 normal temps. So is that the new norm, or are we

1 now -- what is that "normal"?

2 MR. CHRISTOPHER MCGILL: That's a very fair
3 question. Generally, the "normal" that we're
4 referring to -- we're referring to what NOAA uses.
5 And NOAA uses, essentially, a 30-year marker. And it
6 stays in place for a period of time, and then it kind
7 of moves. But they're using a multi-year average to
8 make a determination of "normal".

9 COMMISSIONER MAYE-EDWARDS: So we won't
10 necessarily see normal temps than last year, so to
11 speak but, or just within that range?

12 MR. CHRISTOPHER MCGILL: Well, for the core of
13 the winter, January through March, what this diagram
14 is showing on the right is that the expectation is
15 that temperatures here in the Midwest should be close
16 to normal. Compared to last year, that would be a
17 significantly colder situation than what we saw last
18 year.

19 COMMISSIONER MAYE-EDWARDS: I see. Okay.

20 MR. CHRISTOPHER MCGILL: And they are all
21 incorrect.

22

1 (Laughter.)

2 COMMISSIONER ROSALES: So that's the question I
3 would have. Why do we use only one forecast?

4 MR. CHRISTOPHER MCGILL: I don't use just one.
5 I only have one up here. There are commercial
6 forecasts. Oh, gosh. Names are eluding me right
7 now. I read them constantly. There are commercial
8 forecasts. Generally, they have been similar to
9 this; they're not always.

10 Commercial forecasters for weather?

11 AUDIENCE MEMBER: AccuWeather.

12 AUDIENCE MEMBER: The Farmer's Almanac.

13 COMMISSIONER MAYE-EDWARDS: That worked for my
14 wedding.

15 COMMISSIONER ROSALES: It didn't work for Paul.

16 (Laughter.)

17 MR. CHRISTOPHER MCGILL: Yes, sir. That's a
18 fair question. I'm sorry. I do read them. I can't
19 name one right now, but the companies use multiple
20 forecasts.

21 COMMISSIONER ROSALES: I would hope so.

22 MR. CHRISTOPHER MCGILL: Thank you.

1 you can kind of see that that majority of the MISO
2 generation is made up of coal and gas. We have seen
3 the coal percentage come down and gas percentage
4 increase, as well as the wind percentage increase in
5 how much is serving the MISO load. Our peak summer
6 demand was about 127 gigawatts a few years ago. And
7 for a comparison, this year we got just about 121
8 gigawatts this summer.

9 I'm not going to belabor the forecast.
10 I think we talked a lot about it. There were good
11 questions. I actually learned something about the
12 forecast there a little bit ago in that questioning.

13 So this is an older version from
14 August. You can see how that forecast changed. We
15 do also look at different forecasts, and we have
16 forecasts from Europe as well. Along the lines of
17 temperature, and wind, and all of that, cloud cover
18 for the few solar plants that we have on our
19 footprint as well. So we're all looking at that in
20 various ways to look at what's the range of
21 possibilities.

22 Looking from a capacity standpoint,

1 MISO has a reserve margin target of about 16 percent
2 with our projected preserved margin at 28 to 37
3 percent. And then after you take out outages we're
4 at about 19 percent. So we have sufficient capacity
5 compared to our requirement of our reserve margins.

6 And, historical, our winter peak has
7 been about 103 -- I'm sorry. Looking forward, our
8 winter peak is expected to be 103 gigawatts. It's a
9 little bit about average of what we've seen from the
10 winter peak perspective -- of what we've seen
11 recently.

12 One thing of note in these numbers,
13 from a capacity standpoint, we do have about 6
14 gigawatts behind the meter demand response generation
15 in those numbers. What that just means is that we
16 have emergency procedures, and we have to activate
17 those emergency procedures to use those megawatts.
18 So we've seen an increase of MISO declaring emergency
19 procedures, but you can almost look at it as the
20 normal. That's how we access the capacity that are
21 in these numbers here. So it's the capacity we plan
22 for; but in order to use them, we have to --

1 COMMISSIONER ROSALES: When is the last time
2 used it?

3 MR. TIM ALIFF: We just recently -- in late
4 September, the 21st through the 25th, we did activate
5 some of our emergency procedures, maximum generation
6 due to the warm, unseasonable weather that came
7 through. It was in the 90s through most of that
8 time. And it's outage season. There's a lot of
9 generators on maintenance. And the two factors
10 combined led to us using our emergency procedures.

11 I would note that we did not have to
12 activate the behind the meter demand response during
13 that time in September.

14 So winter occurs later in the year,
15 but we're not just thinking about winter in October.
16 We're thinking about winter all year long. From a
17 long-term perspective, we plan our transmission
18 system based on our forecast for the seasons, for
19 what we expect wind generation to be -- new wind
20 generation, new natural gas -- and we plan the
21 transmission system for that on a longer term basis.

22 And then we also look at, How do we

1 improve our market? We did have some emergency
2 pricing enhancements this year that helped. When you
3 commit extra generations, for the prices to stay at
4 the level, that indicates that you did need that
5 emergency generation.

6 And then on an annual basis we do
7 workshops. We have one coming up on November 6th.
8 Folks are welcome to listen in. We talk through our
9 emergency procedures. We have our members dial in.
10 We just kind of talk about being prepared for the
11 winter season. We do a field survey where we survey
12 all of the gas generation and make sure they're okay
13 for the winter with anything that they're expecting,
14 any issues that they may be expecting for the winter.
15 We also publish winterization guidelines, What do
16 generators need to do to be prepared for the winter?
17 Most of that is pretty standard, but we just share
18 some guidelines that we have related to that.

19 Moving into the monthly phase here,
20 every month we do operation drills. I've talked
21 about the behind meter demand response. We do
22 drills. We call it load modifying resource. And we

1 actually go through the process of how we are able to
2 implement those and use of the communication methods
3 and the procedures. So we step through that at MISO
4 and with our members to ensure that everybody can
5 activate those procedures when they're needed and
6 we're not fumbling around trying to figure out how do
7 we actually get those implemented. So we do those
8 drills to make sure that the operators are sharp in
9 how they should respond.

10 Coming into the daily look at it, we
11 look at our peak hour for the day and make sure we
12 have sufficient generation on for the day.
13 Reliability calls -- communicating with our
14 neighbors, communicating with PJM, communicating with
15 Southwest Power Pool, and other RTOs across the
16 country to make sure we all are seeing what's going
17 on and that we understand what's happening across
18 each other's footprints. We also have calls with
19 pipelines to make sure we understand any issues that
20 the pipelines -- or the gas pipelines may have and
21 how that might impact our generation.

22 And then in real time we have a

1 processes to monitor those pipelines. And we receive
2 the notices for the pipelines. We actually post that
3 our on our web page. So that's one improvement that
4 we've done over the last couple of years to bring
5 more visibility to that, to our members, as well as
6 into our control room, on how those pipelines -- any
7 issue the pipelines may be having.

8 And then the final thing there is, we
9 drill and plan on our emergency and abnormal
10 procedures so that we know what will happen. And our
11 procedures are general enough that they can handle a
12 wide variety of scenarios. So we work through our
13 procedures to make -- we work through different
14 scenarios and have tested them to make sure that they
15 work through different scenarios that we might be
16 expecting.

17 COMMISSIONER ROSALES: Has there been a
18 scenario that came up that you didn't expect?

19 MR. TIM ALIFF: Well, the most recent was
20 September. That caught us a little off guard, it
21 being 90-degree weather in late September. Really
22 what caught us off guard with that is that we were

1 forecasting about -- I think we were about 3 degrees
2 lower than what the actual temperature was. That
3 ended up translating into about 4 gigawatts of
4 difference in load that we didn't have. But we
5 activated our procedures, and we were able to manage
6 through that very successfully.

7 COMMISSIONER ROSALES: Did you use your demand
8 response scenario?

9 MR. TIM ALIFF: We did not in September.

10 So just talking overview again about
11 winter preparedness and operational challenges; so
12 gas-electric coordination, enhanced operational
13 tools, as I mentioned, with our web site and
14 communicating those notices to our control room as
15 well as to our members.

16 The Gas-Electric Market Alignment. We
17 adjusted the timing of our day ahead of market to be
18 better aligned with the gas market. There's some
19 efficiencies related to that.

