BEFORE THE
ILLINOIS COMMERCE COMMISSION
REGULAR OPEN MEETING
(PUBLIC UTILITY)
Thursday, November 6, 2014
Chicago, Illinois

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

PRESENT:

MR. DOUGLAS P. SCOTT, Chairman
MR. JOHN T. COLGAN, Commissioner
MR. MIGUEL del VALLE, Commissioner
MS. ANN McCabe, Commissioner
MS. SHERINA E. MAYE, Commissioner

SULLIVAN REPORTING COMPANY, by
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CHAIRMAN SCOTT: Is everything ready in Springfield?

JUDGE WALLACE: It is, Mr. Chairman.

CHAIRMAN SCOTT: Thank you. Pursuant to the provisions of the Open Meetings Act, I now convene a Regular Open Meeting of the Illinois Commerce Commission. With me in Chicago are Commissioner Colgan, Commissioner McCabe, Commissioner del Valle, and Commissioner Maye. I'm Chairman Scott. We have a quorum.

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 Commission meetings.

According to the Chief Clerk's office, we have no requests to speak at today's meeting.

I'd ask Commissioner Colgan to say a few words about the unfortunate passing of a --

COMMISSIONER COLGAN: Yeah, it was -- this
morning I -- I heard the bad news that former
Congressman Lane Evans had passed away. And
Congressman Evans was -- was, I know, a good friend
to some people here. He certainly was a good,
trusted colleague of mine for a number of years. And
he -- he'd suffered for years with Parkinson's
Disease and he was only 63 years old.

But he -- he passed away last night,
so I just thought it was appropriate to recognize him
and the service that he gave to the people of this
state.

CHAIRMAN SCOTT: Absolutely. And if we could,
could we just have a moment of silence for
Congressman Evans.

(Whereupon, a moment of silence
was observed.)

CHAIRMAN SCOTT: Thank you. Thank you,
Commissioner Colgan.

The first item of business on today's
agenda is MidAmerican Energy Company's filing to
update access charges and capacity charges under
Rider 17, Non-Residential Real Time Pricing Tariff.
Staff recommends that we approve the update by not suspending the filing.

Is there a motion to not suspend the filing?

COMMISSIONER McCabe: So moved.

CHAIRMAN Scott: Is there a second?

COMMISSIONER Colgan: Second.

CHAIRMAN Scott: Moved by Commissioner McCabe. Seconded by Commissioner Colgan.

Any discussion?

(No response.)

All in favor, say aye.

(Chorus of ayes.)

Any opposed?

(No response.)

The vote is 5 to nothing and the filing is not suspended.

We will use this 5 to nothing vote for the remainder of today's Regular Open Meeting agenda unless otherwise noted.

Items 2 and 3 can be taken together.

These items are our reconciliation of revenues
collected under MidAmerican's and Mt. Carmel's fuel adjustment charges with actual costs prudently incurred.

In each case, the ALJ recommends entry of an Order approving the reconciliation.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Orders are entered.

Item 4 is Docket No. 14-0066. This is MidAmerican Energy Company's proposed general rate increase for electric service.

ALJ Jorgenson recommends entry of an Order approving new rates.

I understand Commissioner Maye will be proposing some edits. Commissioner?

COMMISSIONER MAYE: Thank you, Chairman. I have two sets of edits to propose on this Order that can be taken together.

First, regarding MidAmerican's PIP incentive compensation costs, the edits do not change
the PEPO's disallowance of the incentive compensation costs, but note that if MidAmerican does seek to recover these expenses in the future, it should work with Staff to develop a waiting mechanism for its Incentive Compensation Plan.

The edits also note that the Commission has allowed a recovery for incentive compensation in the past which should provide guidance to the company as to what is required for recovery rates.

I'd like to thank Commissioner McCabe for her collaboration on this item as well.

The second edit pertains to the state income tax rate adjustment. These edits reverse the PEPO's adoption of Staff's state income tax adjustment which reflects the January 2015 scheduled drop in the tax rate.

While I do not disagree with the argument this is a known and measurable change, Section 287.40 of the Commission's Rules on Pro Forma Adjustments to historical test year data states that adjustments shall reflect changes that impact the
ratepayers where such changes occur during the selected historical year or are reasonably certain to occur subsequent to the historical test year within 12 months after the filing date of the tariffs.

