BEFORE THE
ILLINOIS COMMERCE COMMISSION

BENCH SESSION
(PUBLIC UTILITY)

Chicago, Illinois
Tuesday, November 23, 2010

Met, pursuant to notice, at 10:30 a.m. in
N801, Eighth Floor, 160 North LaSalle Street,
Chicago, Illinois.

PRESENT:

MANUEL FLORES, Acting Chairman
LULA M. FORD, Commissioner
ERIN M. O'CONNELL-DIAZ, Commissioner
SHERMAN J. ELLIOTT, Commissioner
via videoconference

JOHN T. COLGAN, Acting Commissioner
via videoconference

SULLIVAN REPORTING COMPANY, by
Alisa A. Sawka, CSR
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ACTING CHAIRMAN FLORES: Pursuant to the provisions of the Illinois Open Meetings Act, I now convene a regular open meeting of the Illinois Commerce Commission. With me in Chicago are Commissioners Ford and O'Connell-Diaz, with us in Springfield are Commissioners Elliott and Colgan. I am Chairman Flores. We have a quorum.

Before moving into the agenda according to Part 1700.10 of Title 2 of the Administrative Code, this is the time we allow for members of the public to address the Commission. Members of the public wishing to address the Commission must notify the Chief Clerk's Office at least 24 hours prior to the Commission meeting. According to the Chief Clerk's Office, we have two requests to speak at today's regular open meeting.

First up we have Mr. Dean Clough, who should be with us from the Springfield office today. Mr. Clough, sir, could you please move up and join Mr. -- join Commissioner Colgan there, who's next to you providing you a chair.
MR. CLOUGH: Thank you. Thank you.

Ladies and gentlemen, in 2008 the Illinois Commerce Commission approved an 80 percent increase in the fixed customer charge for us Ameren ratepayers. As a result, we Ameren ratepayers were hit with higher electric bills in spite of our efforts to reduce usage. Now the other regulated monopoly that provides electricity to Northern Illinois is seeking to do the same to its customers. This is awful unfair.

I am one of the Ameren ratepayers whose electrical bill keeps going up regardless of where I set the thermostat. I am here requesting that you do not do the same to our daughter, son-in-law and soon-to-be-born grandchild who are CAP heat customers of the regulated monopoly that is seeking to increase their fixed rate charge. Our daughter and son-in-law are both teachers, not a high-paying profession, and the proposed increase will severely impact their family budget just as their family is about to increase. Therefore, I urge the Commission to
exercise its regulatory powers over the Northern Illinois Electrical Monopoly and deny its request for higher charges.

In summary, I'm asking please don't let ComEd do to our children what Ameren has done to me. Thank you.

ACTING CHAIRMAN FLORES: Thank you very much, Mr. Clough.

Next up we have Mr. Stephen Liehr with us here in Chicago.

Mr. Liehr, good morning, sir. If you could please step up.

Mr. LIEHR: Thank you, Commissioners.

ACTING CHAIRMAN FLORES: Thank you, Mr. Liehr.

MR. LIEHR: I am the Vice-Chairman of the Kankakee County Board and appear here today at the request of Board Chairman Mike Bossert. I speak in opposition to the general water rate increase requested by Aqua Illinois for the Kankakee region. This is Case 10-0194.

As you know, Kankakee County Board on February 9, 2010, passed a resolution that opposed
and objected to the proposed water rate increase. The Commission is urged to take -- give serious consideration to the ability of elected representatives of the public to speak on behalf of the public. Public officials are among the first to learn of the challenges facing citizens.

Many residents of Kankakee County have submitted strong comments about the negative impact of the proposed rate increase, given current economic conditions. I wish to share some specific information about those economic conditions.

Kankakee County is currently a place of low per capita income and high unemployment. In 2008, for example, median household income was $49,987 for the county while the state median household income was $56,230. In September 2010, unemployment in Kankakee County was 12 percent while the state rate was 9.8 percent.