20 The field survey, I mentioned. The
21 guidelines, I mentioned.

22 Operational Situational Awareness is

1 where we're communicating with the gas pipeline and
2 making sure that we understand what's going on at a
3 high level. We have what generators are served by
4 what pipelines so, if the pipeline is having an
5 issue, we can know what generation might be having an
6 issue with those pipelines.

7 Emergency Preparedness/Winter
8 Readiness at FERC. We talked about winter
9 preparedness at FERC. We've come to Illinois to talk
10 about winter preparedness. We have a winter
11 workshop. And then we also do -- we just finished up
12 last week our emergency response and power
13 restoration drills. So if we weren't able to stop a
14 decline in the blackout conditions, essentially, how
15 would we restore it? So we even go to that point to
16 make sure that the operators understands what happens
17 in those scenarios. So we're drilling all kinds of
18 scenarios to make sure that we're better prepared.

19 The Generation Portfolio. I mentioned
20 that our generation is pretty diverse, which helps.
21 If there might be gas issues, we have coal and wind.
22 So a diverse generation can help, and you're not

1 using a single source, from a fuel perspective.

2 I think that's about it. I covered
3 everything else on here previously. I don't think I
4 have anything additional from the specific questions
5 that were asked. I've already covered it.

6 There's a few other slides in the
7 Appendix that are just more informational.

8 Are there any questions?

9 COMMISSIONER MAYE-EDWARDS: Thank you. Just a
10 quick question.

11 I know that you briefly touched upon
12 your communication strategy with some of the other
13 RTOs. I think you mentioned SPP and maybe PJM. But
14 who specifically and how frequently are those
15 communication occurring?

16 MR. TIM ALIFF: So every day we have a call
17 with all of our neighboring entities. So we have
18 Southwest Power Pool, PJM, Southeastern, another
19 southern company. We get all of those folks on a
20 call in the morning, and we talk about what we expect
21 the day to be, any issues that we have. We talk
22 about our transmission generation outages. We talk

1 about load, any specific weather issues that we might
2 be expecting.

3 COMMISSIONER MAYE-EDWARDS: Every day?

4 MR. TIM ALIFF: Every day.

5 COMMISSIONER MAYE-EDWARDS: What about
6 Christmas?

7 MR. TIM ALIFF: I'm sorry. Business days.

8 (Laughter.)

9 COMMISSIONER MAYE-EDWARDS: That's wonderful.

10 MR. TIM ALIFF: Outside of those we have that
11 scheduled call that does occur on business days. The
12 operators do communicate 24/7 if they need to.

13 COMMISSIONER MAYE-EDWARDS: Do we have any
14 questions?

15 (No response.)

16 COMMISSIONER MAYE-EDWARDS: Thank you very much
17 for being here today.

18 And now we're going to hear from PJM.

19 MR. RICH MATHAIS: Good morning, Commissioner
20 Maye-Edwards, Chairman Sheahan, Commissioner Rosales,
21 and Commissioner del Valle. We're delighted to be
22 here today. And we've been invited to discuss winter

1 preparedness with the Illinois Commerce Commission.

2 As you know, I represent PJM
3 Interconnection, which is regional transmission
4 organization that operates in parts of all of the 13
5 states and the District of Columbia. In Illinois PJM
6 manages the transmission system which is owned by the
7 Commonwealth Edison Corporation.

8 With me today is Ken Seiler, who is
9 the Director of System Operations for PJM. You may
10 recall that Ken was here 6 months ago when we were
11 talking about summer preparedness.

12 You may wonder why we would start out
13 with -- one of our first slides sets to talk about
14 the vortex which occurred this past summer. For two
15 reasons we've decided to bring this before the
16 Commission: number one, we thought it was a great
17 segue to the Public Open Meeting that Commissioner
18 Leah (phonetic) had a few days ago, in which she
19 talked about renewables and distributed energy
20 resources. You'll recall that Scott Baker from PJM
21 appeared during that discussion of renewables and
22 distributed energy resources.

1 And then we also thought that instead
2 of talking about the big picture of over a number of
3 month period, it would be interesting to just look at
4 what happens on a particular day -- a special day,
5 admittedly -- in the past few months, and that is the
6 solar vortex which occurred August 21st of 2017.

7 I'm going to look to Ken to go through
8 some of these slides because he was the guy that was
9 planning for this and making certain that we were
10 appropriately preparing for the polar vortex.

11 And what I would emphasize is what
12 you're hearing about right now for one day is what
13 PJM, MISO, SPP, and others do every day of the year,
14 the type of preparation and actual operations that
15 occur during the entire year. This is just one segue
16 into one day.

17 So, Ken, will you go through these
18 slides?

19 MR. KENNETH SEILER: Sure. Thanks, Rich.

20 Good morning. I have four slides that
21 I'll walk through very quickly. The first one is
22 really showing four different models that we

1 projected based on cloud cover and the amount of sun
2 that we had across the entire footprint. But the
3 gray line that you see there is really reflecting a
4 partly of the sunny day where we have lost about 2200
5 megawatts of output from the solar farms we have. We
6 had estimated around 2500. So we lost 2200 megawatts
7 of solar, and we have projected about 2500 megawatts.

8 This is also showing the solar drop
9 compared, as well, to the load drop we had across the
10 footprint. So we were on the eastern seaboard, for
11 the most part, except for certainly the western
12 zones, where we saw load drops starting in California
13 as a result of the solar eclipse along with the
14 amount of solar output drop. We had lost about 5,000
15 megawatts of load during the eclipse in the 2-hour
16 trade from the time it hit Illinois through the time
17 it went off the eastern seaboard. And, again, you
18 can see the total amount of output we have.

19 The next slide is really one that
20 shows temperatures set. And we saw a large
21 correlation to temperatures much like we do during
22 thunder storms.

1 COMMISSIONER ROSALES: I'll insert my question
2 here.

3 MR. KENNETH SEILER: Yes, sir?

4 COMMISSIONER ROSALES: So is this the PJM
5 footprint?

6 MR. KENNETH SEILER: This is our footprint.

7 We also saw, on the integrated hourly
8 average temperatures of a 3 degree drop. However, we
9 had reports from various parts of our footprint where
10 we had temperature drops to 5, 7, 10 degrees during
11 the actual solar eclipse. So we wanted to show the
12 correlation between load drop as well as the
13 temperature drop along with certainly consumer
14 behavior during the event.

15 We took a real hard look at this event
16 as a result of the planning activities that we had
17 performed in preparation for the April 8th of 2024
18 total solar eclipse. Our projections were overall
19 very close. I was told that we had expected a load
20 decrease by quite the amount as the solar output
21 decrease, which we thought was interesting; and we
22 attributed a lot of that to human behavior. A lot of

1 folks took their lunch hours during the eclipse as
2 well as there were a lot of people going out to view
3 it, based on the media coverage of the event.

4 Our load forecast models were not as
5 well-trained for this event as what we had hoped
6 because we were getting temperature sets on the hour.
7 We're looking to get maybe 15-minute integrative
8 temperature sets into our load models going forward.

9 And then our coordination with our
10 forecast vendors is also very important. We used
11 this as a pilot going forward in preparation for the
12 next one.

13 MR. RICH MATHAIS: And, again, I would
14 emphasize that this was one specific day and an
15 unusual day. But it's the type of activity, the type
16 of planning, the type of operations that PJM and the
17 other RTOs in the United States do on a daily basis,
18 on an hourly basis. So each one of these notes that
19 Ken mentioned are very important just on a day in,
20 day out basis. What's the sun going to be like?
21 What's the temperature going to be like? Is it going
22 to be raining? Whether our load model showed -- were

1 are load models accurate? Could we accurately
2 forecast human behavior?

3 A lot of people, as Ken mentioned,
4 left the office or left their manufacturing
5 facilities, maybe shut down the computer, or the
6 machinery didn't run quite as it always might have in
7 a normal time because people went outside to look at
8 the eclipse. And this all has an impact on
9 electrical usage. And it's something that we would
10 like to be able to think that we can prepare for in
11 the model going forward.

