BEFORE THE
ILLINOIS COMMERCE COMMISSION

BENCH MEETING

(TRANSPORTATION)

Chicago, Illinois
Wednesday, October 5, 2011

Met, pursuant to notice, at 10:30 a.m. in
the Main Hearing Room, Eighth Floor, 160 North
LaSalle Street, Chicago, Illinois.

PRESENT:

DOUGLAS P. SCOTT, Chairman

LULA M. FORD, Commissioner via teleconference

ERIN M. O'CONNELL-DIAZ, Commissioner

SHERMAN J. ELLIOTT, Commissioner

JOHN T. COLGAN, Acting Commissioner

SULLIVAN REPORTING COMPANY, by
Alisa A. Sawka, CSR, RPR
License No. 084-004588
COMMISSIONER SCOTT: Pursuant to the provisions of the Illinois Open Meetings Act, I now convene a regularly scheduled Bench Session of the Illinois Commerce Commission. With me in Chicago are Commissioners O'Connell-Diaz, Elliot and Acting Commissioner Colgan. I'm Chairman Scott. We have a quorum. I believe also that -- in fact, I know just from hearing her that we have Commissioner Ford available by phone.

You're there, Commissioner?

COMMISSIONER FORD: Yes, I am.

COMMISSIONER SCOTT: Great. By rule we'll take a vote to allow Commissioner Ford to participate by phone.

I move to allow Commissioner Ford to participate by phone.

Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

COMMISSIONER SCOTT: It's been moved and seconded.

All in favor say, Aye.
(Chorus of ayes.)

COMMISSIONER SCOTT: Any opposed?

(No response.)

COMMISSIONER SCOTT: The vote is 4 to nothing and Commissioner Ford may participate in today's meeting by phone.

Before moving into the agenda according to Section 1700.10 of Title 2 of the Administrative Code this is the time we allow members of the public to address the Commission. Members of the public wishing to address the Commission must notify the Chief Clerk's Office at least 24 hours prior to the Bench Session. According to the Chief Clerk's Office we have four requests to speak at today's Bench Session.

Just a reminder to those speaking, under the Commission rules they have a time limit of 3 minutes for your remarks.

I'm going to butcher the first name. I apologize for it in advance. Mr. Rob Wyrwicki.

MR. ROB WYRWICKI: Very good.

COMMISSIONER SCOTT: Very good. Mr. Wyrwicki.
MR. ROB WYRWICKI: My name is Rob Wyrwicki and I'm the president and business manager of IBEW Local 19. Prior to that time I worked for Nicor Gas for -- well, prior to that, 26 years. Most of that time was in the Distribution Department.

I'm here because Local 19 is concerned that the proposed merger of Nicor and AGL will be bad for the Illinois gas customers and bad for Illinois jobs. Local 19 represents the clerical and physical bargaining units at Nicor Gas. If Joint Applicants do not maintain bargaining unit staffing levels in Illinois, Nicor Gas will not be able to continue to provide adequate reliable, efficient and safe gas service as required by the Public Utilities Act.

The record facts supporting my statement are documented in the IBEW's initial and reply briefs; the State of Illinois and CUB's initial brief at Pages 7 through 10; the Staff's initial brief at 6 through 11; and the ALJ's proposed order at Pages 1 and 10 through 15.

Nicor and AGL admit to the importance of maintaining staffing levels in order to provide
appropriate and safe service. In spite of this, as the ALJ acknowledges in his proposed order, AGL has
not committed to maintaining the current staffing
levels in Illinois of employees dedicated to
servicing Nicor Gas customers. What it has promised
to do is keep 2,070 full-time employees in the
service of Nicor Gas but not necessarily in the
state. And it has promised to keep 2,070 full-time
employees in the state but not necessarily in the
service of Nicor Gas customers.

