

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

BEFORE THE
ILLINOIS COMMERCE COMMISSION
2016-2017 WINTER PREPAREDNESS
POLICY SESSION AGENDA
Tuesday, November 1, 2016
Chicago, Illinois
Met, pursuant to notice, at 10 A.M.,
at 160 North La Salle Street, Chicago, Illinois.
PRESENT:
BRIEN J. SHEAHAN, Chairman
ANN MCCABE, Commissioner
SHERINA E. MAYE EDWARDS, Commissioner
MIGUEL DEL VALLE, Commissioner
JOHN R. ROSALES, Commissioner
SULLIVAN REPORTING COMPANY, by
PATRICIA WESLEY
CSR NO. 084-002170

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

A G E N D A

- I. Welcome Remarks
 - a. CHAIRMAN BRIEN SHEAHAN,
Illinois Commerce Commission

- II. Overview/Importance of Winter Preparedness
 - a. COMMISSIONER SHERINA MAYE EDWARDS,
Illinois Commerce Commission

- III. National Perspective
 - a. RICHARD MEYER, Manager,
Energy Analysis & Standards,
American Gas Association

- IV. RTO Perspective
 - a. RENUKA CHATTERJEE, Executive Director,
Resource Adequacy, Midcontinental
Independent System Operator (MISO)

 - b. RICHARD MATHIAS, Senior Consultant,
PJM Interconnection

- V. Illinois LDC Perspective
 - a. Gas Supply: KEN DOTHAGE, Director Gas
Supply, Ameren Illinois

 - b. Energy Efficiency: LaJUANA GARRETT,
Director, Energy Efficiency Program
Management, Nicor Gas

 - c. Customer Service and Outreach:
MICHELLE RINDT, Vice President,
Customer Service, Peoples Gas/North
Shore Gas

- VI. Closing Remarks
 - a. Commissioner SHERINA MAYE EDWARDS,
Illinois Commerce Commission

1 CHAIRMAN SHEAHAN: Good morning. Pursuant to
2 the provisions of the Illinois Opening Meetings Act,
3 I now convene the November 1, 2016 Policy Session of
4 the Illinois Commerce Commission. This policy
5 session is in place to address the 2016-2017 Winter
6 Preparedness.

7 Our guest panelists should be aware
8 that a court reporter is present. A transcript of
9 this session will be posted on the Commission's
10 website shortly following this session.

11 With me in Chicago are Commissioners
12 McCabe, del Valle, Edwards, and Rosales. We have a
13 quorum.

14 I would like to thank Commissioner
15 Edwards and her staff for taking the time to plan
16 this important session. I would also like to thank
17 today's distinguished panelists for the time and
18 effort they put into their presentations.

19 As we prepare for the cold weather
20 season, the ICC's Winter Preparedness Meeting has
21 met to ensure Illinois ratepayers that our
22 utilities, generators, and Regional Transmission

1 Organizations, will continue to provide safe,
2 reliable, and affordable energy.

3 With that, I'll turn things over to
4 Commissioner Edwards who will discuss the
5 significance of winter preparedness and give an
6 overview of today's session.

7 COMMISSIONER MAYE EDWARDS: Good morning and
8 thank you, Chairman Sheahan, for that introduction.
9 It is my pleasure to conduct the policy session in
10 regard to the issue of Winter Preparedness for
11 2016-2017.

12 As you recall exactly a year ago, we
13 hosted this Winter Preparedness Policy Session, and
14 I don't think Mother Nature knew that, so I don't
15 think she got the memo today, so we're meeting in
16 this great weather that I don't think anyone is
17 complaining about, and I'm excited to hear today's
18 talk about some of the issues hopefully you won't
19 have to deal with, but, probably if you live in
20 Chicago, you will.

21 So with that said, today's session
22 will allow representatives of the gas industry,

1 RTOs, and Illinois Local Distribution Companies, to
2 assure Illinois consumers that the upcoming winter
3 demand can be met.

4 With predictions of especially cold
5 conditions for the upcoming winter session, the
6 performance in the past of natural gas especially is
7 viral -- is vital -- excuse me. Not viral but
8 vital.

9 The coordination of supply and demand,
10 storage pricing and various pipeline operations is
11 very important to ensure winter readiness, and, as
12 indicated in bold on your agenda and with spring
13 ahead, the Commission has asked the participants to
14 address the conditions for today's presentation.

15 I do look forward to hearing from our
16 panelists about the development and processes
17 implemented to meet the needs of the State of
18 Illinois and our consumers.

19 Please allow me to introduce our
20 presenters for the first portion of our policy
21 session. We will begin by hearing the national
22 perspective from Richard Meyer, Manager of Energy

1 Analysis and Standards of the American Gas
2 Association.

3 Following Richard, we will hear the
4 RTO's perspective from Renuka Chatterjee, Executive
5 Director of Resource Adequacy at MISO, and Rich
6 Mathias, Senior Consultant at PJM Interconnection.

7 Please give them all a round of
8 applause.

9 (Applause.)

10 PRESENTATION

11 BY

12 MR. MEYER:

13 Good morning. My name is Richard
14 Meyer. I'm the Manager of Energy Analysis and
15 Standards at the American Gas Association.

16 One of the hats I wear is that of a
17 policy analyst and economist and I will briefly go
18 through our view and the national view of supply and
19 demand factors as we head into this winter heating
20 season.

21 (Video Presentation.)

22 Before we look ahead, I think it's

1 real important to look back at where we were and
2 note the number of records set from various metrics
3 across the national gas industry last year, 2015.

4 There's really high-water marks in
5 terms of record low gas production across the lower
6 48 and across the U. S., all-time record levels in
7 2015. That was matched on the demand side with
8 record levels of natural gas consumption driven in
9 large part by natural gas consumed for power
10 generation, so supply and demand reaching all-time
11 high water marks in 2015.

12 The supply picture headed into last
13 winter, inventories of working gas, underground
14 storage reaching a new all-time record as well, just
15 a little above 4,000 cubic feet and, in that future
16 production, that view of reserves, those undrilled
17 wells, that kind of on-the-shelf inventory on a new
18 record in 2015 as well as that future possibility of
19 production is technically recoverable resources,
20 another record in 2015.

21 So really setting the bar for the
22 industry is a tremendous year for growth in terms of

1 production and the demand for natural gas resources
2 throughout the United States.

3 Natural gas demand this year is down
4 slightly, unless you include exports, so what has
5 happened this year -- this is year-to-date --
6 U.S. natural gas demands, the net changed less this
7 year, is a few cubic feet per day.

8 Residential/commercial demand -- this
9 is heating across the country -- was down because of
10 the winter that wasn't last year. That decline in
11 natural gas demands in residential/commercial
12 applications has been largely offset by an increase
13 in the exports, and that's two-fold. That's
14 increased volumes of natural gas piped to Mexico and
15 new pipeline projects has brought more gas from the
16 gulf coast and from production regions now south of
17 the border and that's grown significantly this year.

18 On top of that we have new volumes now
19 being liquified and exported on ships out of
20 particularly the first facility being passed in
21 Louisiana, so that export picture has grown this
22 year and we expect it to continue to grow into next

1 year and the years ahead.

2 Also, offsetting that
3 residential/commercial demand was power generation.
4 As I said, last year was an all-time record. New
5 records already set this year. A combination of
6 factors this summer drove new record levels of
7 natural gas to power generation, so a very record
8 warm summer. Low natural gas prices inducing a coal
9 to gas switch in terms of the market and also some
10 structural demand from 22-plus gigawatts of coal
11 fired in 2015.

12 We see natural gas prices relatively
13 low and stable compared to history. I love this
14 chart because it's kind of that before-and-after
15 picture. You have got a price range of daily
16 natural gas prices plotted from January to December.
17 That price range in gray that's a kind of pre-shale,
18 maybe early shale days, and so you can see those
19 prices tend to be much higher and significantly more
20 variant compared to where we are today in the
21 covered lines at the bottom where in 2014 a little
22 bit higher, and you can see that tiny little spike

1 there in February that was during the height of the
2 polar vortex signaling the market to pull those gas
3 supplies to meet that increased demand at the time
4 but then a reversion back to relatively low and
5 stable prices, and through 2016 prices are really
6 quite low but headed up somewhat as the market
7 begins to tighten in terms of supply.

8 Another before-and-after picture, this
9 time we are looking at daily natural gas production
10 of the lower 48 so that pre-early shale days in the
11 gray region at the bottom of that four-year range
12 from 2007-2010.

13 I have tried to call out in red here
14 the 2016 production. Again, coming off of 2015
15 record levels of natural gas produced last year, a
16 new record set in terms of daily and monthly natural
17 gas production just in February.

18 Since then, production has slowed, but
19 it stayed relatively flat, and that's for really a
20 number of reasons. One, the industry is getting
21 more efficient, so as the number of drilling rigs
22 out there exploring, producing natural gas, those

1 numbers have declined, but those rigs that are still
2 operating are producing much more efficiently. The
3 gas production per rig has improved, so that
4 somewhat offsets the lack of exploration activity.

5 Also, there's inventory out there
6 drilled but uncompleted wells. These are the wells
7 that have been drilled but have not yet either
8 completed the hydraulic fracturing process or maybe
9 that steps have been taken but they have not yet
10 been hooked up to the infrastructure to pull that
11 gas to market. That kind of late inventory helps to
12 keep the market relatively flat.

13 In terms of production, so where many
14 analysts saw 2016 declining in terms of production,
15 what we have actually seen is a flattening of
16 production and maintaining those robust production
17 supplies.

18 Last winter ended storage with more
19 than 50 percent above average levels, but then the
20 market balanced, so we ended last winter with a
21 post-winter glut, 50 percent above average because
22 of the winter that wasn't.