12 COMMISSIONER MAYE-EDWARDS: I apologize if I
13 missed this. But was there actually a preparedness
14 plan put forth ahead of time for the eclipse; or was
15 it just you're saying, in hindsight, now that you've
16 seen the data and the behavior that occurred because
17 of the eclipse, you're saying going forward you will
18 do it, make a change?

19 MR. KENNETH SEILER: There was a significant
20 body of work done by our operation support staff in
21 preparing for this event, looking at different models
22 and what we thought the end time was going to be.

1 And that all translated to the control room where we
2 had specialized training for the operators for the
3 event as well. We had extra staff on board. We
4 carried some extra reserves as well as an extra
5 regulation during the event in case we got different
6 results than we had expected. So we prepared for it.

7 And then a lot of the work that we're
8 talking about today is post event analysis.

9 COMMISSIONER MAYE-EDWARDS: This is
10 interesting. This is actually the first time I've
11 heard this. I'm sure other RTOs and other utilities
12 did take preventative measures for that.

13 Have you all heard anybody talk about
14 it? I have not heard anybody talk about it.

15 COMMISSIONER ROSALES: Were you out there
16 during the eclipse?

17 MR. KENNETH SEILER: We had some folks who were
18 outside taking a view at it.

19 (Laughter.)

20 MR. KENNETH SEILER: I can tell you that I
21 personally was not. I was in the control room the
22 entire time.

1 MR. RICH MATHAIS: And, again, the emphasis is
2 not just on the polar vortex -- or the solar eclipse,
3 rather. What happened that day is done every day of
4 the year by PJM's operations group, trying to predict
5 what happened and then actually handling the
6 operations during the event or the day, and then a
7 subsequent review of what happened to see if there
8 are any ongoing issues that would be of interest
9 going forward.

10 And of course, as Ken mentioned, we're
11 going to have another solar eclipse in 2024 that will
12 go much more across the footprint of PJM as well as
13 MISO. So we really have to be active in predicting
14 what's going to happen during that particular day as
15 well as every day between now and then and
16 thereafter.

17 COMMISSIONER ROSALES: So as you pointed out,
18 this was definitely an anomaly. Is there any other
19 days that you've come across that are anomalies that
20 would be weather related that you would have had this
21 type of change in your load?

22 MR. KENNETH SEILER: Yes, sir. A lot of times

1 we'll see storms or we have a very hot summer day
2 where temperatures certainly are in the mid to high
3 90s. That would have a very, very similar effect on
4 the load as well.

5 COMMISSIONER ROSALES: Okay.

6 MR. KENNETH SEILER: Moving on to the winter
7 preparation side, I have these broken out into three
8 different buckets. Primarily, it's broken out into
9 the studies and drills that we do in preparation
10 combined with what MISO has just talked about with
11 the different discussions with our neighbors to the
12 north, to the west, and to the south. And then
13 certainly the gas-electric coordination is very
14 important today based on the gas penetration that we
15 had in our footprint.

16 If you look at the left-hand side of
17 the study -- I'll talk about the winter assessment
18 study on my last slide. I'll spend a little bit more
19 time on that there. But much like you heard from
20 MISO, we spent a number of hours with all of our
21 system operators drilling for this winter as part of
22 our training, combined with a field inventory survey

1 with all of our different generators, as well as the
2 checklist that we sent out to all of our generators
3 in preparation for a winter event.

4 The coordination has been much more
5 extensive with all of our neighbors -- much more
6 specific -- even speaking to what major transmission
7 avenues may be taking effect and when. When those
8 schedules are out, we communicate and share all of
9 that with our neighbors as well as any major
10 generation avenues where we have large coordinators.
11 We share that information as well with our neighbors,
12 as applicable.

13 And we've had a significant body of
14 work as well done with the gas industry with
15 coordination up to and including a lot of tools and
16 processes that we've put in place and enhanced in our
17 control room over the last several years in
18 preparation for the winter as a result of the 2014
19 polar vortex that we had. So a significant body of
20 work done there, including up to 50 gas pipelines
21 that helps us run a control system.

22 MR. RICH MATHAIS: Ken, could you comment on

1 the analysis that PJM has done with regards to how
2 much gas is too much gas, how much natural gas is too
3 much gas for an RTO.

4 MR. KENNETH SEILER: Sure. So last year we
5 actually released a study. We spent several months
6 doing a study to take a look at the different
7 generation portfolio mixes that we could have across
8 the footprint, assuming that we'd have an increase in
9 renewables, including wind and solar, and an increase
10 in gas as well as the increase in other areas, like
11 nuclear as well as coal. We have the ability to
12 still maintain a resilient bridge. And, in our
13 opinion, this is based on the changes that we see at
14 least in the short term as well as the long term.

15 So gas penetration continues to
16 increase based on the fuel pricing, as you heard
17 earlier. And we see a large increase in the amount
18 of renewables that we have. Our generation
19 interconnection queue also has continued to see gas
20 combined cycle units coming into the queue, which we
21 continue to study, as well as it does increase solar
22 and wind resources across the footprint.

1 MR. RICH MATHAIS: And I would only add that a
2 few years ago one or two other people in the room
3 were in the same meeting where we had kind of the
4 first get-together about that natural gas pipeline --
5 the LDCs, and PJM, and other RTOs -- to talk about
6 how to coordinate or integrate our activities, which
7 means pipelines and generators and the LDCs and so
8 forth. It was a very interesting discussion because
9 we were using the same terms, but they didn't mean
10 the same to different entities, to natural gas
11 pipelines or the generators; and it was just a total
12 inability to be able to communicate.

13 This was 5 or 6 years ago. I would
14 say that the communication and the understanding of
15 the gas pipelines, and the LDCs, and the generation
16 resources has significantly improved. But it wasn't
17 many years ago that really there was a lull between
18 the ability for the LDCs and the natural gas
19 pipelines to communicate with and truly understand
20 the needs of natural gas generators and vice versa,
21 but that discussion is now much, much improved.

22 MR. KENNETH SEILER: Okay. The next slide we

1 have is weather, and I'll talk about that just
2 briefly.

3 As you heard earlier, we have a staff
4 metrologist who works with our organization in-house.
5 We're expecting higher rain and snowfall in this
6 area, certainly this coming winter, with some bouts
7 of colder temperatures as compared to the last 2 or 3
8 years. You heard some of that earlier. I'm not
9 going to spend a lot of time on this. But these are
10 forecasts, so we'll see how the accuracy pans out.

11 CHAIRMAN SHEAHAN: Can I ask you a question
12 about that? Have you guys modeled a polar vortex
13 scenario kind of under current conditions, and can
14 you give us some insight as to what that would look
15 like?

16 MR. KENNETH SEILER: Yeah. If you don't mind,
17 sir, I'm going to go on to the next slide, and I can
18 talk about that in a little bit.

19 So what we do is we take a look, on a
20 seasonal basis, at the summer and winter
21 expectations, and we run various sensitivities to the
22 point that you're making. So if we saw loads to the

1 levels that we saw, based on what we saw in 2014, I
2 can walk you through some of those numbers here in
3 just a second.

4 So our current assessment for this
5 coming winter is we're expecting a load of around
6 135,000 megawatts. When you look at the amount of
7 generation that we have, around 185,000 megawatts and
8 normal generation outages -- if you run the math,
9 there's still 33,000 megawatts of reserves that we
10 have available to us with this load projection that
11 you see here, which represents, with the generation
12 outages included, about a 24 percent margin that we
13 have of available capacity. We feel like we're
14 capacity rich right now.

15 To the question that you made,
16 relative to if we had another polar vortex, we run a
17 series of sensitivity studies, which I haven't shared
18 with you here. But we'll ramp the load levels up to
19 145,000, 150,000 megawatts to determine what the
20 impact will be; and, based on those scenarios, we
21 would still be reliable to have extra capacity on the
22 system to maintain the needs of our customers.

1 CHAIRMAN SHEAHAN: There were a number of
2 resources that didn't perform as expected during the
3 polar vortex; and, you know, there's a whole debate
4 about why, but the fact is that they didn't.

5 Do you build in those kinds of
6 assumptions, in terms of --

7 You know, obviously, the gas has a
8 much bigger presence in PJM now than it did even a
9 few years ago. You know, it is more vulnerable to
10 weather disruptions. So do you sort of factor that
11 in to your calculation?