So what does that mean to Nicor customers and to the bargaining unit? Well, it means
AGL could meet its 2,070 commitment by moving, for example, 100 corporate and administrative jobs
unrelated to Nicor Gas customers to Illinois and then moving 200 bargaining unit clerical positions outside
of Illinois perhaps to India and have them perform
customer service work from afar. AGL could also
reduce the number of physical bargaining unit
positions thereby postponing needed maintenance,
delaying installation and maintenance response times
reducing inspections and the like, all resulting in
reducing the quality of service to Illinois gas customers. Those bargaining unit full-time employees then could be replaced by corporate or administrative employees to reach the 2,070 full-time commitment. For the State of Illinois and the Union, this would also mean the loss of good Union jobs. To the gas customers this would mean that people out of state and perhaps out of the country would be handling their customer service calls.

For these reasons Local 19 requests the Commission not approve the merger unless and until Joint Applicants agree that they will not reduce the bargaining unit staffing numbers for at least three years following the merger.

COMMISSIONER SCOTT: Thank you, Mr. Wyrwicki.

Up next is Lisa Roscoe.

MS. LISA ROSCOE: Good morning. My name is Lisa Roscoe and I'm a business representative for IBEW Local 19 for the clerical workers at Nicor. I'm also a 29-year employee of Nicor Gas. I've worked in many different clerical positions including a clerk in Remittance Department and operations.
representatives in the Damage Prevention Department and a call center representative.

I'm very concerned about what happens if the merger is approved and AGL decides to outsource Nicor's call center work as it did after it acquired Virginia Natural Gas and Elizabethtown Gas. If that happens, I believe customer service will suffer as it did in those two cases and the company's ability to provide safe, efficient and reliable service will be jeopardized.

The Nicor call center is staffed by approximately 200 employees in three different classifications all represented by Local 19. These employees are trained and qualified to handle many types of calls from customers, everything from starting and stopping service, billing questions and disputes, payment options to various credit-related duties. But in my opinion, the most important thing the call center does is deal with emergency calls, calls about inside and outside gas leaks, hit gas services and mains and explosions.

In those cases, the call center plays
a pivotal role in obtaining an accurate location of the emergency and getting the service person to the site promptly. They get important details from the customers and most important, provide them information on how to stay safe when there is an emergency.

The fact that the call center employees live and work in the same communities where the customers live helps them to better serve those customers. The employees know the neighborhoods, the geography of area and are familiar with street names. They also know what the weather is on any given day. These things improve customer service in every interaction with a Nicor customer. That local familiarity is critical when an emergency arises.

Precious seconds are saved because our call center employees know, for example, the spelling of a street name and because they can communicate with customers in terms that they understand. In these cases, knowing the area is a huge element in providing good customer service and keeping customers and the general public safe.
Without an agreement by the Joint Applicants in this case to maintain staffing levels within the state of Illinois in each bargaining unit classification, including those in the call center, AGL may well decide to move the call center work and those good bargaining unit jobs out of the state. That move would compromise Nicor's ability to provide safety, efficient and reliable service.

On behalf of IBEW Local 19 and the Illinois gas customers, I urge you not to approve this merger without an explicit agreement by Joint Applicants to maintain the staffing level in Illinois of the current bargaining unit employees until at least three years from the date of the merger.

Thank you.

COMMISSIONER SCOTT: Thank you, Ms. Roscoe.

Up next is Mark Klinefelter.

MR. MARK KLINEFELTER: Hello. My name is Mark Klinefelter and I am a business rep representing IBEW Local 19. I have worked at Nicor Gas for almost 28 years. Currently I'm a distribution technician.

I'm here today because Local 19 is
concerned that the proposed merger will be bad for Illinois gas customers and bad for Illinois jobs. AGL's promise to maintain 2,070 full-time equivalents in the State of Illinois is a hollow promise because, as AGL admits, the guarantee does not include retaining 2,070 full-time equivalents in Illinois who are dedicated to serving Illinois gas customers.

Under the ALJ's proposed order, Joint Applicants are free to substitute administrative and corporate Illinois jobs for Illinois bargaining unit jobs that actually provide service to the Nicor Gas customers. The Local 19 bargaining unit employees are the employees that take customer calls, perform related clerical work and install and maintain the gas transmission and distribution lines. Thus, the bargaining unit employees are critical for providing safe, reliable service to the customers. Yet, the Joint Applicants refuse to provide any commitment to maintain current bargaining unit staffing for even three years following the merger.