1 The market has since worked that off
2 and we are entering the winter heating season with
3 its storage -- underground storage about 5 percent
4 above average, so a very robust view of the supply
5 we are looking at underground storage inventory.

6 U.S. gas imports from Canada is a key
7 part of the U.S. supply portfolio. 2016 depicted in
8 orange here is well above the five-year average and
9 the five-year maximum.

10 If we look back at the recent history,
11 this really has acted as a kind of swing supply, so
12 as production stays relatively flat, as storage
13 rebalances itself, imports from Canada are helping
14 to meet those swing demands on a daily basis.

15 Even just this week we saw a 22
16 percent swing from 6 BCF a day to 4.9 swing as the
17 temperature changes, as demand changes, so it's
18 really an important piece of the overall supply
19 portfolio here.

20 So the question is how -- what's the
21 weather going to be? And I think everyone is
22 expecting somewhat colder weather compared to last

1 year just given how warm the weather really was.

2 We have plotted the number of heating
3 degree days in percentage change from normal. This
4 is in the U.S. in the middle column and east/north
5 central on the right. Any sort of reversion to
6 normal weather will be colder than last year, and
7 that leads us to our outlook for winter heating
8 bills.

9 We do assume somewhat colder weather
10 compared to last year, although 8 percent warmer
11 than normal, and we see residential natural gas
12 bills will be about 9 to 11 percent higher on
13 average than last winter.

14 Now, of course, this is a combination
15 of, one, assuming colder weather, so higher heating
16 demand and slightly higher prices compared to where
17 we were last year, but, to put this into context,
18 this would be the fourth lowest in terms of natural
19 gas bills in the last decade, so still relatively
20 low to history and underscore the fact that natural
21 gas continues to be the lowest cost energy option
22 for home heating.

1 And, finally, just to reiterate, our
2 view of the natural supply picture is one of strong
3 and persistent production, near record, if not
4 record levels, of working gas and underground
5 storage.

6 We could surpass that record this week
7 or maybe next week, and we will see what the numbers
8 show. A supply of -- a robust supply portfolio
9 that includes LNG storage, LNG imports throughout
10 the northeast helps to balance that market, as well
11 as flexibility from pipeline imports and the U.S.
12 gas infrastructure as well, so a robust supply
13 picture leading into this winter heating season.

14 I will take any questions.

15 COMMISSIONER del VALLE: You talked about Canada
16 and how that supply serves as a swing.

17 Can you help me understand how it is
18 that we use Canada for the swings but we still
19 export to Mexico?

20 MR. MEYER: So this is -- part of this is
21 recognizing where is the supply being produced
22 versus where is it being demanded.

1 A lot of supply is being produced in
2 the U.S. gulf coast, and if you look back ten years,
3 the expectation would be that supply would then make
4 its way up the long pipeline system into the
5 northeast in the demand center where the heating
6 glut was. That dynamic has changed pretty
7 significantly over the past five, six years as the
8 growth of the northeastern production down in
9 Marcellus, and Utica, and eastern Ohio, and that
10 largely push those requirements back out so the
11 pipelines are now offering or reversing service
12 pulling gas out of these newly-grown regions into
13 demand centers elsewhere, so what's happened is that
14 you have demand up in the northeast pulling Canadian
15 gas down and pipeline -- excuse me -- LNG imports,
16 and simultaneous to that to the south where you have
17 a lot of excess supply is finding its way to the
18 market south of the border for power generation and
19 then sell or for liquefaction and then loading onto
20 these ships and being -- and being sent to foreign
21 markets.

22 All of this is part of a robust supply

1 demand picture where we're demanding the gas where
2 we need it, whether it's for power generation in
3 parts of the country or now exports increasingly
4 down in the gulf coast, and it's allowing these new
5 supplies to find balance in these new markets.
6 So we really see this as contributing to the lower
7 and stable prices.

8 The chart I showed you a little
9 earlier that this really is a well-functioning
10 market and one that is enhanced in terms of its
11 stability and lower costs because of this dynamic
12 where we can import and export at the same time even
13 during more winter heating season.

14 COMMISSIONER del VALLE: How much are your
15 exports including the liquified roughly?

16 MR. MEYER: So roughly -- so we produce about
17 70 billion cubic feet per day of dry gas. We are
18 exporting about 4 BCF a day, give or take a day, and
19 that's up from just about 3 last year, so
20 percentage increase that's quite large, but if you
21 go about 3 BCF a day, that's 4 BCF a day over all
22 exports to Mexico in LNG.

1 COMMISSIONER MAYE EDWARDS: Thank you. I just
2 have one question. I know in one of the slides you
3 said that after last year's winter we had a profit
4 over 50 percent of the average storage, right?

5 MR. MEYER: Yes.

6 COMMISSIONER MAYE EDWARDS: So you talked about
7 that balance kind of a 5 percent number. What was
8 the process of that balance? I'm trying to
9 understand how it went significantly higher to down
10 to 5 percent.

11 MR. MEYER: Great question. So, as a result of
12 that post-winter glut, there was a lot of excess
13 supply and part of that was due to the storage
14 picture. Prices were dropped. We came out of last
15 winter with very low prices and they persisted.

16 The market tried to find ways to get
17 above \$2, above 250 throughout the summer, because
18 of those low prices, it induced quite a lot of
19 natural gas volumes to power generation and, to
20 overly simplify the complex market, really that was
21 the power generation sector and the exports as well
22 were pulling that excess away, so we had a slightly

1 higher demand overall year-to-date and that's -- and
2 that ate into the inventory.

3 So to look at it another way, we have
4 record injection past last year's underground
5 storage that really pulled back this year as the
6 market tried to re-balance itself, and it
7 re-balanced itself because of the low prices
8 inducing new areas of demand in power generation.

9 COMMISSIONER MAYE EDWARDS: Thank you.

10 Commissioner Rosales, did you have any
11 questions?

12 COMMISSIONER ROSALES: Yes. The part about the
13 export to Mexico is understood. I thought I heard
14 you say they import as well or was I mistaken? You
15 talked kind of fast at that point.

16 MR. MEYER: So we are exporting gas to Mexico and
17 then liquifying natural gas and exporting it
18 through export facilities, right now one in the gulf
19 coast and more anticipated.

20 Simultaneously, even this summer, we
21 saw LNG imports into the northeast, small amounts,
22 but meeting that power generation demand and that --

1 and the gas demand there, so we see it's kind of an
2 interesting market dynamic in terms of both
3 simultaneous imports and exports of LNG this summer.

4 COMMISSIONER ROSALES: Okay.

5 COMMISSIONER MAYE EDWARDS: Thank you.

6 Well, if there are no more questions
7 for Mr. Meyer, we really appreciate it. It's always
8 great to start the day from a national perspective.

9 On that note, we will move to the RTOs
10 and we'll hear from MISO first, Robert -- my
11 apologies -- Renuka Chatterjee, Executive Director
12 of Resource Adequacy, Midcontinent Independent
13 System Operator.

14 PRESENTATION

15 BY

16 MS. CHATTERJEE:

17 So today it's going to feel like a
18 change of title of people from MISO. My name is
19 Renuka Chatterjee. I'm Executive Director for MISO
20 and System Operations.

21 For the last couple of years I have
22 led MISO's effort on resource adequacy. Most

1 recently, about three weeks, I changed my position
2 to focus more on system operations, so I'm here to
3 talk about winter preparedness for MISO.

4 (Video Presentation.)

5 Every year we conduct an analysis at
6 this time and look at winter projections, and what
7 we have in terms of resources to look forward in the
8 upcoming winter. The 2016 winter we expect the peak
9 to get up around 104 gigawatts in the region.

10 Just to kind of give you some
11 comparisons, last year's peak was about 98
12 gigawatts. We talked about how much wider match
13 with MISO last year.

14 If you look at an all-time winter peak
15 during the polar vortex, we looked at 109.3
16 gigawatts, so that's kind of somewhere in-between
17 mild conditions and wet conditions is what we expect
18 for the winter forecast this year.

19 In terms of the available resources,
20 we expect to have over 140 gigawatts of resources,
21 so we have significant reserves to ensure that we
22 have adequate supply for this winter.

1 As we kind of go into the next slide,
2 I'm talking a little bit about gas/electric
3 coordination of MISO as well. From a weather
4 perspective, we rely on the National Weather
5 Service, the National Oceanic and Atmospheric
6 Authority. That kind of tells us that it will be
7 cooler in the north and yet warmer and dryer in the
8 south from a regional perspective for MISO. That's
9 what we have to look forward to, and that helps us
10 get to these numbers on top here.

11 As we talked about, we expect
12 about around 120 kilowatts of capacity. From a peak
13 load perspective, we expect to be about 104
14 gigawatts. Once we have them, we kind of look at
15 what possible outages we can have in this footprint.
16 As we kind of get up to the outages in the region,
17 we expect to have about 22 gigawatts of resource
18 production present average margin from a winter
19 perspective.

20 In the appendix is also an extreme
21 market scenario that I won't talk to specifically
22 today, but we also looked at significantly higher

1 numbers of volumes and significantly higher or lower
2 what would happen. We would still -- we would be
3 pretty close to meeting emergencies with the
4 procedures in place to handle should we use the
5 emergency resources.

6 In terms of winter preparedness, MISO
7 kind of focuses on communication, coordination, and
8 planning. We put a high emphasis on making sure
9 MISO and its members have the appropriate
10 communication protocols in place to communicate in
11 cases of emergencies, even in situations where we
12 need to make sure that a particular pipeline is out
13 or a particular transmission is out, situations that
14 kind of track capacity from reaching the load.

15 From a situational awareness
16 perspective, we monitor a lot of the electric/gas
17 coordination we will talk about in a little bit.