12 MR. KENNETH SEILER: We actually do. So we'll
13 run through a number and ramp the generation outages
14 that could happen as a result into this winter
15 assessment. We do that as part of the sensitivity
16 studies, if we cannot get the gas. We also take a
17 look at any help that we can get from our neighbors,
18 if we need it. We also look at the main response,
19 which we have about 9500 megawatts in demand response
20 available to us. And a lot of the times in the
21 winter the wind is blowing, so we get a lot of help
22 from the wind turbines that are out there as well.

1 We may not get as much help from the solar folks.

2 But based on a number of those
3 sensitivity studies, including exporting additional
4 power into our neighbors' areas, like in New York, we
5 still anticipate being able to serve that load even
6 with a large generation outage rate, which our
7 generation outage rates have been coming down over
8 the last several years.

9 MR. RICH MATHAIS: That concludes our
10 discussion from PJM's perspective. We'd be glad to
11 answer any questions -- any further questions today
12 or in the future. And we believe that within the
13 footprint of PJM we have sufficient capacity and
14 operational ability. We do not anticipate any kind
15 of operational problems this winter.

16 COMMISSIONER MAYE-EDWARDS: That's all good to
17 know. Thank you very much.

18 Are there any other questions from the
19 Commissioners?

20 (No response.)

21 COMMISSIONER MAYE-EDWARDS: Well, will everyone
22 please join me in giving a round of applause to all

1 of our presenters this morning.

2 (Applause.)

3 COMMISSIONER MAYE-EDWARDS: On behalf of the
4 entire Illinois Commerce Commission, my colleagues
5 and I would like to thank you for your participation
6 today and for the information that you provided on
7 winter preparedness.

8 At this time we'll take a 10-minute
9 break and reconvene at 11:00 -- well, I guess we
10 finished a little bit early, so we'll reconvene at
11 11:05. Thank you very much.

12 (Whereupon, a brief recess was
13 taken.)

14 COMMISSIONER MAYE-EDWARDS: Welcome back. It's
15 always nice to have a little bit time to network, I
16 think. We will proceed with the last portion of this
17 morning's policy session where we'll hear from the
18 Illinois LDCs' perspective on gas supply, energy
19 efficiency, customer service and outreach.

20 Presenting on behalf of the LDCs are
21 Tim Eggers, Manager of Gas Supply at Ameren Illinois;
22 Chuck Rea, Director of Energy Efficiency & Regulatory

1 Analytics at MidAmerican, and Ellen Rendos, the
2 Managing Director of Customer Experience at Nicor
3 Gas.

4 We'd ask that each speaker please hold
5 their remarks to 15 minutes. Please join me now in
6 welcoming LDCs' representatives. Thank you. We can
7 go ahead and get started. Let's give them a round of
8 applause.

9 (Applause.)

10 MR. TIM EGGERS: Good morning, Commissioners.
11 My name is Tim Eggers. I'm the Manger of Gas Supply
12 for Ameren Illinois. I want to thank you for the
13 opportunity to share the Illinois LDC's perspective
14 with you today.

15 The strategies and plans that we're
16 going to present are generally indicative of the five
17 major gas utilities here in the state of Illinois.
18 And the first slide is Gas Supply Planning
19 Objectives.

20 The LDC would also like to thank the
21 AGA for sharing the good news about all of the
22 continued growth in domestic production and moderate

1 pricing that our Illinois consumers have enjoyed for
2 the last several years. Our LDCs delivered the good
3 news to Illinois consumers by providing safe,
4 reliable, and economic natural gas. Due to that, we
5 contract for a variety of services, including
6 pipeline transportation, storage capacity, balancing
7 and peaking services that allow us to make that peak
8 day obligation -- that coldest day of the winter --
9 and also effectively manage our supply in any winter
10 weather event.

11 We also diversify our capacity supply
12 resources among pipelines and producers and purchase
13 supply on various pricing structures -- first of the
14 month index pricing and daily pricing. And, finally,
15 we optimize our resources to minimize our PGA costs
16 and price as to ensure against price spikes.

17 Looking at the next slide, it's our
18 Send-Out Data from last winter, 2016/2017. And it
19 highlights the challenges that we faced with
20 substantial load swings. On our coldest day of the
21 winter we moved more than 6.8 Bcf of gas to our
22 customers; and on our warmest day last winter that

1 was down to just 1.2 Bcf.

2 When these dramatic swings occur, the
3 LDCs have to rely on our portfolio resources, such as
4 storage services with winter injection capabilities;
5 balancing services; and other assets that serve the
6 daily load and balancing system.

7 The next slide is our forecasted peak
8 day and resources for the upcoming winter. With that
9 warm winter last year, our highlighted day was only
10 6.8 Bcf, which is 31 percent lower than our peak day,
11 which is 9.9 Bcf. So our peak resources weren't even
12 tested last winter.

13 The combination of resources that we
14 used to meet peak day include 4.5 Bcf per day of
15 pipeline storage capacity; 4.2 Bcf of utility-owned
16 storage that's owned and operated within the state of
17 Illinois; and 1.2 Bcf of third-party supply.

18 Our Gas Supply Strategy, focusing on
19 our strategy, we have a hundred percent of our firm
20 gas supply requirements purchased under firm
21 contracts with a mixture of base load supply with
22 monthly index pricing and daily supply with daily

1 index pricing that's used to go on and off on any
2 given day. Majority of our gas supply is purchased
3 from strong producers and established marketers with
4 a focus on credit worthiness, performance, and their
5 access to supply. And we have a forward-planning and
6 procurement cycle with long-term contracts for our
7 transportation and storage capacity. And it's
8 important that we carry right of first refusal on
9 those contracts so, if there's competitive bidding,
10 we would be able to retain those.

11 Our Gas Supply Strategy, continued:

12 The LDC's own contract for firm transportation on
13 interstates pipelines is back to the major production
14 basins and liquid market centers. Various pipelines
15 provide diversified access in many of the traditional
16 supply basins -- like, the Midcontinent, the Gulf
17 Coast, Texas, and Rocky Mountain suppliers. They
18 also assess the majority of the new shale plays such
19 as Fayetteville, Haynesville, Bakken. And,
20 importantly, Illinois has now received a greater
21 access to the variable shale plays -- Utica and
22 Marcellus -- which is in Northern Eastern United

1 States. Those two shale plays now provide 30 percent
2 of U.S. production and are responsible for most of
3 the growth that Mr. McGill spoke of earlier. Those
4 two shale plays are really driving growth in the
5 United States. And our utilities continue to be top
6 tier shippers on many of the pipelines that we
7 resource, and that allows us leverage to negotiate
8 the lowest possible rate and best possible terms for
9 our customers.

10 Looking at the map of Illinois and the
11 pipelines that provide service to our consumers, as
12 you can see the Illinois LDC is very well-positioned
13 to be able to access gas supply from many different
14 regions of the country. We are literally at the
15 crossroads of the supply picture of the United States
16 thanks to the Northeastern shale plays. Growth in
17 shale, both all around Illinois and particularly to
18 the east, has created a lot of infrastructure
19 projects, many of which actually have been placed in
20 Illinois. The two major ones in place, in service,
21 already bringing in nearly 3 Bcf per day are
22 Marcellus and Utica shale supply, two Illinois

1 markets. Another is partially complete that the
2 Rover Pipeline. And then another one that is
3 underway is the Nexus Pipeline. Together those will
4 bring in another 5 Bcf per day to the Midwest
5 markets.

6 There's been quite the pipeline
7 investment actually within the state of Illinois.
8 Approximately, \$286 million of investments have
9 occurred in the last couple of years and is
10 forecasted to occur in the state of Illinois.

11 The all important pricing: Nationally
12 domestic production is keeping ahead. Demand growth
13 from the exports industry, electric generation, is
14 holding down current prices. And this slide
15 obviously demonstrates that the forward pricing in
16 red is very consistent and very affordable, hence the
17 historical averages. And if we look at something
18 closer to home, the Chicago natural gas pricing, the
19 tremendous amount of capacity and supply against a
20 relatively flat demand here in the Illinois
21 area reduces prices in the Chicago market. This
22 slide depicts the monthly index price for natural gas

1 in the Chicago area relative to the Henry Hub, which
2 is the price and benchmark of the United States.