Neighboring counties all had lower unemployment with Grundy at 10.3; Will at 9.2; Livingston at 9.1. While I have no specific statistics on foreclosure or threats of foreclosures,
this is another economic pressure felt by many. The excessive rate increase requested by Aqua Illinois will be a real hardship on many struggling families. More significant is the recent report from Aqua America for the quarter ending September 30, 2010. The report shows record profits that have created an excessive rate of return. Net income increased 30.7 percent over the same quarter in 2009. Even before this report in August, the Board of Directors had declared a 6.9 percent dividend increase for December 1, 2010. This is the 20th time in the last 19 years that the dividend had been increased.

It's reasonable to ask what rate of return do investors need when many forms of investment are providing very small returns. Does Aqua truly need the huge increase that they request in order to attract investors? I would argue they do not need the requested increase.

As an elected representative of the people of Kankakee County, I speak in support of the recommendations made on behalf of the People of
Illinois by the Attorney General, Lisa Madigan. In the November 12, 2010 report it was recommended that the Commission use a cost of capital consistent with the amounts used in earlier cases, ICC Docket 09-0548 and 0549. This was a 7.79 percent overall cost of capital. There is also agreement that the cost of capital requested by Aqua far exceeds the costs reported by its parent. Indeed, Aqua America reports a very good record despite a purportedly unacceptable low return on earnings.

My request is that the Commission agree with the Attorney General that a fair balance of rate and shareholder interests requires the Commission to reject a return on equity and an overall cost of capital for Aqua Kankakee that is higher than the average return on earnings reported by its parent. It is higher than the return on earnings recommended by the Commission Staff and higher than the overall cost of capital allowed in the Commission's last two water rate increase cases. This request would ask that the Commission adopt the return on earnings and overall cost on the capital
recommended by Staff Kight-Garlisch.

As an aside, I might suggest that at some point it would be good for Aqua to consider some education conservation efforts similar to those that I see when I get my bill from Commonwealth Edison. Commonwealth Edison inserts various kinds of conservation techniques that people could use in the billing notices. I think water companies should adopt that same policy. And in particular a suggestion I've seen used at -- or read about used elsewhere is where a water company will put in their billing something that allows one resident to compare how their water usage is to others so that people that have excessive water usage might be examining what is creating that excess.

Thank you for your attention.

ACTING CHAIRMAN FLORES: Thank you so much, Commissioner, for taking the time to be here on behalf of your constituents.

Very well. Moving on to today's agenda, we'll start with the minutes from previous Commission meetings. Item No. 1 today is minutes
from -- are minutes from the October 20th Bench Session. I understand that amendments have been forwarded. I will be making a motion to amend the minutes. Is there a second?

COMMISSIONER FORD: Second.

COMMISSIONER O'CONNELL-DIAZ: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0 amending the minutes. I will make a motion to approve the minutes, as amended. Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

ACTING CHAIRMAN FLORES: It's been moved and seconded.

All in favor say "aye."
(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0

approving the minutes for October 20th, as amended.

Item 2 is -- today are minutes for the
October 26th Regular Open Meeting. I understand that
amendments have also been forwarded in this matter.
I will make a motion to amend the
minutes.

Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

ACTING CHAIRMAN FLORES: It's been moved and
seconded.

All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0

amending the minutes.

I will make a motion to approve the
minutes, as amended.
Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

ACTING CHAIRMAN FLORES: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0 approving the minutes for October 26th, as amended.

Item 3 is -- for today are minutes for the October 26th Gas Policy Committee Meeting.

Again, amendments have been forwarded.

I will make a motion to amend the minutes.

Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

ACTING CHAIRMAN FLORES: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?
(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0 amending the minutes.

I will make a motion to approve the minutes, as amended.

Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

ACTING CHAIRMAN FLORES: Thank you. It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0 approving the minutes for the October 26th Gas Policy Committee Meeting, as amended.

Item 4 for today concerns a release of minutes of certain past meetings which were held in closed session. These have been reviewed by our Office of General Counsel and these are minutes from sessions which apparently do not concern ongoing litigation or personnel issues.
Is there any discussion?