18 Operational tools and procedures, we
19 have built a few tools as well. Educational drills
20 and workshops, MISO has been hosting the winter
21 readiness workshops and summer readiness workshops
22 every year.

1 Yesterday was the Winter Preparedness
2 Workshop for this year where we discussed similar
3 results with our members. Engagement with state
4 officials, we try to notify various state officials
5 in the region with regard to the winter preparedness
6 and some summer preparedness every year and
7 electric/gas coordination tools.

8 From a fuel mix perspective, you kind
9 of see the fuel evolution of MISO, the blue being
10 the gas, so the gas penetration was kind of key to
11 keeping away from the MISO fuel mix chart that we
12 have on the left here.

13 In terms of specific gas/electric
14 improvements, we have multiple control room tools
15 and report enhancements. More specifically, we have
16 a gas pipeline notification page on the MISO left
17 side. We issue a gas/electric outage report. In
18 our control room, our operators have access to the
19 electric/gas map display so that allows them to
20 monitor the system more closely, and we also produce
21 a fuel impact report, so these tools help us be
22 better prepared and give our operators awareness to

1 gas/electric coordination.

2 Align gas/electric days, MISO has been
3 working on an effort, as of the fourth quarter, to
4 align the electric and gas scheduling so our
5 day-ahead market will close an hour earlier. That
6 should allow for additional opportunities for
7 gas-fired generation to reschedule into the MISO
8 footprint.

9 Winter generated fuel survey. So we
10 have conducted a fuel survey every year around this
11 time that is actually in progress right now where we
12 educate our members to submit their fuel-related
13 forecasts where they expect to have our fuel for the
14 coming winter. Those results will be available in
15 December in terms of preparedness for the winter.

16 We talked about communications. We
17 have expanded to include pipelines as well, and then
18 we also have our call-and-contact list for our
19 pipeline operations team.

20 We refer to a couple of charts, but I
21 think we kind of look at each chart or some version
22 of each chart from the Energy Information Agency.

1 The key take-a-way from this essentially are the
2 inventories are lower than last year. Record levels
3 are higher than the 5-year average. Our natural gas
4 demand has gone up 5 percent in the last year.

5 So with predictions calling for a
6 colder than last year weather, we expect to see some
7 pipeline constraints; however, we have tools and
8 procedures in place to make sure we can coordinate
9 and communicate those appropriately and manage the
10 system appropriately.

11 As I stated and covered most of these
12 topics, I'll close with, you know, MISO is prepared
13 for the winter with some of these items I just
14 talked about.

15 COMMISSIONER McCABE: You discussed a potential
16 rise in pipeline constraints in demand.

17 Can you hone in on that in terms of
18 what the MISO awareness of those constraints may be?

19 MS. CHATTERJEE: I don't have specifics to that
20 right now. I could follow up on that particular
21 question.

22 For the most part, we think even the

1 same comment given our diversity and our footprints
2 we can dispatch around to make sure we can delegate
3 energy where it's needed, but I don't have the
4 specifics relating to the pipeline constraints for
5 Illinois.

6 COMMISSIONER McCABE: And the demand is up
7 5 percent due to more fired generation and coal tar?

8 MS. CHATTERJEE: Yes. Yes.

9 COMMISSIONER MAYE EDWARDS: Any other questions?

10 (No response.)

11 Thank you, Renuka, so much.

12 We will now move to Rich Mathias of
13 PJM, and, Renuka, maybe you could stay close in case
14 there are any other questions.

15 MS. CHATTERJEE: Sure.

16 PRESENTATION

17 BY

18 MR. MATHIAS:

19 Good morning, Mr. Chairman,
20 Commissioners. I'm Richard Mathias. I represent
21 PJM.

22 CHAIRMAN SHEAHAN: Rich, I don't think it's on.

1 MR. MATHIAS: Thank you. Thank you.

2 Let me begin again. Good morning.

3 Mr. Chairman, Commissioners. My name is Richard

4 Mathias. I represent PJM Interconnection, a

5 Regional Transmission Organization which operates in

6 part of all of 13 states and the District of

7 Columbia.

8 In Illinois, PJM manages the

9 transmission system, which is owned by Commonwealth

10 Edison, and questions that were posed to all of the

11 participants on the panelists this morning, the

12 Illinois Commerce Commission asked each of the

13 participants to respond to various questions, most

14 of which relate to how various companies interact

15 with natural gas interests, and the end result is

16 the goal is to make certain that winter demand can

17 be met -- in this case can be met by the Regional

18 Transmission Organization, PJM.

19 So my comments today will vary

20 somewhat from the winter and summer reliability

21 presentations that we have provided in the past and

22 really concentrate on the initiatives between PJM

1 and the natural gas companies in the PJM footprint,
2 and in order to make certain that we can, in fact,
3 meet winter demand within the PJM transmission
4 system.

5 The comments this morning will also
6 note the tremendously changing mix in resources,
7 the resource mix changes which are occurring in PJM,
8 and MISO's representative mentioned the same thing
9 with regard to resource changes which are occurring
10 in the MISO footprint.

11 (Video Presentation.)

12 This is a quick summary of what you
13 will hear from me today and what has been the
14 various dialogues which have been occurring in the
15 electric industry, existing capacity in Illinois as
16 shown here 41 percent, nuclear against natural gas
17 42 percent.

18 Surprisingly, these could be a
19 surprise if you were to see this coming five years
20 ago. The interconnection requests within PJM are
21 91 percent natural gas oriented. Ninety-one percent
22 of the interconnection requests in PJM are from

1 natural gas interests. Of course, we have
2 deactivations in Illinois relatively a modest number
3 to-date.

4 The other interesting concept that is
5 illustrated on this slide is the fact that from a
6 load forecast perspective, we see load growth in
7 Illinois and across the PJM footprint to be nearly
8 flat.

9 If you would have asked someone six or
10 seven years ago what the load forecast would have
11 been, they undoubtedly would have said 2 or
12 3 percent load growth, because that's what it's
13 always been in the past 20 years. That's not the
14 case any more.

15 This is the display of the existing
16 installed capacity within PJM, and you can see that
17 it's heavy on nukes, heavy on natural gas
18 surprisingly with regard to coal resources, and,
19 again, this is as of 2015 year-end, but it also
20 shows that overall the natural gas and coal are
21 relatively 34 and 35 percent of the total capacity.
22 This is the end of 2015.

1 Here's the existing capacity within
2 PJM that tells an interesting story as well. Gas at
3 58,000 megawatts, one-fifth of that is in Illinois,
4 nuclear 33, almost 34,000 megawatts, one-third of
5 that amount is in Illinois.

6 PJM has about 171 megawatts -- 171,000
7 megawatts in its footprint representing
8 approximately 1300 generators and in Illinois over
9 171,000 footprints, have about 26,000 megawatts in
10 PJM's Illinois footprint, and I should add these
11 numbers are for PJM's portion of the State of
12 Illinois which would be the northern one-third or
13 one-half of the State of Illinois.

14 I mentioned the interconnection
15 requests. Natural gas, as the slide shows,
16 represents 91 percent of new interconnection
17 requests. If you see the large blue portion of the
18 circle, a huge change in resource mix going forward,
19 and it's appropriate I think that the Commission's
20 questions that were posed to the participants today
21 concentrate on the impact of natural gas and not
22 only say in Illinois but in the MISO footprint as

1 well as the PJM footprint.

2 This next slide shows the Illinois
3 natural gas statistics. I should note that this is
4 a little misleading perhaps because this interstate
5 pipeline does not mean that the ANR Pipeline serves
6 MidAmerican but rather ANR is one of the major
7 pipelines that serve Illinois.

8 I would note also that PJM, as of a
9 few years ago, began nuclear discussions with
10 pipeline companies in the State of Illinois
11 servicing Illinois as well as the footprints within
12 the PJM service territory. These conversations did
13 not always occur.

14 As a matter of fact, I personally
15 helped initiate some of these discussions with the
16 pipeline companies and with the local distribution
17 companies, such as MidAmerican Energy, Nicor, and
18 Peoples, and I am indebted to dealing with Nicor,
19 Tom Iritis with Peoples, and, of course,
20 Mr. Reliable, Gene Beyer with the Illinois Commerce
21 Commission, for helping to establish these meetings
22 which were very interesting.

1 I think at the beginning you wondered
2 -- many people in the meeting wondered what are
3 required and what are we talking about. These
4 meetings began to occur in 2013 and 2014.

5 The discussions among the pipeline
6 companies with PJM are much more candid and
7 informative than they are with the Local
8 Distribution Companies, and I think there's probably
9 two reasons for this. One is that the Federal
10 Regulatory Commission, along with other members, 77,
11 has encouraged the RTOs and the pipeline companies,
12 as well as others, to hold confidential discussions.
13 They have actually encouraged that, but they did not
14 have jurisdiction as far as the Local Distribution
15 Companies are concerned, and there's a great deal of
16 concern I think on the part of Local Distribution
17 Companies, such as Peoples and Nicor, to discuss
18 confidential information with PJM.

19 Most of the service agreements that
20 are between the Local Distribution Companies
21 providing natural gas to the generators are
22 considered to be confidential contracts and they're

1 not interested and I believe prohibited from
2 discussing these with other interested -- other
3 interests.

4 I would also note that PJM, in review
5 of the pipeline situation in Illinois, feels that
6 Illinois is very blessed. You have a huge junction
7 of many natural gas pipelines coming into Illinois
8 and many of them ending or making natural gas
9 available, particularly out in the Joliet area
10 Illinois natural gas pipelines stretch across the
11 State of Illinois.