3 So, typically, an Illinois consumer
4 might pay a premium of 60 cents over the last 10
5 years to suppliers nationwide. Now we actually pay a
6 discount forecast of about \$0.13 against national
7 supply. So great news for Illinois consumers. And
8 the other local hubs in Iowa, Michigan, and Ontario
9 are also seeing the same kind of price drop. So good
10 news for consumers in the upper Midwest as well as
11 Chicago.

12 Moving on to our Price Risk Hedging
13 Strategy, we target hedging 50 to 75 percent of our
14 normal winter demands against market price
15 volatility. We price hedge up to 36 months forward
16 over time and achieve dollar-cost-averaging results.
17 We use a variety of methods to hedge price, including
18 storage, fixed price contracts, as well as financial
19 instruments such as swaps, options, and collars. And
20 we do target at least 30 to 50 percent of our gas to
21 come out of storage for the winter. Financial
22 hedging transactions diversify our credit risks

1 between gas suppliers and financial counter parties.

2 Current Winter Preparations: We our in
3 great shape for the upcoming winter. Our storage
4 inventory -- we're starting off the winter at the
5 historically low prices. I know in the AGA slide it
6 did mention that some of the summer injections were
7 relatively mild compared to 5-year averages. That's
8 not the case for the Illinois LDCs. We're on track
9 to be completely full by the time winter starts.

10 All firm gas suppliers are under
11 contract, and pricing hedging is largely complete.
12 And, finally, the LDC has secured the pipeline
13 capacity to meet our designed peak date.

14 In summary, our gas supply plans are
15 in place for this winter. We're equally prepared for
16 the winter season with extreme cold weather and
17 extreme warm weather. We learned a lot from lessons
18 of the polar vortex and the last two warm winters.
19 We can expect higher usage this season should the
20 weather normalize. Obviously, we would expect to see
21 higher heating costs, but it's important to note the
22 actual cost of gas are very similar to last year, so

1 it would just be an increase.

2 And natural gas prices for this winter
3 remain well below historical averages. These prices
4 suggest that moderate pricing will continue for years
5 to come. However, should we get some price spikes
6 this winter, our storage and price hedging should
7 mitigate rate impact for our customers.

8 So that concludes my presentation.
9 I'm happy to take any questions.

10 COMMISSIONER MAYE-EDWARDS: Quick question: At
11 one point does price hedging stop for the upcoming
12 winter?

13 MR. TIM EGGERS: We generally go up to 36
14 months out. Some utilities go a little further, some
15 a little less, based on risk management guidelines
16 within those individual organizations.

17 COMMISSIONER MAYE-EDWARDS: So you start about
18 36 months out, and when is it complete?

19 MR. TIM EGGERS: Typically, within a couple of
20 months prior to November.

21 COMMISSIONER ROSALES: Can you explain the
22 collar part.

1 MR. TIM EGGERS: Yeah. A collar is a financial
2 instrument that establishes a set range for the index
3 price. It sets a high, the max I will pay; and it
4 sets a low, the least I will pay. So there's a
5 financial instrument that limits my upside and limits
6 my downside. Rather than a fixed loss, it just sets
7 a fixed price.

8 COMMISSIONER ROSALES: Why would you limit your
9 low part?

10 MR. TIM EGGERS: The people we trade with, it's
11 kind of a required piece of the financial swap.

12 COMMISSIONER ROSALES: Okay.

13 MR. TIM EGGERS: As soon as you buy a pure
14 option, it's a little more expensive, and then you
15 can participate as far as low as it will go.

16 And certainly we look at where the
17 prices are and at least some expectation as to what
18 type of instrument to use. If the prices are
19 particularly high, we might want more a little more
20 of a downside. When prices are low, getting much
21 below \$2, it's not that impactable.

22 COMMISSIONER ROSALES: Now, in your view, with

1 the new infrastructure to Illinois, and some of these
2 pipeline investments that we've had, would this
3 mitigate any problems in congestion that happened
4 during the polar vortex?

5 MR. TIM EGGERS: Yeah. We would certainly
6 expect the extra capacity into Chicago to alleviate
7 things on the pipeline side, to give pipeline
8 operators or LDCs other options.

9 COMMISSIONER ROSALES: Okay.

10 COMMISSIONER MAYE-EDWARDS: Thank you very
11 much, Mr. Eggers. We appreciate your time today.

12 We will now hear the energy
13 efficiently perspective of the LDC.

14 MR. CHUCK REA: Good morning, Commissioners.
15 My name is Chuck Rea with MidAmerican Energy Company.
16 I'm Director of Energy Efficiency & Regulatory
17 Analytics. I'll talk to you this morning for a
18 little bit about energy efficiency from the LDC's
19 perspective.

20 It's an important topic. Energy
21 efficiency is not just about helping customers save
22 money. It's also an important part of the customer

1 experience in total -- the customer service
2 experience. And it's something that we take very
3 seriously, and I'm pleased to have the chance to talk
4 to you this morning about our efforts.

5 We are going to talk generally about
6 energy efficiency, but specifically this morning
7 about our efforts as it relates to winter-related
8 energy efficiency investments and more specifically
9 this morning about our efforts with residential
10 customers. We're going to have some examples of how
11 we communicate with customers, specific marketing and
12 communication strategies related to our energy
13 efficiency program for customers, for communities
14 that we serve, and also with our trade ally partners.
15 And that's another part of this little presentation
16 that I'm going to emphasize, is our relationship with
17 our trade allies and their importance to the whole
18 energy efficiency experience for customers.

19 All of the LDCs have pretty broad
20 portfolios for energy efficiency; serving residential
21 customers, non-residential, commercial/industrial
22 customers electric and gas across all of the

1 different customer spectrums, customer classes, in
2 terms of income and where they're at in terms of
3 their ability to make energy efficient investments.

4 Specifically, I think we have come to
5 target more and are doing a better job with
6 income-eligible customer groups and public sector
7 customer groups. So we'll talk a little bit about
8 that.

9 But it's a very broad portfolio with
10 energy efficiency in Illinois, and it's done
11 basically two different ways for most customer
12 groups. One way that we do energy efficiency is,
13 basically, your classic rebate programs where
14 customers purchase energy efficient equipment -- for
15 instance, boilers, thermostats, what have you -- and
16 the utility company helps them pay for the energy
17 efficient portion of those investments with incentive
18 dollars. You buy equipment, whether it be a furnace
19 or an air-conditioner, and generally your equipment
20 contractor helps you fill out paperwork. You send
21 that in, and the utility sends you an incentive to
22 help you pay for that investment.

1 The other way that energy efficiency
2 happens is there --

3 COMMISSIONER ROSALES: And how well does that
4 work? What is the amount that's redeemed? What is
5 the percentage of those rebates that you pay out?

6 MR. CHUCK REA: Generally, for the cost of an
7 energy efficiency furnace, for example, about kind of
8 the standard furnace, incentives can go anywhere from
9 50 to a hundred percent. MidAmerican can pay about
10 \$700 for a furnace rebate for an energy efficient
11 furnace. That's probably more than a lot of other
12 utilities pay, but that gives you an idea of how
13 much. Our furnace rebates are about \$700. Our
14 air-conditioner rebates are about 4 or \$500. Usually
15 there's a flat amount for most types of equipment.

16 COMMISSIONER ROSALES: And that's residential
17 as well as industrial?

18 MR. CHUCK REA: That's for residential.

19 COMMISSIONER ROSALES: Residential?

20 MR. CHUCK REA: For residential, right; and
21 residential-size equipment that commercial customers
22 might purchase.

1 For industrial projects, the incentive
2 structure can be a little more complicated.

3 COMMISSIONER ROSALES: Okay.

4 MR. CHUCK REA: The other way that we bring
5 energy efficiency to our customers is through on-site
6 assessments. And this is residential, commercial,
7 and industrial. We do in-home residential audits
8 where we come in. The customer asks us to come in.
9 We walk through a home. We have some energy saving
10 products that we can put in place right there at the
11 time. These tend to be things like low-flow shower
12 heads, low-flow faucet areas, make some LED lighting,
13 maybe some water pipe installation.

14 But we also make recommendations on
15 other types of things that the customer can do that
16 are a little more expensive where we can help with
17 incentives: furnaces, boilers, a lot of insulation.
18 For MidAmerican that's the gateway for insulation
19 projects with customers. We can talked about
20 insulation improvements, and then we'll talk about
21 how we can help them pay for those investments.