(No response.)

ACTING CHAIRMAN FLORES: I will make a motion to release these minutes.

Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

COMMISSIONER FORD: Second.

ACTING CHAIRMAN FLORES: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0 and the minutes will be released.

We will use this 5-0 vote for the remainder of the regular open meeting unless otherwise noted.

Moving on to Item 5, this is Docket No. 10-0138. We will hold this item for disposition at a future Commission meeting. There has also been a request for oral argument made in this docket and
the Commission plans to hold oral argument in this matter at 2:00 p.m. on Thursday, December 2nd. And I believe we'll be doing this via videoconference as Commissioners Elliott and Colgan plan to participate from the Springfield office. We will send an official notice out to the parties regarding the scheduling of this oral argument sometime later today.

JUDGE SAINSOT: Mr. Chairman, I think I'm required by law to tell you whether there have been any comments in this case. There have been none as of about an hour ago.

ACTING CHAIRMAN FLORES: Okay. Very well. Thank you.

Item 6 is Docket No. 10-0173. This is a petition by Ameren IP, Ameren Illinois Transmission Company for authorization to use eminent domain under Section 8-509 of the Public Utilities Act to obtain an easement for the construction of a transmission line in LaSalle County. Administrative Law Judge Albers recommends that the Commission enter an Order granting the requested relief.
Commission Elliott, I believe you have some revisions here.

COMMISSIONER ELLIOTT: Yes, Mr. Chairman. I had circulated some revisions to the conclusion softening a little bit of the language surrounding the Staff investigation into inquiries of interactions with homeowners.

ACTING CHAIRMAN FLORES: Very well.

COMMISSIONER ELLIOTT: And I would move those changes.

ACTING CHAIRMAN FLORES: Very well.

I will second the Commissioner's motion.

It's been moved and second.

All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0 and Commissioner Elliott's revisions are adopted.

I will make a motion to enter the Order, as amended, by Commissioner Elliott's
revisions.

Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

COMMISSIONER ELLIOTT: Second.

ACTING CHAIRMAN FLORES: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0 and the Order, as amended, is entered.

Docket No. -- or Item 7 is Docket No. 10-0373. This is DM & Associate Energy's application for licensure as an agent, broker and consultant under Section 16-115(c) of the Public Utilities Act. Administrative Law Judge Yoder recommends entry of an Order granting the requested Certificate of Service Authority.

Is there any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?
(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the Order is entered and the certificate is granted.

Item 8 is Docket No. 10-0385. This docket concerns ComEd’s petition under Section 4-101 of the Public Utilities Act or in the alternative under Section 8-406 of the Act for authorization to conduct transmission and infrastructure upgrades here in Chicago. Administrative Law Judge Sainsot recommends that the Commission enter an Order granting the requested relief under Section 4-101 of the Act.

Any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the Order is entered.

Item 9 is Docket No. 10-0541. This is a petition by the Ameren Illinois utilities requesting permission from the Commission to amend protocols utilized when engaging in short-term
capacity transactions, specifically for short-term capacity procurement. Administrative Law Judge Albers recommends that the Commission enter an Order granting the requested relief.

Any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the Order is entered.

Item 10 is Docket No. 10-0554. This item concerns a complaint as to billing and/or charges by Dottie Putignano against ComEd. The parties have apparently settled their differences and brought a Joint Motion to Dismiss, which Administrative Law Judge Riley recommends that we grant.

Is there any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the
Joint Motion to Dismiss is granted.

Item 11 is Docket No. 10-0556. This item is Affiliate Power Purchasers International's application for licensure as an agent, broker and consultant under Section 16-115(c) of the Public Utilities Act. Administrative Law Judge Yoder recommends entry of an Order granting the requested certificate of service authority.

Any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the Order is entered and the certificate is granted.

Item 12 will be held for disposition at a future date.