In this case, MidAmerican used 2012 as a historical test year and they filed the rate case on December 16th, 2013. Because the change in the Illinois corporate income tax rate is not scheduled to take effect until January 1st, 2015, Staff's proposed adjustment falls outside the prescribed window and, therefore, is inappropriate.

With that, I move for the adoption of these items.

Thank you, Mr. Chairman.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER McCabe: Second.

CHAIRMAN SCOTT: Second by Commissioner McCabe.

Discussion on the edits?

Commissioner del Valle?

COMMISSIONER del VALLE: Mr. Chairman, are we going to take two separate votes?

CHAIRMAN SCOTT: We can if you'd like to. If
you want to separate them, we can -- we can do that.

    COMMISSIONER MAYE: So that -- that's fine.

How do I -- do you want to just --

    CHAIRMAN SCOTT: Why don't you tell us which
one you want to make comments on, Commissioner

del Valle.

    COMMISSIONER del VALLE: Well, I support the
first edit --

    COMMISSIONER MAYE: Oh, I see. Okay.

    COMMISSIONER del VALLE: -- but I -- I'm not
going to vote in favor of the second edit.

    CHAIRMAN SCOTT: Okay. We'll take -- if you
want to make your comments --

    COMMISSIONER del VALLE: Okay.

    CHAIRMAN SCOTT: -- and then we'll just take
two separate votes on it, that's fine.

    COMMISSIONER del VALLE: Very good. Thank you.

    I will be supporting the PEPO in this
docket. I believe that it is inappropriate to freeze
a higher tax rate in the statute which was effective
during the test year, 12 months after the filing as
an automatic readjustment lowering the corporate
state income tax on January 1st, 2015.

The bottom line is that when MidAmerican determines that its costs are not being reasonably recovered by their rates, they can elect to come back to the Commission. But if the Commission-approved rates benefit MidAmerican with a known incorrect income tax treatment, the ratepayers are stuck.

It has been more than 20 years since the last time MidAmerican came for a rate case. If they do not come back within a similar length of time, then Staff's adjustment adopted by the PEPO representing over 313,000 a year will add up for MidAmerican's customers, roughly 85,000 of them.

And given the results of the last election, I think that it's likely that that corporate tax rate will be reduced, even though that's speculation and for this purposes -- purpose, we shouldn't engage in speculation. That's why I thought Staff did a good job with the rationale they presented on this particular issue.

So I will be voting against the edit.
CHAIRMAN SCOTT: Further discussion on the edits, Commissioner Colgan?

COMMISSIONER COLGAN: I'm going to -- I'm with Commissioner del Valle on the -- on the income tax issue. I'm not going to try to explain it any more than he did, but I agree with his explanation. But I'm okay with the PIP.

CHAIRMAN SCOTT: Further discussion, Commissioner McCabe?

COMMISSIONER McCABE: I'm going to support the edits. I think if we adhere to the PEPO, we'd be setting a bad precedent as was discussed in oral arguments and the briefs.

CHAIRMAN SCOTT: Yeah, I'm going to support both of the edits as well. And while I understand the argument that Commissioner Colgan and Commissioner del Valle made and it may tug at me in a certain way, I look at the law and the law seems, to me, to be very clear.

And I agree with Commissioner McCabe that -- that this would open up a whole new avenue of looking at all kinds of expenditures, costs,
different things beyond the one-year period that the 
statute clearly calls for, and I don't see any wiggle 
room in that.

And so while I understand the 
sentiment behind the argument, I think that the law 
is clear that that's what we -- we need to take care 
of that. That's why I support the edit that 
Commissioner Maye is proposing.

So we've got two separate votes.

Let's take the vote on the incentive program first. 
That's been moved and approved by Commissioner Maye 
and Commissioner McCabe.

All in favor of that edit, say aye. 
(Chorus of ayes.)

Any opposed? 
(No response.) 
That edit carries on a vote of 5 to 
nothing.

And then on the income tax edit also 
moved and seconded by Commissioner Maye and McCabe, 
all in favor of that edit, say aye. 
(Chorus of ayes.)
Opposed?

(Chorus of nos.)