22 So for most customer it's either

1 equipment rebates or something that comes out of
2 these in-person walk-throughs that we do. And that
3 can be for the home or it can be for a business or a
4 factory or a larger facility.

5 We also have weatherization programs
6 for income qualified customers. These are done more
7 through service agencies, but MidAmerican and the
8 other utilities help fund these kinds of programs for
9 income qualified customers, free weatherization and
10 energy efficient products. Some utilities in
11 Illinois do on-bill financing -- not all of them do,
12 but some of them do -- where you can actually finance
13 investments on the bill. And more and more you see
14 utilities in Illinois getting into things like smart
15 thermostats that are a little more kind of high tech
16 stuff.

17 Utilities have done rebates for
18 programable thermostats for a long time. You'll see
19 more and more in Illinois utilities getting into
20 smart thermostats. And that's an incentive that we
21 are starting to offer, too.

22 But this, obviously, doesn't happen on

1 its on. There is a lot of customer outreach and a
2 lot of communication that the LDCs do and that the
3 utilities do with customers in various forms. Mass
4 media campaigns. There are program-specific
5 campaigns that utilities engage in. There's specific
6 customer communications that we engage our customers
7 with: e-mail, bill inserts, newsletters.

8 MidAmerican has a program where we
9 provide home energy reports that are specifically
10 tailored to each individual customer, and that allows
11 us to communicate things on a quarterly basis with
12 customers that make it very specific to their own
13 energy profile. So that's an opportunity for us to
14 communicate directly with customers through separate
15 mailing.

16 We have community events that we
17 partner with, that we help sponsor, and also a lot of
18 communication with trade allies with equipment and
19 insulation contractors. You can't emphasize enough
20 the importance of these kind third-party trade allies
21 and installation folks that help deliver energy
22 efficiency. And we'll talk about that in a little

1 bit.

2 There's a lot of multi-cultural
3 outreach. You see here some pieces that MidAmerican
4 has and some of the other utilities that communicate
5 in different languages with our various customer
6 groups. Spanish is very common in what you see
7 here -- Arabic, Bosnian, Chinese, Korean, Polish,
8 Indian, working very hard to communicate with
9 communicate with all of our customer groups.

10 Most of the utilities -- perhaps all
11 of the utilities in Illinois do this. Certainly
12 Nicor and some of the other utilities that you don't
13 necessarily see pieces for are engaged in that kind
14 of process. So we're striving and working hard to
15 make sure that we reach all of our customers and take
16 advantage of this energy efficiency program.

17 And you see here just some examples of
18 customer communications that we have. There's e-mail
19 blasts. There's door hangers, newsletters, bill
20 inserts, a variety of ways that we communicate with
21 customers. As I mentioned, MidAmerican has home
22 energy report where we communicate with customers on

1 a quarterly basis, and those messages can be very
2 seasonal. Certainly we're talking about winter
3 steps, steps that customers can take for energy
4 efficiency in the winter -- thermostat setbacks and
5 things like -- that gives us an opportunity to
6 communicate and talk to our customers with energy
7 efficiency.

8 Also, a lot of communication with our
9 trade allies. We do a lot of training with our trade
10 allies network. MidAmerican is getting ready next
11 month for kind of a road show that we do in different
12 cities across the service territory, not just
13 Illinois, where we talk to trade allies about changes
14 for energy efficiency in the coming year, changes in
15 rebate structures, and ways that we can communicate
16 together with customers.

17 Trade allies are big partners in
18 delivering energy efficiency programs. They're a
19 point of contact for customers, so we work very hard
20 to work with our contractors and HVAC dealers and
21 make sure that they are fully aware of programs that
22 we offer and how they can help customers participate

1 in these programs.

2 And then we do a lot of community
3 outreach in general with a focus on winter
4 preparedness in the fall. MidAmerican has a program
5 where we do a night at the ball game where we
6 sponsorships for high school football games in the
7 fall, high school basketball where we come and are
8 available to talk to people attending these events
9 about energy efficiency. We have some things that we
10 hand out, some giveaways; but it's a way that we can
11 come out into the community where the people who are
12 our customers are and talk about energy efficiency.

13 The delivery model for energy
14 efficiency is pretty sophisticated these days. We
15 recognize that it's not just about making incentives
16 available to customers and hoping that they take
17 advantage of them. The delivery model is important,
18 and it's important to focus internally on how we can
19 make that delivery model work as well as it can.

20 Starting from the top of this chart,
21 we've partnered with our trade allies, and we've
22 partnered with are industry experts to train and

1 ensure that quality installation of equipment is
2 done. We are very focused not just on delivering
3 energy efficiency products to customers, but making
4 sure with our trade allies that they're installed
5 correctly, that they're installed in a way that
6 energy efficiency is actually delivered.

7 We do a lot of testing of equipment
8 after it's been installed to ensure that the energy
9 savings that we think should show up for the customer
10 actually do. So we educate our stakeholders on our
11 offerings and also our expectations on how energy
12 efficiency is delivered.

13 We have expectations that our trade
14 allies will communicate with the customer, so there's
15 a lot of training done that's there so the customer
16 gets the best experience that they can and that they
17 get their financial assistance in a timely manner.
18 It's not just enough to promise incentives that come
19 at some point. We want customers to get their
20 incentives in a timely basis and a timely fashion and
21 try to make sure that the entire experience for the
22 customers the best experience.

1 COMMISSIONER ROSALES: So who are your trading
2 allies?

3 MR. CHUCK REA: HVAC dealers; so furnace and
4 air-conditioning contractors. Folks that do
5 insulation make up most of the trade ally group for
6 the residential customers. We have lighting
7 specialists, lighting dealers that are part of this
8 network. Those are more -- for MidAmerican anyway --
9 more commercial and industrial related. But for
10 residential customers it's mostly folks that sell
11 furnaces and air-conditioners, self-install furnaces
12 and air-conditioners, people that put insulation.

13 COMMISSIONER ROSALES: When you say educating
14 them, is there somebody specifically that's
15 responsible for making sure that those promotions
16 that you have reach them?

17 MR. CHUCK REA: Yes, we have a program manager
18 at MidAmerican that is dedicated to trade allies.

19 COMMISSIONER ROSALES: Great.

20 MR. CHUCK REA: And they make sure that the
21 communications that we send out are what we want.
22 And they're dedicated to trade allies to make sure

1 that the trade allies understand what we want them to
2 do and the program to do. We have a dedicated
3 program manager for trade allies.

4 And this last slide here, basically,
5 shows that we have a lot of contractors in the state
6 that do this work, but we also have a formal trade
7 ally network that our trade allies can be a part of.
8 And on the MidAmerican web site anyway -- and I know
9 other LDCs may have this, too -- we basically have
10 functions on our web site that customers can search
11 for contractors that are a part of our network and
12 that they know that we have worked with and that we
13 have had good experiences with, and that help
14 customers feel comfortable that they're getting good
15 service too.

16 So we offer the opportunity for
17 customers to look for insulation contractors and look
18 for furnace and air-conditioning dealers straight off
19 of our web site. So they can get that an incentive
20 information all in the same place.

21 That's all I have for you this morning
22 the I'd be happy to take any questions that you might

1 have.

2 COMMISSIONER MAYE-EDWARDS: Thank you very
3 much. I think you have provided a lot of knowledge.
4 We appreciate you being here.

5 MR. CHUCK REA: Thank you for having me. I
6 appreciate being here with you today.

7 COMMISSIONER MAYE-EDWARDS: We will now turn to
8 the customer service and outreach portion of our
9 morning policy session. Thank you.

10 MS. ELLEN RENDOS: Good morning, Commissioners.
11 My name is Ellen Rendos, and I'm Manager Director in
12 Customer Experience at Nicor Gas. And I'm
13 responsible for our Energy Assistance Program there.
14 So I appreciate this opportunity to speak on behalf
15 of the utilities about our customer service and
16 outreach initiatives and preparation of the winter
17 season.