12 I also note that there's a huge change
13 in the flow of natural gas pipelines with shale gas.
14 We often thought shale gas was going to go from the
15 west to the east and, low and below, there's a lot
16 of shale gas in Pennsylvania that's coming from the
17 east to the west, so, therefore, the low point, the
18 point where you get an equilibrium between east and
19 west, and that low point is moving further west as
20 we go through the nature of fracking.

21 We have talked in our discussions with
22 the natural gas pipeline companies. We note that

1 the storage facilities for this fall are almost a
2 hundred percent, if not a hundred percent full,
3 which is a good sign for reliability of the natural
4 gas generated this winter, and we also know that the
5 MISO representative suggested that there have been a
6 number of changes as far as cooperation between
7 natural gas companies, and the RTOs, and generators,
8 and the change of the gas pay, and the change of the
9 PJM market days have been significantly improved.

10 I will also just comment that the
11 interchange between natural gas pipelines, and LDCs,
12 and Local Distribution Companies, and RTOs, and
13 generators, you will really note that they have two
14 very different business models. The natural gas
15 pipelines and the natural gas Local Distribution
16 Companies have a continuous flow of natural gas
17 24/7, 365 at 10 or 15 miles an hour gas pipeline.

18 While generators want natural gas
19 today or tomorrow, they don't want to pay extra for
20 it and they want to give notice just less than 24
21 hours for it. It's a significant amount of natural
22 gas to look at.

1 I mentioned that the top of what I was
2 reporting on the load forecast, this shows the load
3 forecast for Commonwealth Edison is very similar to
4 the load forecast for many of the electric utilities
5 in the PJM footprint, and that is basically a very
6 flat growth.

7 One of the questions posed to the
8 participants in today's panel was what are some of
9 the challenges that confront PJM, or MISO, or others
10 with regard to winter reliability.

11 We note here the generation outages
12 which occur just as a matter of course within PJM
13 controlling and scheduling those generation outages
14 is a function of PJM's performance, as well as
15 MISO's performance. This just shows the maintenance
16 generation outages and planned outages.

17 Planned outages usually will be a
18 bigger deal than maintenance outages. You probably
19 get terracotta transmission lines or terracotta
20 generators with the planned outages where there's
21 really no availability of these generators if
22 there's a planned outage or if there's a maintenance

1 outage, maybe a smaller activity within a limited
2 time frame and, in some instances, if we can recall,
3 those generators even though they're taking a grant
4 out.

5 We also note that there are generation
6 outages within PJM that occur every day. PJM
7 manages those generation outages. Again, some of
8 them that are for maintenance purposes and others
9 for other reasons, but, again, they have to be
10 approved by PJM before they can be taken, and there
11 are some, of course, unplanned generation outages.
12 We will have probably maybe 50 generation unplanned
13 outages in a day and across the PJM footprint.

14 This is a traditional slide that we
15 have with PJM that shows the basic reserves that are
16 available in the PJM footprint. We believe that we
17 can manage the transmission system with the
18 distribution system that stays active, and if the
19 generators are able to perform in a manner that we
20 expect, we should have more than enough generation
21 to meet the summer demand -- excuse me -- the winter
22 demand.

1 So the question was what challenges do
2 RTOs face with respect to ensuring electric
3 reliability during the 2016-2017 winter season?

4 There are many challenges certainly of
5 the electric/gas coordination as a material
6 challenge, so a relatively new challenge, and
7 because of the impact and growth of the natural gas
8 resources, it's a very important challenge that
9 confronts not only the RTOs, such as PJM and MISO,
10 but the electric generation companies and utilities
11 which either own or affiliated with the generating
12 facilities, but, as far as PJM is concerned, we are
13 comfortable that electric reliability in the
14 2016-2017 winter months can be retained.

15 COMMISSIONER MAYE EDWARDS: Thank you,
16 Mr. Mathias. The question I had you kind of ended
17 with it, but the question is with regard to MISO.
18 We have seen obviously the polar vortex and what the
19 electric/gas coordination has become.

20 As it relates to RTOs, what
21 specifically have you all done -- because I think
22 what is a significant issue and a lot that was not

1 allowed to be coordinated between the two, so what
2 has been done over the last year specifically to
3 really prepare for this upcoming winter generally?

4 MR. MATHIAS: I think there's been an ongoing
5 discussion that didn't occur until 2014 and 2015
6 between the electric distribution companies and a
7 few RTOs and generators and natural gas pipelines.

8 As I mentioned in the discussion, I
9 think we can still improve between the RTOs and the
10 Local Distribution Companies, and that's the
11 scenario of your earlier discussion, and you may
12 want to look into that further, but I think there's
13 been a huge electric/gas coordination initiative in
14 efforts going forward that are very, very
15 constructive.

16 MS. CHATTEJEE: Since the polar vortex, I think
17 MISO has made several advancements, including things
18 like control displays, gas selection in the
19 pipelines, the overlay of the pipelines on top of
20 the gas, on the electric infrastructure that allows
21 us to kind of look at when we have outages where
22 they're coming from.

1 We have significantly improved our
2 outage coordination processes to get a view toward
3 which ones that actually fuel later outages, you
4 know, what are the outage causes, that we are able
5 to monitor and kind of have more information, more
6 realistic expectations of what we might see.

7 In terms of -- I think we talked about
8 gas/electric day scheduling coordination that also
9 helps gas-fired generations based on their timely
10 nomination cycle, the gas that cleared that day in
11 the market.

12 Some of those enhancements I think are
13 positioned well for this winter given the wider
14 margin we have. However, going forward as the
15 reserves get tighter and tighter, we are looking at
16 additional issues that we can work on.

17 We actually had a hot topic in
18 September at MISO where we asked the members for
19 some feedback on what ideas they want to see, as
20 they secure gas-fired generation, what tools MISO
21 could provide to enable gas-fired generation.

22 There were some suggestions along the

1 lines of, you know, increased further forward
2 commitments so that would allow them to match the
3 fuel risk appropriately, so we are looking into some
4 of those ideas. We are not quite done, as
5 Mr. Richard suggested, but I think we have made a
6 lot of improvements since the polar vortex in terms
7 of situational awareness, monitoring and tracking
8 and communication and, of course, specifically the
9 gas/electric climate as well.

10 COMMISSIONER MAYE EDWARDS: I was going to ask
11 about the coordination. Thank you for addressing
12 that.

13 COMMISSIONER ROSALES: Rich, just a
14 clarification, and I didn't see it on the notes
15 here, and I wrote down you said there were
16 50 unplanned outages a day --

17 MR. MATHIAS: (Nodding head.)

18 COMMISSIONER ROSALES: -- in your documents.

19 MR. MATHIAS: Yes. That would be 50 unplanned.
20 I believe there's transmission outages -- excuse me
21 -- unplanned generation outages. Those could be for
22 an hour or a day, but that would be just on average.

1 COMMISSIONER ROSALES: Is that usual and
2 customary?

3 MR. MATHIAS: Yes. We planned for those.
4 Sometimes we'll have --

5 COMMISSIONER ROSALES: Those are unplanned
6 outages?

7 MR. MATHIAS: They're unplanned outages, but, I
8 mean, that's one of the jobs of PJM is to manage the
9 transmission system but also to make sure there's
10 sufficient generation, too, that can come on line
11 immediately and to fill in for those unplanned
12 generation outages. There would be relatively few,
13 I might add, in the ComEd service territory.

14 COMMISSIONER ROSALES: I understand.

15 COMMISSIONER MAYE EDWARDS: Thank you both so
16 very much for your time and for the presentations
17 before us today. We appreciate it.

18 We will now take a 15-minute break, so
19 please come back and ready to start in the next
20 discussion at 5 after 11. Thank you so much.

21 (Whereupon, a 15-minute
22 break was taken.)

1 Let's go ahead. So far it's been a
2 really good day. I think it's always good, I think,
3 like I said, to start the day off with our national
4 perspective, and then to know what's going on with
5 our RTOs and, at the end of the day, when it comes
6 to winter preparedness, it's a lot of separate
7 stakeholders, but really all of us have to work
8 together in order to make sure that things work out
9 for the benefit of our consumers, which is what
10 April is for all of us.

11 So for the people who did
12 presentations this morning, I would like to just
13 give them a round of applause. Thank you for being
14 here and making this travel from out of state.

15 (Applause.)

16 Okay. So now we are going to move on.
17 We are to start hearing from our LDCs here, so first
18 we have Ken Dothage, Director of Gas Supply from
19 Ameren Illinois.

20

21

22

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

PRESENTATION

BY

MR. DOTHAGE:

Thank you. Good morning,
Commissioners.

COMMISSIONER MAYE EDWARDS: Would you mind just
turning your mic on. There's a button there. There
we go.

MR. DOTHAGE: Good morning, Commissioners. My
name is Ken Dothage. I'm Director of Gas Supply
with the Ameren Illinois Company.

Statements in this report we have done
this in the past. I'll be reporting now for the
LDCs on gas supply, but the statements were
generally indicative of the other utilities as well
as MidAmerican Energy, Nicor, North Shore Gas, and
Peoples Gas.

Again, it's good to hear from AGA and
others about the plentiful gas supplies that we have
in this country and into the foreseeable future,
too, but it's also very important to note that our
main objective as an LDC is to provide reliable,

1 safe, and economically-priced natural gas service to
2 our customers.

3 To do that, we contract from a variety
4 of services, including pipeline transportation,
5 storage, balancing and peaking services, that allow
6 us to meet our peak day obligation and also be able
7 to ramp down on gas supplies when we have normal
8 weather or warmer than normal weather.

9 We also diversify our capacity and
10 supply resources among various pipelines and
11 producers and purchase gas under various pricing
12 structures. First-of-the-Month pricing structures
13 are daily pricing structures.

14 We also optimize our resources to
15 minimize our PGA costs and price hedge against price
16 spikes to protect our customers.