CHAIRMAN SCOTT: The vote on that is 3 to 2 and that edit has also been seconded.

Is there a now a motion to enter the Order as amended?

COMMISSIONER MAYE: So moved.

COMMISSIONER McCabe: So moved.

CHAIRMAN SCOTT: Moved by Commissioner Maye. Seconded by Commissioner McCabe.

Any further discussion?

Judge Jorgenson?

JUDGE JORGENSEN: Yes. I just need to inform you that there's only one public comment.

CHAIRMAN SCOTT: One public comment. Okay.

Thank you, Judge.

It's been moved and seconded to approve the Order as amended. All in favor, say aye.

(Chorus of ayes.)

Any opposed?

(No response.)

The vote is 5 to nothing, and the
Order as amended is entered.

Item 5 is Docket No. 14-0312. This is ComEd's annual formula rate update and revenue requirement reconciliation filed pursuant to Section 16-108.5 of the Public Utilities Act. The Attorney General's office has requested oral argument, which ALJs Haynes and Teague-Kingsley recommend we deny.

Is there any discussion?

(No response.)

Are there any objections to denying the request for oral argument?

(No response.)

Hearing none, the request for oral argument is denied.

Item 6 is Docket No. 14-0316. This is ComEd's Petition filed pursuant to Sections 16-108.5(c) and 9-201 of the Public Utilities Act to make housekeeping revisions and a compliance change to its filed rate formula. ComEd has requested oral argument in this proceeding which ALJs Haynes and Teague-Kingsley recommend we grant.
Is there any discussion?

(No response.)

Are there any objections to granting

the request for oral argument?

(No response.)

Hearing none, the request for oral

argument is granted.

Item 7 is Docket No. 14-0326. This is

C4 Connection's Petition to Cancel its Certificate of

Service Authority to operate as an agent, broker, or

consultant under Section 16-115C of the Public

Utilities Act.

ALJ Kimbrel recommends entry of an

Order granting the requested relief.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Item 8 is Docket No. 14-0435. This is

Connor Electric Services' Application for

Certification to Install, Maintain, or Repair
Electric Vehicle Charging Station Facilities under Section 16-128A of the Public Utilities Act.

ALJ Benn recommends entry of an Order granting the requested certificate.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Item 9 is Docket No. 07-0570. This is our reconciliation of revenues collected under Consumers Gas Company's gas adjustment charges with actual costs prudently incurred.

ALJ Yoder recommends entry of an Order approving the reconciliation.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Item 10 is Docket No. 13-0691. This is our reconciliation of revenues collected under
Mt. Carmel's gas adjustment charges with actual costs prudently incurred.

ALJ Yoder recommends entry of an Order approving the reconciliation.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Item 11 is Docket No. 14-0351. This is XOOM Energy Illinois LLC's petition for confidential and/or proprietary treatment of its Part 551 Financial Report.

ALJ Jorgenson recommends entry of an Order granting the requested relief.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Item 12 is Docket No. 14-0501. This is Peoples Gas's Petition for an Order approving an
agreement for the transfer of an interest in real
property between affiliates pursuant to
Sections 7-101 and 7-102 of the Illinois Public
Utilities Act.

ALJ Jorgenson recommends entry of an
Order granting the petition.

Is there any discussion?
(No response.)

Any objections?
(No response.)

Hearing none, the Order is entered.

Item 13 is Docket No. 14-0493. This
is Thomas Nwokeji's complaint against Peoples Gas as
to billing and/or charges in Chicago. It appears
that the parties have settled their differences and
have filed a Stipulation and a Joint Motion to
Dismiss which ALJ Jorgenson recommends we grant.

Is there any discussion?
(No response.)

Any objections?
(No response.)

Hearing none, the Motion to Dismiss is
granted and the proceeding is dismissed.

Item 14 is Docket No. 13-0593. This is our amendment to 83 Illinois Administrative Code, Section 745 which sets forth requirements applicable to the tariff-filing process for telecommunications carriers.

ALJ Jones recommends entry of an Order adopting the proposed amendment to Part 745.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Items 15 through 20 can be taken together. These items are petitions for the confidential and/or proprietary treatment of Petitioners' Annual Reports.

In each case, ALJ Jones recommends entry of an Order granting the requested relief.

Is there any discussion?