18 My presentation will focus on three
19 key themes of winter preparedness and outreach. The
20 first one is financial assistance, which includes
21 programs for poor or low income customers; customer
22 experience, including customer billing and payment

1 options; customer safety, such as winter safety
2 advice and support of our customers. And then the
3 four theme, energy efficiency, that was just covered
4 by Chuck, we will not review. However, it's
5 important to note the critical role it plays in our
6 communication and outreach, particularly at this time
7 of the year.

8 So the first theme I will cover is
9 financial assistance. Illinois utilities are
10 expecting to receive 167-and-a-half million dollars
11 for LIHEAP for the 2018 fiscal year. That's similar
12 to last year's number. And the utilities represented
13 here today, the gas utilities plus some of Ameren's
14 electric, we're expecting 82 million of that 167
15 million to be allocated to our customers.

16 And, again, Illinois ranks fourth in
17 federal funding behind New York, Pennsylvania, and
18 California. And this program year just started
19 October 1st, and that's for LIHEAP and PIP. And the
20 state's expecting, approximately, 173,000 recipients
21 of LIHEAP. The vast majority of that is LIHEAP, but
22 an increased number PIP households and then

1 households that receive weatherization.

2 So LIHEAP advocacy is really a year
3 round effort for the utilities. Again, we're
4 participating in the March 12th and 13th LIHEAP
5 action day where representatives, along with consumer
6 advocate groups, go to Capitol Hill to educate
7 members of Congress about the continued need for
8 LIHEAP and the positive impacts of its recipients.
9 Also, in August we have activities during the LIHEAP
10 action month to support our efforts to keep LIHEAP
11 top of line for policy makers.

12 But, in addition to LIHEAP, the
13 utilities all have their own financial assistance
14 programs to support customers with their heating
15 costs. LIHEAP, these programs allow us to have help
16 more people, because the income guidelines for LIHEAP
17 is at or below 150 percent of federal poverty levels,
18 whereas the utilities programs usually go to 2, to
19 250 percent, meeting that next group of customers to
20 serve.

21 So this year the utilities represented
22 here today have already distributed almost \$2 million

1 dollars in their own program and have almost
2 \$4 million dollars still available. So we work very
3 closely with providing the LIHEAP agencies -- when
4 the customers may not qualify for LIHEAP, we keep
5 them very up to date on our company programs so that
6 they can refer them to that next level and to obtain
7 some support.

8 The utilities have also been working
9 to increase the funds that they distribute through
10 their own program. For example, Ameren has already
11 completed four outreach event in March and did
12 another two in October to provide assistance to their
13 customers. Nicor has also worked with the Salvation
14 Army for the past 2 years to increase the funds that
15 it distributes. We expanded the sharing programs to
16 provide additional assistance to veterans and
17 customers in crisis situations, and we gave the
18 customers more flexibility to receive those funds.

19 COMMISSIONER DEL VALLE: Can I get in a quick
20 question?

21 MS. ELLEN RENDOS: Sure.

22 COMMISSIONER DEL VALLE: The 167 is for the

1 federal. What about the State dollars?

2 MS. ELLEN RENDOS: I don't have those numbers.
3 I'm sorry.

4 COMMISSIONER DEL VALLE: Well, it's a
5 significant amount, isn't it.

6 MS. ELLEN RENDOS: Yes, it is a significant
7 amount.

8 COMMISSIONER MAYE-EDWARDS: Would you be able
9 to provide those numbers to us?

10 MS. ELLEN RENDOS: Yes. I think we did provide
11 them in a supplement request last year on the dollars
12 that the companies pay in to the program -- to the
13 State program.

14 COMMISSIONER DEL VALLE: But those dollars are
15 distributed through the same mechanism?

16 MS. ELLEN RENDOS: Yes.

17 COMMISSIONER DEL VALLE: So we have a lot more
18 than earlier distributed?

19 MS. ELLEN RENDOS: Yes.

20 COMMISSIONER DEL VALLE: More than 373,000. Is
21 it 373 include the State funding?

22 MS. ELLEN RENDOS: That includes it. That

1 includes the State funding.

2 Customer education about these
3 financial assistance program are a priority for each
4 of the utilities year round but especially in advance
5 of the winter months. All of the natural gas
6 companies utilize a variety of communication channels
7 to educate their customers and make information as
8 accessible as possible for them.

9 Of course we all offer 24/7 emergency
10 assistance. But in advance of the winter, it's
11 important to take the opportunity to get our
12 customers thinking about the preparedness. There's a
13 couple of examples on this slide. You can see Nicor
14 has a web site promoting their sharing programs, as
15 do many of the other utilities. And then there's an
16 example of Peoples promoting their sharing the warmth
17 on CTA bus shelters.

18 So we all use a variety of
19 communication methods and channels that we have
20 listed here. It's really hard to cover them all and
21 go into detail. But just to highlight one that I
22 think is very important and that we all focus on is

1 our call centers. We have call center refresher
2 training for all of the employees just prior to the
3 heating season to review. These are things such as
4 winter rules and processes that change with the
5 winter season. And this includes discussions on how
6 to work with customers that are struggling to pay
7 their bills and where to refer the customers if they
8 need help. We also provide a lot of information on
9 the web site. And another key relationship is really
10 working with our community action partnerships to get
11 the message out to the customers.

12 The second theme is customer
13 experience. And all utilities share a common goal of
14 ensuring that it is easy to do business with us.
15 We're trying to offer multiple billing and payment
16 options, including electronic billing and payment
17 options, budget plans, payment plans that help
18 levelize the payments throughout the year for the
19 customers; and also letting the customers have 24/7
20 access to establish deferred payment arrangements
21 either on our web or through the IDR without having
22 to speak to a customer service representative.

1 Another area that we have seen an
2 increase in the news is text messages or e-mail
3 alerts for customers. So we have things that alert
4 them that their bill is issued. There are due date
5 reminders, past due bill notifications, and even
6 LIHEAP pledges received that have been helpful to
7 customers.

8 Ameren is doing a pilot this year to
9 allow the customers to choose a due date. So with
10 their capabilities they're letting the customers pick
11 the date, and they're piloting that this year.

12 Lastly, I'm going to cover our third
13 theme, customer safety. Safety is a priority for all
14 of the Illinois gas companies. Educating our
15 customers and raising awareness both about winter
16 risk of carbon monoxide, build-up snow and ice
17 removal, and scammer prevention is extremely
18 important. It takes an enormous effort to get this
19 message out and ensure our customers are listening to
20 it. This slide has a couple of examples from
21 MidAmerican on their customer brochure that has
22 information about carbon monoxide and also a tweet

1 that they did about safety.

2 Customer safety is not limited to just
3 winter risks. We also want to ensure the security of
4 our customers. And with the utility scans on the
5 right we are taking a very proactive approach to
6 warning customers about utility billing and payment
7 scams. November 15th is a Utilities United Against
8 Scams Day. Nicor Gas, Ameren, Peoples, and North
9 Shore are all part of a nonprofit organization called
10 Utilities United Against Scams that was formed last
11 June of '16. And along with other utilities
12 nationwide, you're promoting utility scam awareness
13 to decrease the impact of our customers as these
14 scams tend to move from one area of the country to
15 the next.

16 On this screen shot here we've got an
17 example of some efforts that Ameren is doing right.
18 Ameren will be using a bill envelope -- it's kind of
19 hard read that -- but beginning in late November for
20 a few months that's alerting customers to avoid
21 utility scams. They also, on the scam awareness day,
22 November 15th -- Ameren will be canvassing businesses

1 in some of their major communities. And employees
2 will be going door to door to some mop and pop type
3 businesses with fliers and a magnet of theirs to help
4 bring awareness to that because we've seen an
5 increase in commercial -- scams against commercial
6 customers. So they're calling their campaign Ameren
7 Illinois Stands Against Scams. So that's just a
8 couple of examples of some of the safety education
9 that we're dealing with.

10 Again, safety has always been a high
11 priority of the utilities. You've got a couple
12 additional customer outreach examples from different
13 utilities. Ameren, in its fall flier in October
14 included a scratch and sniff gas odor so that that
15 the customers could recognize the smell of natural
16 gas. Peoples Gas and North Shore are also launching
17 a major initiative to educate customers about what to
18 do when they smell gas. The outreach will include a
19 gas sniffer insert in all of the November bills along
20 with advertisement -- CTA and Pace advertisement,
21 radio, social media, and digital media.