17 This slide shows last winter, the
18 winter that wasn't, but, again, it highlights the
19 challenges we face. We do have cold days. We did
20 have cold days last winter. We had peaked on
21 January 18th, I believe it was, and combined the
22 LDCs had a high day of 7.1 BCF of gas. That

1 contrast again to an unseasonably warm day where we
2 had the ramp supplies down to just under 1.3 BCF per
3 day, so it kind of shows the challenges we face.

4 A lot of times these weather changes
5 from warm to cold can occur over just a few days, so
6 we have to be ready to serve that stream.

7 Again, this is our peak design day
8 resources, and it's important to note here last
9 winter that 7.1 BCF showed on the last slide
10 significantly lower than the resources we had to
11 serve the natural peak day.

12 This is our peak design day, the
13 coldest day in the last 30 years in some cases, but
14 basically that 9.8 BCF, almost 10 BCF a day of
15 resources to serve load made up of pipeline
16 transportation and storage resources, but about
17 4.4 BCF, and that's pipeline storage.

18 We also have -- we are fortunate to
19 have on-system storage of the LDCs element control
20 of just under 4.2 BCF, and then we have expected
21 third-party deliveries from customers that supply
22 their own gas, about 1.2 BCF on a peak day.

1 Focusing on our gas supply strategies,
2 we have a hundred percent of our firm gas supply
3 requirements purchased under firm contracts. We
4 have a mixture of baseload purchases that have
5 monthly index pricing, and then we have peaking
6 supply purchases that are tied to daily index
7 pricing. The majority of our gas supply is
8 purchased from strong producers and established
9 marketers with an eye on their creditworthiness and
10 their access to supply.

11 We also have a forward planning and
12 procurement cycle with long-term contracts on our
13 gas transportation and storage capacity and along
14 with that we keep right-of-first refusal contractual
15 provisions called voter rights.

16 Another key strategy that the LDCs
17 have is to hold contracts on firm transportation all
18 the way back to the production zone. This shows the
19 United States and a lot of production areas, and I
20 have a slide that shows pipeline sources of gas in
21 just a minute, but, again, the various pipelines
22 that serve the Illinois utilities have access to

1 Midcontinent, the Gulf Coast, Texas, the Rockies.

2 You mentioned the shale plays -- the
3 access to shale plays like Fayetteville,
4 Haynesville, and Bakken, and then most recently we
5 have the prolific shale in the Northeast which
6 actually holds 40 percent of U.S. gas reserves
7 today.

8 Also, the Illinois utilities are the
9 top tier shippers among some of these pipelines, so
10 when we're negotiating the pipelines for capacity
11 initially, we can actually use our size and our
12 leverage to negotiate advantageous transmission
13 rates on the pipelines.

14 This is the slide I was talking about.
15 This shows basically a large number of pipelines
16 across the state that provide deliveries to the
17 Illinois LDCs and the major production basins as a
18 source of gas.

19 Again, this highlights how important
20 we are to be able to access pretty much all of the
21 production regions in the country, as well as
22 Canada, and there's more good news. They're still

1 building more new infrastructure, so this is some of
2 the new infrastructure being built or coming into
3 the Illinois markets.

4 The big ones there are the REX
5 bi-directional, which is already in service. They
6 have an expansion plan as well, and then the
7 3.2 BCF Rover Pipeline Project that's under
8 construction currently and that's scheduled for
9 completion June 2017.

10 So I don't want to forget about the
11 NGPL Chicago Market Expansion. Nicor and North
12 Shore Gas have had the Illinois expansion and that
13 actually went into service today. FERC approved the
14 application.

15 This is a little different historical
16 slide than Rich had on the ABA slide, but, again,
17 this highlights the decrease in volatility that we
18 have seen since the shale revolution started and
19 actually that was about six years ago when that
20 shale revolution actually took off.

21 A few things to note on this slide,
22 for the winter you'll see the prices have dipped

1 down to roughly \$2.10 over the winter. This current
2 winter when the slide was prepared it was forecasted
3 at \$3.50 per MBTU, but since then prices have
4 tapered back and they're currently right around
5 \$3.10 for the winter.

6 And the good news is the forward
7 market forecast is for under \$4 out through 2020.
8 That's good news for the Florida gas market.

9 Looking at our price hedging
10 strategies, we have targeted 50 to 75 percent of the
11 normal winter demand against market price
12 volatility. The price hedge is 12 to 36 months out
13 in the future when you do that over time which kind
14 of achieves dollar cost averaging, use a variety of
15 methods to hedge prices, including our storage. We
16 do fixed price contracts and then financial
17 instruments like swaps, and options, and collars.

18 We target 30 to 50 percent of the
19 normal winter supplies coming from our storage
20 assets and we also have diversity of our credit risk
21 doing financial transactions with banks and other
22 foreign parties versus our physical supply with

1 producers.

2 Next slide somebody asked about the
3 storage inventories and how those worked down last
4 winter. This is Ameren Illinois' storage inventory.
5 Basically, last winter was 20 percent warmer than
6 normal, but we were -- we still had a peak day on
7 January 18th. We were able to pull our storage
8 inventories down, working down not as much as we
9 would with a normal winter, but we got them down
10 pretty low, and then we ramped up inventory back up
11 to roughly about 38 BCF the beginning of this
12 winter.

13 This is a pie chart that shows Ameren
14 Illinois' natural gas portfolio for this coming
15 winter. It's made up of storage gas, about
16 60 percent of our natural winter supply, and then
17 you have price hedged baseload gas, which is about
18 15 percent of our supply, and that leaves about
19 25 percent of our supply that's tied to market
20 pricing, overall 75 percent price hedged and
21 25 percent subject to market volatility.

22 Current winter preparations, overall

1 we are in great shape for this upcoming winter. We
2 have got storage inventories on track. We have firm
3 gas supplies under contract. Our price hedging is
4 largely complete, and we have all the pipeline
5 capacity secured to meet our peak design day.

6 Last year we talked a lot about
7 gas/electric coordination, just a quick update on
8 this. Last year FERC did the Order 809 and that
9 required interstate pipelines to add some additional
10 nomination cycles in their tariffs. Pipelines
11 complied with that and put in new cycles effective
12 April 1st of this year.

13 The Illinois LDCs we have modified our
14 daily procedures to accommodate new time lines and
15 it has resulted in a little bit longer planning date
16 for the LDCs, and we could be seeing more changes on
17 the horizon.

18 Just last week FERC Commissioner
19 Norman Bates sent a letter to the NASB board
20 basically asking NASB to develop -- look at
21 developing more flexible operations on the
22 pipelines, more electronic analysis of processing of

1 nominations, condemnation for pipelines, so that
2 just came out.

3 The Commissioner gave a target of, I
4 believe it was, March 31st of next year for NASB to
5 come up with some proposals, so more to follow on
6 that. We'll be monitoring that as well.

7 The Northern Illinois LDCs continue to
8 work. I think we heard that from PJM, and they work
9 with the individual power generators on firm
10 capacity needs that those generators have.

11 The last item there, and you mentioned
12 this last year as well, is our gas distribution
13 system originally built to serve peak heating demand
14 for our customers. They weren't built to serve peak
15 electric generation.

16 So as we change over, we need to
17 understand the systems need to be reinforced.
18 Systems need to be changed. Services need to be
19 developed to serve those generators that are behind
20 the city gates.

21 In summary, our gas supply plans are
22 in place for this winter. We are prepared for a

1 cold winter, but we can also adapt to a warm winter
2 as we had last year.

3 We expect higher customer usage for
4 the normal winter compared to last winter, which was
5 the warmest winter on record I believe for the State
6 of Illinois. We do expect higher prices this winter
7 compared to last winter.

8 Natural gas futures prices are
9 60 percent higher than they were last winter, but,
10 again, we have hedging strategies in place and
11 storage gas along which should mitigate those higher
12 prices.

13 Thank you. That's all I have and I
14 will take any questions that you have.

15 COMMISSIONER MAYE EDWARDS: Thank you, Ken.
16 Appreciate your being here.

17 I will go back to the gas/electric
18 coordination slide. I know that we keep hearing
19 generally the theme that there are discussions that
20 are happening and there's some kind of coordination
21 effort.

22 As you just mentioned, you are working

1 with generators, but what specifically does that
2 mean, you are working with them? What does that
3 mean? Are there meetings? Are there -- I mean,
4 what --

5 MR. DOTHAGE: From Ameren Illinois' standpoint
6 when we have -- we have just a few generators in our
7 system, so this is primarily I think a Chicago PJM
8 issue, but when our generators want to run, they
9 don't have supply lined up. We can float for awhile
10 until they get the supply on and it's all about
11 coordinating when the plants come on.

12 Most of the plants don't have firm
13 capacity on the pipelines, so if it's a really,
14 really cold day, there might not be firm capacity
15 available, so they either rely on the LDC resources
16 to serve or they don't run, but I do know that the
17 Chicago utilities basically work with PJM. I think
18 they do release capacity. It's available. I think
19 they -- I don't know that they formed any real
20 services specifically to generators, but that's
21 certainly something that I think utilities are
22 looking at.

1 As to the pipelines, the other thing
2 is, you know, the interstate pipelines have services
3 for generators, but that's -- sometimes the plants
4 are not located there. They have to build more
5 lines to reach the interstate pipelines, so it's
6 more expensive.

7 COMMISSIONER MAYE EDWARDS: Well, thank you.

8 Any other questions?

9 COMMISSIOER ROSALES: Yes, I do.

10 Your last summary byte on the gas
11 prices would be 60 percent higher than last winter.
12 I did not see that coming. Understanding I expected
13 a higher usage, because last winter was an anomaly,
14 but the 60 percent higher is not -- is not all --
15 because of expected higher usage, I'm really
16 surprised at that number. Can you explain a little
17 bit?