(No response.)

Any objections?
Hearing none, the Orders are entered.

Item 21 is Docket No. 14-0503. This is Illinois Consolidated Telephone Company's Petition for an Order terminating conditions imposed in Docket No. 04-0793.

ALJ Yoder recommends entry of an Order granting the requested relief.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Item 22 is Docket No. 14-0597. This is O'Donnell's Foods doing business as PSM Pay-Tel's Petition to Cancel its Certificate of Service Authority to provide customer owned pay telephone service in Illinois pursuant to Section 13-404 of the Act.

ALJ Jorgenson recommends entry of an Order granting the requested relief.

Is there any discussion?
Any objections?

(No response.)

Hearing none, the Order is entered.

Items 23 through 25 can be taken together. These items are joint petitions for approval of Interconnection Agreements or amendments to Interconnection Agreements pursuant to 47 U.S.C., Section 252.

In each case, ALJ Baker recommends entry of an Order approving the agreement.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Orders are entered.

Item 26 is Docket No. 14-0105. This is Illinois American Water Company's Application for the Issuance of a Certificate of Public Convenience and Necessity to Provide Water Service to areas in Hardin, Gallatin, Pope, and Saline Counties and for the Approval of the Purchase of Certain Assets of

ALJ Jones recommends entry of an Order, one, approving the purchase by IAWC of the Hardin Water system assets, and, two, granting a Certificate to IAWC for the area served by Hardin.

Is there any discussion?

(No response.)

Any objections?

(No response.)

Hearing none, the Order is entered.

Item 27 is Docket No. 14-0416. This is David L. Herbst's complaint against Aqua Illinois as to billing and/or charges. It appears the parties have settled their differences and filed a Stipulation for Dismissal requesting that the Commission dismiss the complaint.

ALJ Jorgenson recommends that we grant the requested relief.

Is there any discussion?

(No response.)
Any objection?

(No response.)

Hearing none, the complaint is dismissed.

Item 28 is Docket No. 13-0252. This is FutureGen Industrial Alliance's Application for a Certificate Authorizing the Construction and Operation of a Carbon Dioxide Pipeline.

On February 20th, 2014, the Commission granted the requested Certificate of Authority; however, on July 31st, 2014, the Alliance filed a verified Supplemental Application pursuant to Section 20(h) of the CO₂ Act requesting minor deviations to the certified pipeline route for the purposes of addressing environmental concerns or to accommodate landowner requests.

ALJ Von Qualen recommends entry of an Amendatory Order granting the requested relief.

Is there any discussion?

(No response.)

Any objections?

(No response.)
Hearing none, the Amendatory Order is entered.

Item 29 is Docket 14-0522. This is Ameren Transmission Company of Illinois' Application for Rehearing of the Commission's decision on its Petition for an Order pursuant to Section 8-509 of the Public Utilities Act Authorizing Use of Eminent Domain Power.

ALJ Albers recommends that we grant the application for rehearing and enter an Order on Rehearing adopting the outcome reflected in the September 26, 2014 Proposed Order.

I have a couple of comments on this. Although I voted to deny ATXI's petition for eminent domain authority, primarily based on the fact that ATXI re-drew the route for the Pana-Mt. Zion section of the route without any Commission oversight or approval, it appears now, according to their Petition for Rehearing, that ATXI recognizes and accepts that it should seek Commission approval to modify the portion of the Pana to Mt. Zion route to avoid land owned by the MCCD.
Further, I have concerns regarding ATXI's claim that delaying a decision regarding eminent domain on the entire portion of the line prior to this small section being addressed would risk a voltage collapse in the Decatur area in the near future. As a result, I would move to grant ATXI's Petition for Rehearing consistent with ALJ Albers' recommendation.

Is there a second?

COMMISSIONER McCabe: Second.

CHAIRMAN SCOTT: Second by Commissioner McCabe.

Any discussion?

(No response.)

All in favor, say aye.

(Chorus of ayes.)

Opposed?

(No response.)

The vote is 5 to nothing and ATXI's Petition for Rehearing is granted.

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

JUDGE WALLACE: No, there aren't, Mr. Chairman.
CHAIRMAN SCOTT: Thank you, sir.

Hearing none, this meeting stands adjourned.

Thank you, everyone.