22 Along the same lines with safety,

1 Nicor Gas took its safety program to more than 40
2 communities and fire stations across the area during
3 September and October to promote fire prevention
4 month. And MidAmerican does some similar things with
5 press releases to remind customers about the risk of
6 CO and how to prevent and recognize the signs of CO
7 poisoning.

8 So, in summary, all of the utilities
9 represented here today are taking measures to
10 communicate about winter safety and preparedness
11 through multiple channels. All of the communications
12 we've covered today are designed to ensure that the
13 customers have access to the information they need
14 when they need it and ahead of the winter heating
15 season.

16 Our collaborative efforts to educate
17 customer around availability of financial assistance,
18 our ongoing efforts to ensure outstanding customer
19 experience, and our extensive communication about
20 safety -- about natural gas safety and customer
21 safety against scam will help ensure winter
22 preparedness for our customers and communities.

1 That concludes our presentation, and
2 I'd be happy to answer any questions.

3 COMMISSIONER MAYE-EDWARDS: Thank you,
4 Ms. Rendos. I know you spoke specifically about
5 communication with your customers about winter
6 preparedness and safety. And while you have said
7 that you have communicated about different financial
8 options, we have heard this morning that we're going
9 to see a colder winter than the last 2 years, which
10 means that prices will then go up. The bills will be
11 higher.

12 So has there been any communication
13 about that information about, Be wary, we're
14 predicting a colder winter, your bill may go up. I
15 think oftentimes it seems like we tend to react
16 instead of being proactive; correct?

17 MS. ELLEN RENDOS: And I think in some of
18 communications with our call centers in
19 preparation -- I think that's the key there, that we
20 prepare our call center representatives to understand
21 gas pricing. I was just at a meeting the other day
22 talking about that, you know, getting them prepared

1 to understand what is expected and understanding
2 degree days and cost of gas and the impact on those
3 customers' bills.

4 COMMISSIONER MAYE-EDWARDS: I think that's
5 good, but I think that falls under the reactive
6 bucket instead of being proactive.

7 So you're saying that you don't have
8 any communication prior to the season to your
9 customers to say, Your bill is likely to increase? I
10 know you can't speak for all of the LDCS. But you
11 would say no?

12 MS. ELLEN RENDOS: I would say no. And I would
13 say that we don't necessarily know very far in
14 advance. But I think at this point we probably could
15 take a more proactive approach, and maybe some of the
16 utilities are in their newsletters that are going out
17 in October and November about the winter.

18 COMMISSIONER MAYE-EDWARDS: I would hope that
19 that would be a significant priority. If you have
20 the information, I don't see why you wouldn't. If
21 it's a matter of maybe a family saying, Well, maybe
22 we could save a little bit more to prepare, you know,

1 that type of thing. So I would hope that that would
2 be in some of the discussions going forward.

3 Also, with November 1st coming, I was
4 just curious -- I know that you cannot speak for all
5 of the LDCs -- but I'm just curious to know generally
6 if the amount of disconnected, or the amount of
7 customers without gas at this point, is higher than
8 last year? Do you know?

9 MS. ELLEN RENDOS: So for Nicor gas it is lower
10 than last year. We have had less disconnects this
11 year. And I believe the last -- within the last
12 couple of weeks we were at least a couple of thousand
13 residential customers lower than last year. But I
14 can't speak for the other utilities.

15 COMMISSIONER MAYE-EDWARDS: Thank you.

16 COMMISSIONER DEL VALLE: How many alternative
17 suppliers do you have any Nicor?

18 MS. ELLEN RENDOS: 25.

19 COMMISSIONER DEL VALLE: How many customers?

20 MS. ELLEN RENDOS: 2 to 250,000.

21 COMMISSIONER DEL VALLE: 250,000.

22 MS. ELLEN RENDOS: That's a combination of

1 residential and commercial.

2 COMMISSIONER DEL VALLE: Do they share in the
3 responsibility for educating customers and dealing
4 with safety issues? Because you bill on their
5 behalf; right?

6 MS. ELLEN RENDOS: Yes.

7 COMMISSIONER DEL VALLE: The customer gets your
8 bill?

9 MS. ELLEN RENDOS: Mm-hmm.

10 COMMISSIONER DEL VALLE: So are the alternative
11 suppliers involve at all?

12 MS. ELLEN RENDOS: Not to my knowledge. We
13 have taken on the responsibility.

14 COMMISSIONER DEL VALLE: So if a customer's
15 bill goes up quite a bit and they have an alternative
16 supplier and they call into the call center, what are
17 they told?

18 MS. ELLEN RENDOS: So they would probably refer
19 them to the alternative supplier to answer those
20 billing questions, but they can certainly provide
21 them with the information about the current cost that
22 Nicor has.

1 COMMISSIONER DEL VALLE: So energy efficiency
2 and other kinds of information you would provide that
3 information even though you're using an alternative
4 gas supplier?

5 MS. ELLEN RENDOS: Yes.

6 COMMISSIONER DEL VALLE: But there's no
7 coordination to speak of between the alternative
8 suppliers and your company?

9 MS. ELLEN RENDOS: About educating customers?

10 COMMISSIONER DEL VALLE: Right.

11 MS. ELLEN RENDOS: No, not to my knowledge.

12 COMMISSIONER ROSALES: Under customer safety I
13 do understand, and I appreciate you being here and I
14 understand it's a high level duty and that it's
15 really ambiguous about utility companies to warn
16 customers about utility billing scams using
17 traditional social media channels.

18 So I would ask that you would give me
19 a little bit more information about what channels
20 because we constantly have this problem. Do you do
21 it in other languages? Which channels do you use?
22 Why is it not working? Because it's not working.

1 We constantly hear about they're
2 having run to get gift cards to pay their utility
3 bills, which is totally outrageous, and yet they
4 continue to happen. What are you doing to make sure
5 this doesn't happen?

6 MS. ELLEN RENDOS: Well, I was explaining what
7 Ameren was trying to do, and that I think has been
8 more proactive, to use the envelope because that's
9 going to get out to a lot of customers, seeing that
10 on the envelope. And their efforts in going out to
11 the commercial customers. But I believe most of
12 utilities have been using some social media, tweeting
13 about the scams or making sure that you are asking
14 for company IDs when people come to your house, and
15 just trying to get that awareness out there.

16 I can ask the utilities to get more
17 specific information on what they're doing about
18 scams. We've done press releases, especially when we
19 get into that groups have are quite new, the
20 Utilities United Against Scams. There's a monthly
21 meeting about that, and they're just sharing best
22 practices about getting the messages out there.

1 So I think we have some more to do and
2 learn, but I think we've been increasing our efforts
3 to try and educate the customers.

4 COMMISSIONER ROSALES: I would like more
5 information on that because it's usually very
6 similar. It's usually by phone calls. And it puts
7 people -- not only residential, but also
8 commercial -- at risk. And they do a very good job
9 of this. And I don't know if we're hitting the right
10 people at the right time because this continues to
11 happen.

12 COMMISSIONER MAYE-EDWARDS: I think throughout
13 this session we realize we do have -- the Commission
14 had quite a few questions and would like some
15 follow-up information. It may be easier -- Joanne
16 will send an e-mail to Paul and get that information
17 on that. We would like to get information back from
18 all of the LDCs.

19 We do understand that you're one
20 person representing everyone, so it's difficult to be
21 able to answer all of those questions. But thank you
22 very much for being here, and you did a wonderful

1 job.

2 Can we please show everyone a round of
3 applause.

4 (Applause.)

5 COMMISSIONER MAYE-EDWARDS: Again, on behalf of
6 the Illinois Commerce Commission and my colleagues,
7 I'd like to thank everyone for your participation in
8 today's policy session. Winter preparedness is a
9 very important topic and it's always important that
10 we gather to address those issues beforehand.

11 I think I can speak for everyone in
12 the audience when I say that there's a very
13 reassuring feeling to know that all of our national
14 regional and local utilities are really putting forth
15 a great effort in ensuring their readiness for this
16 upcoming season.

17 A very special thank you to the
18 Chairman and my fellow Commissioners for attending
19 today's session. And with that, this policy session
20 stands adjourned. Thank you.

21 (Whereupon, the above-entitled
22 matter was adjourned.)