18 MR. DOTHAGE: Sure. I think we will go back to
19 that.

20 COMMISSIONER ROSALES: Numbered Page 10?

21 MR. DOTHAGE: Right. Actually the NYMEX
22 settlements for last winter averaged out to 305 --

1 I'm sorry. It's 210, so actual prices just cratered
2 last winter because of the warm weather, so prices
3 were 210 back last year. The forward market right
4 now is looking at 308, so it's a little bit less and
5 that's just the gas itself.

6 So, again, my point we have hedging
7 policies that we hedged gas over time, so not all of
8 the gas that we are buying for this current winter
9 is at that forward \$3.83, 3.50.

10 COMMISSIONER ROSALES: So it would be less than
11 60 percent?

12 MR. DOTHAGE: Should be less than 60 percent,
13 yes, sir. Again, I think, to the extent we were
14 20 percent warmer than normal last year, we should
15 expect to see with a normal winter --

16 COMMISSIONER ROSALES: Understood.

17 MR. DOTHAGE: -- at least 17, 18, approaching
18 20 percent increase in customer bills --

19 COMMISSIONER ROSALES: Thank you.

20 MR. DOTHAGE: -- just based on usage.

21 COMMISSIONER ROSALES: I was interested -- from a
22 business perspective, the hedging part was a little

1 confusing to me with the gas prices so low within a
2 five-year average, but since you put that together
3 with what we had last year, I can understand why it
4 would be unusual. I appreciate that.

5 MR. DOTHAGE: You are welcome.

6 COMMISSIONER MAYE EDWARDS: Thank you.

7 So we will now move on to LaJuana
8 Garrett, who's Director of Energy Efficiency and
9 Program Management for Nicor Gas. She's going to
10 bring us the energy efficiency perspective. Thank
11 you.

12 PRESENTATION

13 BY

14 MS. GARRETT:

15 Good morning, Commissioners. My name
16 is LaJuana Garrett. I am the Director of Program
17 Operations for Energy Efficiency at Nicor Gas.
18 Today I'm presenting on behalf of the utilities
19 around energy efficiency program operations, also
20 winter preparedness messaging and strategies.

21 Today I will cover winter preparedness
22 for the customers and markets and communication

1 strategies along with describing the business model
2 that we use to deliver our programs in collaboration
3 with our delivery partners.

4 There are three main ways for our
5 customers to participate in our energy efficiency
6 programs: through rebates, assessments, and free
7 products.

8 Rebates we offer to our customers for
9 a qualified installment product like furnaces,
10 boilers, thermostats, and also qualified home
11 improvements and air sealing insulation as well.

12 Through investments, we offer our
13 customers home investments where a professional
14 engineer arrives and does a walk-through of the
15 customer's home and specifically identify projects
16 that can save the customer energy, money, and also
17 improve the comfort of their home during the winter
18 season.

19 The last vehicle is the free products
20 that can be a do-it-yourself installation of our
21 free energy saving products like low-flow shower
22 head aerators, and also you can install them if you

1 order as a customer our free products on-line.

2 I will highlight three key areas that
3 we feel are recommended to you today. The first
4 will be the low-to-moderate income weatherization
5 program, and this program focuses on the
6 low-to-moderate income customers. We provide free
7 home energy audits for those customers in order to
8 help them -- in order to help them with their energy
9 efficiency opportunities.

10 During this home weatherization
11 program, we offer a free home energy audit,
12 including free direct installed measures, and also
13 along with air installation upgrades to the home and
14 help those customers participate in our program to
15 save energy, money, and to make their home more
16 efficient.

17 We also offer smart thermostats.
18 There's two channels which we are doing that the
19 customers can choose to have them installed by our
20 energy advisors. They also can buy and install them
21 themselves and apply for a rebate, but then they
22 also can have the energy advisor install them with

1 the contractors.

2 If the contractor does that, they can
3 offer an instant discount which is an instant rebate
4 for our customers as well.

5 We provide on-bill financing to our
6 customers, and in this line or gateway to our energy
7 efficiency program, it makes it easier for our
8 customers to participate in the program, but also
9 have the on-bill financing option and that's to
10 upgrade to more energy efficiency equipment in the
11 home.

12 Our customer outreach and
13 communication methods we use several of them. For
14 example, we also use mass media, including radio and
15 television ads, social and print media. We also use
16 E-mail blast inserts and communications to our
17 customers directly. This is to help generate
18 awareness of our program offerings.

19 Our partners with our trade allies are
20 key, so we provide training outreach newsletters and
21 dedicated collateral just to ensure that we do have
22 our message on energy efficiency and energy

1 preparedness for our customers.

2 This slide speaks to the different
3 vehicles that we use to reach our customers. The
4 top half of the slide talks about billboards, E-mail
5 blasts, and door hangers.

6 The first billboard speaks to
7 different tips on messaging for our customers, how
8 they can prepare for winter. The E-mail blast
9 features smart thermostat, and the door hangers
10 speak to what type of settings that you should have
11 the thermostat set to, and the bottom half of the
12 slide are bill messaging samples that we currently
13 use throughout the LDCs.

14 Earlier I mentioned the key
15 collaboration with our trade allies through
16 outreach. Here are just some examples how we
17 communicate what the upcoming winter preparedness
18 messaging will be for our trade allies and for our
19 customers.

20 We do have tools, handouts,
21 newsletters that we communicate on a frequent basis
22 so that our trade allies, who are our feet on the

1 street, they realize that our programming is
2 important for our customers so they are able to
3 answer any questions that the customers may have.

4 We also participate in community
5 outreach, and this is where we have the opportunity
6 to directly contact our customers and educate them
7 on our program offerings, as well as what the
8 resources are that are available to them as
9 customers, and, as you can see, we do participate in
10 the community quite a bit. These are some of the
11 pictures that show that.

12 This slide describes our delivery
13 model for energy efficiency. The green wheel speaks
14 to our instant discount. Our trade allies are able
15 to offer directly instant discounts to our
16 customers. This will allow instant rebates for our
17 customers for installing our qualified equipment.

18 I mentioned by educating our trade
19 allies of our offerings, we are definitely putting
20 them in a position where they can kind of improve
21 the experience for our customers to have an
22 excellent customer experience when providing quality

1 service.

2 And the last yellow wheel speaks to
3 technical training. We provide technical training
4 and resources for our trade allies to ensure that
5 they are installing safe and quality installations.

6 And that concludes our winter
7 preparedness energy efficiency program messaging and
8 communication.

9 Are there any questions?

10 COMMISSIONER MAYE EDWARDS: Thank you very much,
11 Ms. Garrett. I do have one question. I was just
12 curious to know generally we see an increase in
13 energy efficiency programs as the winter draws near
14 or throughout the winter in general, specifically
15 maybe smart thermostats for the overall programs.

16 MS. GARRETT: This is a great question. We have
17 seen an increase in our smart thermostats since the
18 program started.

19 Specifically, I can give that to you
20 at a later date, but we have a significant increase
21 in the smart thermostat entryway for our customers.

22 COMMISSIONER MAYE EDWARDS: So would you

1 generally say it's seasonal, right? So there's an
2 increase because of the winter season or just
3 because of the need or maybe word getting out a
4 little bit more?

5 MS. GARRETT: I think both. I think the word is
6 getting out. I think there's more buzz about it
7 behind the scenes and people are interested in it I
8 think also for the comfort in lowering their energy
9 bills, and also I think it's both.

10 COMMISSIONER MAYE EDWARDS: Thank you.

11 COMMISSIONER del VALLE: How do you go about
12 evaluating the performance of your trained allies
13 and ensuring accountability? Are the customers
14 interviewed afterwards, for example, to see whether
15 or not they were satisfied with the service that was
16 provided? Is there a survey that's done? How is
17 that done?

18 MS. GARRETT: Specifically we have customers that
19 do various surveys that we do have meetings with
20 quarterly with our contractors, and, in addition to
21 that, we do have focus groups for our trade allies
22 and we provide like an avenue for dialogue from the

1 trade allies to the company as well.

2 COMMISSIONER del VALLE: How many trade allies
3 are there --

4 MS. GARRETT: That's a good question.

5 COMMISSIONER del VALLE: -- for all the
6 utilities?

7 MS. GARRETT: I can get that information and get
8 back to you.

9 COMMISSIONER del VALLE: The question of what
10 services are being delivered, you also have numbers
11 on what that distribution looks like geographically?

12 MS. GARRETT: That's a great question, and I'll
13 have to get back to you.

14 COMMISSIONER del VALLE: Could you provide it by
15 zip code?

16 MS. GARRETT: So, for our trade allies, if I
17 understand your question correctly, we do have a
18 contract circle tool for our customers that they can
19 utilize to find a contractor based on the zip code
20 and it's on the website.

21 COMMISSIONER del VALLE: I'm asking would you be
22 able to tell me right now for Nicor exactly where

1 the services were delivered in terms of geographical
2 break-out?

3 MS. GARRETT: Through our service territories in
4 the Illinois area?

5 COMMISSIONER del VALLE: Yes, a certain area.

6 MS. GARRETT: Today right now I can't get you
7 that information, but I can take that back and get
8 that back to you as soon as possible.

9 COMMISSIONER del VALLE: Are you speaking on
10 behalf of all utilities, right?

11 MS. GARRETT: Correct. Correct.

12 COMMISSIONER del VALLE: Get that for Peoples
13 also?

14 MS. GARRETT: Yes. I'll reach out to allies and
15 have all that information. And you want that, if
16 I'm understand you correctly, for each of the
17 utilities, correct?