Local 19 has repeatedly tried to obtain such an agreement from Nicor and AGL, but
these efforts have been unsuccessful. AGL's refusal to agree suggests an intent to reduce the bargaining unit staffing members and thus the employees available to take care of customers. Replacing employees who actually service Illinois gas customers with administrative and corporate employees to keep the number of Illinois's full-time equivalents at 2,070 will interfere with providing adequate, reliable, efficient, safe service to the customer.

Further, Local 19 suggests that the testimony of other witnesses -- such Lisa Roscoe, Ron Kastner -- will show, contrarily to the ALJ's assumptions, AGL's past history in mergers does not give one any confidence in AGL's staffing decisions. In several past situations AGL has moved jobs that were servicing the State's customers out of state and out of the country. This resulted in poor customer service.

The only way the Commission can be sure Joint Applicants will continue to provide adequate, reliable, efficient and safe service is to secure a commitment from them that they will maintain
in Illinois the current clerical and physical
bargaining unit jobs -- that service -- bargaining
unit jobs that service Nicor Gas customers for a
period of at least three years from the date of the
merger.

Thank you.

COMMISSIONER SCOTT: Thank you, Mr. Klinefelter.

And, finally, Mr. Kastner.

MR. RONALD KASTNER: Mr. Chairman,
Commissioners, good morning. My name's Ronald
Kastner. I am the vice president of the AFL-CIO
representing 54,000 IBEW members. I'm also the
president, business manager and financial secretary
of IBEW Local 21. Local 21 is a predominately based
telecom local in Illinois representing 8,000 AT&T
workers.

You've heard that the Joint Applicants
have refused to agree not to reduce Illinois
employees who are dedicated to servicing Illinois
customers as a result of the merger. I'm going to
explain why we think concerns about staffing are not
just hypothetical. The Joint Applicants have asked the Commission to look at AGL's performance on staffing following previous mergers to predict how they will handle this one. Judge Gilbert has done just that in his proposed order even though the only evidence the Joint Applicants have offered on this point consisted of one paragraph of generalized and conclusory statements about AGL's past record contained in the Joint Applicant's Exhibit 8 at Page 5.

When we actually looked at what AGL has done following past mergers, it becomes clear why AGL has refused to make hard commitments on staffing. In 2000 AGL acquired Virginia Natural Gas which provides natural gas service to approximately 273,000 customers in the Hamptons Roads area of Southeastern Virginia. The very next year, AGL closed down the call center that served these customers and moved that work to Georgia. AGL told the 35 call center employees in Virginia that they had a choice, either follow their work to Georgia or lose their jobs.

In 2005 AGL acquired Elizabethtown Gas
in New Jersey. The following year AGL outsourced Elizabethtown Gas call center work to a call center in India. Those jobs were among 140 call center jobs the company outsourced to India in 2006.

In testimony she gave before the New Jersey Board of Public Utilities in 2009 Elizabethtown vice president, Connie McIntyre, acknowledged that outsourcing the call center work results in an increase in customer complaints due to issues related to knowledge base and experience among other things. McIntyre acknowledged that the outsourcing created certain challenges for New Jersey customers. In her 2009 testimony McIntyre outlined the company's plan to return the work to New Jersey in an effort to address those challenges.

Elizabethtown Gas president, Jodi Gidley, also testified at that time that AGL had determined a local customer call center with employees who would be part of a local community and better able to understand its distinct needs was a more suitable approach to customer service. Eventually after three years of outsourcing, the call
center was returned to New Jersey and 60 jobs were created to serve local New Jersey customers.

The histories of acquiring utility and then outsourcing its call center work either out of state or even out of the country is not a pattern that should be repeated here in Illinois. By refusing to make clear-cut commitments to retain bargaining unit classifications of Nicor Gas employees working within the State of Illinois, AGL is attempting to give itself to do just that.

On behalf of the Illinois AFL-CIO and the Illinois gas customers, I urge you not to approve this merger without an explicit agreement by Joint Applicants to maintain the staffing levels in Illinois of the current bargaining unit employees until at least three years from the date of the merger.