18 COMMISSIONER del VALLE: Exactly, each of the
19 service territories.

20 COMMISSIONER McCABE: I see heads nodding in the
21 back.

22 COMMISSIONER ROSALES: But I do want to get

1 clarification of Commissioner del Valle's comments
2 on the evaluations. So the trade allies evaluate
3 themselves, is that what you are saying?

4 MS. GARRETT: No. We have focus groups where we
5 communicate with our trade allies, but we also have
6 customer service information that is being given to
7 our implementation contractors that is fed to us on
8 a quarterly basis.

9 COMMISSIONER ROSALES: One suggestion that I have
10 is on these trade allies that an annual evaluation
11 is done by you and by the companies themselves to
12 see how service was from the trade allies to the
13 customers.

14 I think that would be a available tool
15 in terms of evaluation, because it's the customer
16 service that would count, and hearing from the trade
17 allies I'm sure they're going to say we did a great
18 job.

19 The customer is the one actually
20 that's making the determination whether they were
21 satisfied or not with their performance, so I think
22 that's what Commissioner del Valle was looking for

1 in terms of evaluation from the customer and how
2 well they performed, you know, at their residence.

3 Do you understand where we are coming
4 from?

5 MS. GARRETT: I do. Good point. Thank you.

6 COMMISSIONER MAYE EDWARDS: Any further
7 questions?

8 (No response.)

9 Great. I thank you very much,
10 Ms. Garrett. We do look forward to receiving some
11 additional information clarifying for Commissioner
12 del Valle from all our utilities. Thank you so
13 much.

14 This is generally the part that I
15 really look forward to, because I know
16 Commissioner del Valle kind of commented on a
17 question earlier about ComEd and rate shock. We are
18 talking about how prices will increase here and so
19 how do we get that information out to our consumers
20 to make sure that they are not ill-prepared and to
21 make sure they're in the loop about that.

22 So with that said, Michelle Rindt, who

1 is the Vice President of Customer Service at Peoples
2 Gas and North Shore Gas, she will present on behalf
3 of all of our utilities on customer service and
4 outreach.

5 PRESENTATION

6 BY

7 MS. RINDT:

8 Commissioners, thank you very much for
9 allowing me to be here to speak on behalf of our
10 customers. So the topic that I would like to cover
11 this morning concerns Customer Service and Outreach,
12 which includes our financial assistance, customer
13 experience, and customer safety.

14 LaJuana has already done a great job
15 talking about energy efficiency, and that's a key
16 component as well.

17 So with regard to the financial
18 assistance -- so this year for the 2017 program we
19 started on September 1. With regard to LIHEAP,
20 there's \$165 million available in the state that
21 compare to \$149 million last year, so a little bit
22 higher with regard to total dollars.

1 Illinois, again, ranked fourth with
2 regard to the amount of money, so ahead of us is
3 New York, Pennsylvania, and California, and, again,
4 that's allocated where needed. So, again, I think
5 the fourth ranking is very good for our state in the
6 sense of need here.

7 Approximately 300,000 customers and
8 30,000 additional customers will receive LIHEAP or
9 PIPP this year. So, again, we have got the PIPP
10 program back in place, and that started in September
11 as well.

12 I would like to think that the reason
13 why the funding -- we get so much funding in
14 Illinois, certainly the LIHEAP action days, so,
15 again, this year they are well represented. We have
16 our manager of collections and other representatives
17 from our companies and others as well in Washington
18 on the advocacy day to talk about how important it
19 is that funding for our state.

20 So, again, making sure that those
21 funds continue to come back to our state for our
22 customers and our needs, and then we also have

1 LIHEAP Action Month as well.

2 So, again, with regard to PIPP, you
3 know, that program has been reinstated and customers
4 have been receiving those funds, and LIHEAP is
5 still, you know, funded as well.

6 So that the critical thing there is,
7 we can talk a little bit more about that, but
8 getting our customers to apply for these funds, you
9 know, really trying to get that word out. We try
10 all different communication avenues, but making
11 sure -- we certainly don't want funds unused, so
12 that's I think the challenge for utilities to
13 certainly make sure that through different
14 communication avenues we are continuing to encourage
15 customers to do that.

16 In addition to funding through the
17 federal and state, there's also financial assistance
18 that's available to our customers through our own
19 utility programs. You'll see up on the slide
20 various names that they go by, so, again, Warm
21 Neighbors, Cool Friends; I Care, Sharing Programs,
22 Share the Warmth.

1 So, again, these funds now are a
2 combination typically from the company employees and
3 our customer contributions, and, again, a great
4 opportunity for customers to tap into that funding
5 as well to supplement some of the other funds that
6 they received.

7 Again, communication methods there,
8 you know, calling our customers, brochures,
9 advertising, some of those key areas to again make
10 sure, in our case Peoples Gas, that the funds are
11 utilized those years and they roll to the next year
12 so those funds don't expire, but we have a policy
13 where you get one grant per year, so we want to make
14 sure ideally that customers would approach us each
15 year and apply for that grant so they are getting a
16 grant each year, if needed.

17 Again, with regard to education about
18 financial --

19 (Audio advertisement.)

20 That's a radio ad.

21 Okay. Well, that came up very
22 quickly. What that was an example of a radio ad

1 that we have this year for both North Shore Gas and
2 Peoples Gas customers, again, trying different or
3 each method, you know, print but also radio.

4 We are also looking at utilizing panel
5 drills, posters, and things on the CTA which
6 many valued utilities do as well, some multiple
7 methods of outreach.

8 And, again, as a great example, we try
9 to use radio this year as well looking to really
10 increase that over the next few months.

11 COMMISSIONER MAYE EDWARDS: I'm just curious.
12 People generally see Peoples Gas on television ads;
13 is that right?

14 MS. RINDT: Right. We did that in the past. We
15 are looking into that. We just looked at some
16 funding availability for the rest of the year and,
17 again, really trying to have another method of
18 getting that communication out to our customers so
19 we anticipate that happening this year as well.

20 COMMISSIONER MAYE EDWARDS: For some reason I
21 just generally see a lot of Nicor television ads,
22 but I'm obviously hearing more from the radio. I

1 was just curious about it.

2 MS. RINDT: And part of it, quite frankly, has
3 been the budget, but this year we really want to
4 carve out dollars. We felt that would be another
5 way to reach our customers more effectively perhaps.

6 COMMISSIONER ROSALES: I agree. I would like to
7 see how that comes about and how you do the
8 marketing.

9 I find it very fascinating
10 understanding TV would be much more effective than
11 some of the others that you use.

12 I would be really interested in how
13 you go about deciding is it going to be more to the
14 CTA, is it going to be more on the radio. I find
15 that fascinating, too. I find it fascinating as a
16 former marketing guy, so I would be interested in
17 how you do that.

18 I certainly understand there's a
19 limited budget, and how you work that budget I would
20 like to know just personally.

21 MS. RINDT: But we also have our director of
22 communications here today. That's one thing we are

1 developing, and she already has some ideas for and
2 how to expand that outreach to our customers, so
3 I'll be happy to give you that.

4 COMMISSIONER del VALLE: Along the same line,
5 on-bill financing is a program that very few people
6 know about.

7 MS. RINDT: Okay.

8 COMMISSIONER del VALLE: The gas companies need
9 to --

10 MS. RINDT: Step it up in that area?

11 COMMISSIONER del VALLE: Yes.

12 MS. RINDT: Yes. We haven't seen the
13 participation quite frankly from our customers that
14 we would have thought we would have seen in that
15 area. That's another area of focus and education.
16 I think it comes back to education to our customers.

17 COMMISSIONER MAYE EDWARDS: It sounds like we
18 need a meeting on communication, maybe we can have
19 something like that.

20 MS. RINDT: Good point. We will do that.

21 So, again, just another listing and
22 more information on various channels that we use.

1 Again, part of that is certainly around educating
2 our customers. Let's make sure we educate our
3 customers. We have to educate our employees. So
4 I'm sure all of the utilities that's a starting
5 point as our call centers those are certainly our
6 outreach.

7 Many of our customers, whether it's
8 inbound or outbound, calling to make sure that they
9 understand the programs that are available, and the
10 funding that's available, and making sure they're
11 bringing that conversation to those customers,
12 again, looking at a lot of different fairs, like
13 official events, again, E-mail, text, so trying to
14 make sure that what is the customer's communication
15 of choice and making sure that, you know, we are
16 moving forward as customers are much more, you know,
17 technology savvy that we bring that technology as
18 well, social media, utility resources, media fairs,
19 so it's not one size fits all. We're trying to lay
20 out the various opportunities we have in the
21 communities and utilize all of those.

22 So with regard to customer experience

1 -- and, again, this is another important aspect of
2 having billing and payment options for our customers
3 -- again, you know, some customers prefer the
4 electronic billing arrangement, some customers like
5 budget billing, payment plans, they fall behind, so
6 again making sure that we have those things
7 available for our customers, making sure they
8 understand the ins and outs of those programs, and I
9 think, especially, as we heard today, that, you
10 know, gas bills will likely be higher this year
11 estimating somewhat of a more normal winter.

12 Customers get confused around that,
13 right? They don't understand or don't -- we don't
14 intend to remember sometimes what the temperature
15 was last year, of course, or how that might affect
16 the bill.

17 So having those conversations with
18 customers about -- you know, maybe there's two
19 things: there's the decision, the actual cost of
20 gas, so making sure our employees, whether they're
21 field employees or we hold sessions with our field
22 employees as well, to educate them on the price of

1 gas so that if they're all talking with customers or
2 doing something totally unrelated to billing to make
3 sure that they get inside service inspections, but
4 customers have questions and using that opportunity
5 to educate our customers.