In closing, I've got copies of the outline articles and links to them that I referred to in my statement if you'd like them. Thank you for your time.

COMMISSIONER SCOTT: Thank you, Mr. Kastner.
And thank you to each of you for your comments today. That will conclude the public comment portion of today's Bench Session.

We will start with the Transportation Agenda and we will begin with the approval of minutes from prior Commission meetings. Up first are minutes from our September 8th Bench Session. I understand amendments have been forwarded.

Is there a motion to amend the minutes?

COMMISSIONER O'CONNELL-DIAZ: So moved.

COMMISSIONER SCOTT: Is there a second?

ACTING COMMISSIONER COLGAN: Second.

COMMISSIONER SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

COMMISSIONER SCOTT: Any opposed?

(No response.)

COMMISSIONER SCOTT: The vote is 5 to nothing and amendments to the September 8th minutes are adopted.
Is there a motion to approve the minutes as amended?

COMMISSIONER ELLIOTT: So moved.

COMMISSIONER SCOTT: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

ACTING COMMISSIONER COLGAN: Second.

COMMISSIONER SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

COMMISSIONER SCOTT: Any opposed?

(No response.)

COMMISSIONER SCOTT: The vote is 5 to nothing and the September 8th Bench Session minutes as amended are approved.

Now on to the Railroad Section. Items RR-1 through RR-3 can be taken together. These items concern stipulated agreements regarding public safety improvements at a highway-rail grade crossing across Illinois. In each case Staff recommends entry of an Order approving the agreement.

Is there a motion to enter the Orders?
ACTING COMMISSIONER COLGAN: So moved.

COMMISSIONER SCOTT: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

COMMISSIONER ELLIOTT: Second.

COMMISSIONER SCOTT: It's been moved and seconded.

All in favor say, Aye.

(Chorus of ayes.)

COMMISSIONER SCOTT: Any opposed?

(No response.)

COMMISSIONER SCOTT: The vote is 5 to nothing and the Orders are entered.

We will use this 5 to nothing vote for the remainder of the Transportation Agenda unless otherwise noted.

Items RR-4 through RR-6 can be taken together. These items are petitions seeking authority for construction projects at rail crossings across Illinois and for associated relief. In each case ALJ Kirkland-Montague recommends entry of an Order authorizing the project.

Is there any discussion?
COMMISSIONER SCOTT: Any objections?

(No response.)

COMMISSIONER SCOTT: Hearing none, the Orders are entered.

Now on to Motor Carriers. Items MC-1 through MC-4 can be taken together. These items are stipulated settlement agreements concerning alleged violations of the Illinois Commercial Transportation Law. In each case our transportation counsel recommends entry of an Order accepting the stipulated settlement agreement.

Is there any discussion?

(No response.)

COMMISSIONER SCOTT: Any objections?

(No response.)

COMMISSIONER SCOTT: Hearing none, the Orders are entered and the settlement agreements are approved.

Item MC-5 is North Shore Movers & Storage's application for a new Household Goods Property Motor Carrier Authority. ALJ
Kirkland-Montaque recommends entry of an Order granting the requested certificate.

Is there any discussion?

(No response.)

COMMISSIONER SCOTT: Any objections?

(No response.)

COMMISSIONER SCOTT: Hearing none, the Order is entered and the Certificate is granted.

We have one administrative matter to address. Item AM-1 concerns initiating a citation proceeding requiring compliance from the Dakota, Minnesota & Eastern Railroad Corporation with requirements set forth in Commission Orders relating to the installation of automatic flashing light signals and gates at crossings. Staff recommends entry of a Citation Order requiring the company to show cause regarding its continued noncompliance.

Is there any discussion?

(No response.)

COMMISSIONER SCOTT: Any objections?

(No response.)

COMMISSIONER SCOTT: Hearing none, the Citation
Order is entered.

Mr. Matrisch, is there any further business to come before the Commission today?

MR. MATRISCH: Nothing further, Chairman.

Thank you.

COMMISSIONER SCOTT: Thank you. Hearing none, that concludes today's Transportation Agenda.

(Whereupon, the Public Utility Agenda is contained in a separate transcript.)