6 With regard to customer safety,
7 again, a very critical aspect all year around, but
8 especially now as customers start to turn on their
9 heat, so we do talk about fire prevention, CO
10 safety, making sure safe removal of ice and snow
11 build-up around meters, gas service, and I think
12 sometimes we don't think about that, right,
13 especially if it's an outside service. It's one of
14 those things it just exist, so, again, making sure
15 that customers are aware of that, and certainly
16 billing scams. They all tend to come up from time
17 to time.

18 There's certain things now, too, that
19 I think we need to become a little more aggressive
20 with regard to making sure that we are doing things
21 to educate our customers about those scams as well,
22 and you will hear more about that in a minute.

1 There's actually an example of a
2 U-Tube video that was developed by Ameren Illinois
3 and the company has actively reached out to radio,
4 TV, and print outlets throughout their service
5 territory. I don't click on that.

6 Marcie, do you know how that's suppose
7 to work?

8 MS. GROSSMAN: You should click right on the
9 other one, that one versus Ameren Illinois' video.

10 MS. RINDT: There we go. Thank you.

11 (Audio Video Presentation.)

12 That's a great educational video.

13 Another example, there was an ad by
14 Mid-Am regarding carbon monoxide poisoning as well.

15 With regard to customer safety, again,
16 well, a little bit more on scams, because, again,
17 especially this time of year and throughout the
18 winter, more and more of that.

19 There's several utilities that are now
20 sort of a network that ensure best practices
21 increasing customer awareness, and scams involving
22 utilities. This group started in June of 2016 and

1 they have roughly touch points to address known
2 types of scams, but sometimes in one certain
3 territory versus another there will be different
4 things that kind of move geographically, so it's
5 helpful to talk to all the stakeholders of what's
6 going on and to get ahead of that and educate our
7 customers, if possible.

8 Mid-Am produced and released an
9 informative scam video, so it's a little long, so we
10 are not going to show it today, but that's just a
11 logo up there, and it was via U-Tube, Facebook, and
12 Twitter, and it's also a monthly residential
13 newsletter that they communicated with regard to
14 scams as well, so, again, using various outreach
15 methods to make sure customers again are aware of
16 those scams.

17 So, again, with regard to customer
18 safety, just again examples, we have got Twitter, so
19 we're making sure that we tweet various messages to
20 our customers.

21 Nicor also has an example of making
22 sure that customers check their alarms, so those

1 friendly reminders, things we probably all know but
2 forget from time to time, so it is very much a
3 priority for all the utilities in the state, and,
4 again, trying to use social media in other areas to
5 communicate those messages.

6 So, in general, then, again, talking
7 about winter preparedness, each of our customers
8 talk about several key areas. I also want to make
9 sure customers are aware of potential storms and how
10 they impact things, again, using all the different
11 methods of communications to our customers, talking
12 about the upcoming heating season, safety and storm
13 safety for them as well.

14 So I think, you know, as you had
15 conversations with some specific utilities and
16 certainly lay out more specifically but trying to
17 present an overview today, and there's a lot that
18 goes on I think with each of the utilities with
19 regard to communications.

20 COMMISSIONER MAYE EDWARDS: Thank you, Ms. Rindt,
21 for being here today.

22 A question that I have that comes to

1 mind is the communication between I guess maybe your
2 level and the CSRs, how often they are briefed about
3 undated significant changes?

4 For example, we talked about increase
5 in costs, increase obviously based on the increase
6 of natural gas as well on our customers.

7 How are the CSRs notified of that,
8 actually, you know, getting inundated with calls
9 from people about higher bills?

10 Sometimes I find that it doesn't
11 necessarily trickle down to them and they're not
12 prepared to, you know, deal with them on mass
13 calling, and also to provide adequate information in
14 a way that would be helpful and defuse any kind of
15 anger or frustration on behalf of the consumer.

16 Can you answer that? I'm sure you
17 have probably looked at those.

18 MS. RINDT: Sure. So we have different methods
19 of communication. We have an on-line -- what's
20 called an on-line cycle for our residents. It
21 carries a lot of basic information that they can use
22 insofar as talking to customers about their gas

1 bills, but then, in addition, for information that
2 changes on a more frequent basis, we have daily
3 bulletins that are sent out to our CSRs. We also
4 have our monitors and call centers where we are
5 displaying information as well.

6 So, for example, gas prices would be
7 one of those things that would be included in a
8 bulletin, but then also we might see on a monitor,
9 especially if you start to see in a call center
10 monitoring your call volumes, seeing some peak of
11 all kinds of weather.

12 We have benefitted by the warmer
13 weather. All of a sudden it takes a dip, and once
14 customers receive their bill delay or they receive
15 their bill a week later, we would also see a spike
16 in call volume, so, again, getting that information
17 to what our customers are asking, and what's good
18 information we're sharing with those customers.

19 Any other questions?

20 COMMISSIONER ROSALES: You ever use a press
21 release to communicate these price increases? I'm
22 concerned because I know we are starting to get

1 these calls and in one particular move that people
2 use, rightfully or wrongly, is gasoline prices, and
3 since they're so low, not that they should correlate
4 that, but they do, and the fact that their heating
5 gas bill is going to become a little bit higher for
6 no reason somehow being proactive would probably be
7 a good idea.

8 MS. RINDT: Yes. We have used press releases in
9 the past. We don't have anything scheduled right
10 now, but we'll certainly monitor the pricing
11 situation. That's certainly an option we can use as
12 well.

13 COMMISSIONER del VALLE: The LIHEAP received the
14 federal funding, the state funding. We have a
15 budget in place half a year, last year took
16 awhile --

17 MS. RINDT: Right.

18 COMMISSIONER del VALLE: -- to get the
19 appropriation for energy efficiency.

20 Wasn't that somewhat over
21 \$5 million --

22 MS. RINDT: For the state?

1 COMMISSIONER del VALLE: -- for the state
2 portion?

3 MS. RINDT: Does anybody know that number?

4 (No response.)

5 I can get back to you, Commissioner,
6 on that.

7 COMMISSIONER del VALLE: They are our state
8 dollars.

9 MS. RINDT: Yes, they are.

10 COMMISSIONER del VALLE: There's a dedicated fund
11 for state energy assistance, right?

12 MS. RINDT: That's what I thought is the PIPP
13 dollars.

14 COMMISSIONER del VALLE: The federal dollars,
15 yes, that includes PIPP.

16 MS. RINDT: Right. So there's the federal and
17 then there's the PIPP that's separate and that's a
18 surcharge.

19 COMMISSIONER del VALLE: That's a surcharge. So
20 how much is that?

21 MS. RINDT: On the -- I don't believe we were
22 able to get that from the other utilities.

1 Is that right, Marcie?

2 So for our company for this year it
3 was roughly \$5 million.

4 COMMISSIONER del VALLE: You don't know what the
5 total amount?

6 MS. RINDT: I do not know the total amount.

7 COMMISSIONER del VALLE: So you have a LIHEAP
8 action day for the federal dollar?

9 MS. RINDT: Yes.

10 COMMISSIONER del VALLE: That action date is for
11 Washington?

12 MS. RINDT: Yes.

13 COMMISSIONER del VALLE: Do you have a comparable
14 action date for Illinois to make sure that those
15 dollars are appropriated?

16 MS. RINDT: With regard to PIPP, the way that
17 works is that the surcharge on the bill, as we did
18 directly to the utility, that was -- so the
19 customers that are paying that, it comes back to
20 those utilities in that same distribution, so that
21 was --

22 COMMISSIONER del VALLE: But they have to be

1 appropriated. Wasn't that an issue?

2 MS. RINDT: Right. There was a separate fund,
3 right. Right.

4 COMMISSIONER del VALLE: The money was there, but
5 they were appropriated.

6 MS. RINDT: Right, but it's my understanding --
7 again, if there's someone has more detail in the
8 audience -- that once it's decided to appropriate
9 that that's the method with regard to appropriation
10 has already been decided, again, based on what the
11 customers, so ComEd collected X-dollars. That's how
12 we --

13 COMMISSIONER del VALLE: Okay.

14 MS. RINDT: But I need to clarify.

15 COMMISSIONER del VALLE: You need to talk about
16 all this, because the point I want to make is that
17 last year, while we were going through all this,
18 there was a concern --

19 MS. RINDT: Yes, sir.

20 COMMISSIONER del VALLE: I think utilities were
21 kind of quiet about it.

22 MS. RINDT: Okay.

1 COMMISSIONER DEL VALLE: I'm sure behind the
2 scenes they were addressing it, but I think we
3 should use an action day at the state level --

4 MS. RINDT: Okay. I will note that.

5 COMMISSIONER del VALLE: -- because it creates a
6 lot of anxiety out there with folks who are caught
7 in the system. They don't know whether or not
8 there's an appropriation because with the federal
9 dollars the General Assembly has to appropriate
10 those dollars.

11 MS. RINDT: They do.

12 COMMISSIONER del VALLE: They can't release the
13 appropriation without the people wondering whether
14 things are getting caught up in the budget
15 negotiations and whether or not those dollars are
16 going to be there. It creates a lot of anxiety out
17 there. I saw it last year with folks who were
18 wondering am I going to get help this year.

19 COMMISSIONER MAYE EDWARDS: Thank you very much.

20 If there are no more questions of
21 Ms. Rindt, we really appreciate your being here.

22 MS. RINDT: I'll make sure we follow up on that.

1 So another final thanks to Chairman
2 Sheahan and the Commissioners for attending and
3 participating in today's discussion.

4 And last, but certainly not least, I
5 would like to thank our Legal and Policy Advisors,
6 Anne McKeon and Nakhia Crossley, for their hard work
7 in putting forward today's presentation.

8 And, with that, we stand adjourned.
9 Have a wonderful day. Happy November.

10 (Whereupon, the above
11 matter was adjourned.)

12
13
14
15
16
17
18
19
20
21
22