Item 13 concerns alleged violations by the Bushnell Municipal Gas Utility for failure to comply with federal safety standards for the transmission of natural gas. Staff recommends the Commission enter a Citation Order initiating proceeding against the company.
Is there any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the Citation Order is entered.

Item 14 is Docket No. 06-0752 and 07-0312 consolidated. These items concern People's Gas reconciliation of revenues collected under gas adjustment charges with actual costs prudently incurred. Administrative Law Judge Baker recommends that the Commission entered an Order approving the reconciliation.

Any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the Order is entered.

Item 15 is Docket No. 09-0542. This item is MidAmerican's purchased gas adjustment reconciliation proceeding. Administrative Law Judge
Gilbert recommends that the Commission enter an Order approving the reconciliation.

Any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the Order is entered.

Items 16 and 17 will be taken together. These items concern customer complaints as to billing and/or charges brought against Nicor. In each case the parties have apparently settled their differences and brought a Joint Motion to Dismiss which the Administrative Law Judge recommends that we grant.

Any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the Joint Motions to Dismiss are granted.

Item 18 is Docket No. 10-0447. This
item concerns a petition by Peoples Gas and North
Shore Gas to have the Commission issue an Order
terminating the reporting requirements that were set
forth in Docket Nos. 01-0706 and 01-0707. The
Companies now wish to withdraw their petition and
Administrative Law Judge Sainsot recommends that this
docket be dismissed without prejudice.

Any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the
docket is dismissed.

Item 19 will be held and will be
disposed of at a future hearing.

Item No. 20 is Docket No. 10-0452.

This item concerns Cricket's application for
designation as an eligible telecommunications carrier
under Section 214(e)(2) of the Communications Act of
1934, as amended, by the Telecommunications Act of
1996. Administrative Law Judge Riley recommends that
the Commission enter an Order granting the requested
relief.

Any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none the Order is entered.

Item 21 is Docket No. 10-0594. This item concerns a petition by the Kane County Emergency Telephone System Board seeking authorization to modify the City of Aurora's 911 Emergency Telephone Number System. Administrative Law Judge Haynes recommends the Commission enter an Order granting the requested relief.

Is there any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the Order is entered.

Item 22 is Docket No. 10-0617. This item concerns a petition by the Village of Alsip
concerning modification to its 911 Emergency Response System reinstating the system that was in place before the Village of Crestwood was part of the system. Administrative Law Judge Haynes recommends that the Commission enter an Order granting the requested relief.

Is there any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the Order is entered.

Item 23 is Docket No. 10-0618. This item concerns a petition by the Southwest Central 911 concerning adding the Village of Crestwood into the system. Administrative Law Judge Haynes recommends that the Commission enter an Order granting the requested relief.

Any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)
ACTING CHAIRMAN FLORES: Hearing none, the Order is entered.

Item 24 is Docket No. 10-0623. This item concerns a petition by Naperville 911 Center regarding modifications to the backup public safety answering point of its system. Administrative Law Judge Haynes recommends that the Commission enter an Order granting the requested relief.

Any discussion?

(No response.)

ACTING CHAIRMAN FLORES: Any objections?

(No response.)

ACTING CHAIRMAN FLORES: Hearing none, the Order is entered.


Staff?

MR. STUTSMAN: Good morning. I'm John Stutsman and I'm the project manager on this project. And I -- about a month ago I had sent you a copy of Liberty's Verification Report Investigation of
Peoples Gas Pipeline Safety Program, their seventh quarterly report. Staff asked that the Commission accept the Liberty Quarterly Report and direct Staff to post the report on the Commission's Website. If you have any questions, I'd be happy to respond.

ACTING CHAIRMAN FLORES: Any questions? Comments?

(No response.)

ACTING CHAIRMAN FLORES: Very well. Well, I just wanted to say thank you so much for the ongoing reports that are generated. They're, obviously, long and -- but, you know, this is an important matter. We want to make sure that we maintain a very close watch and that we continue to monitor compliance. So -- thank you so much. Keep up the good work.

I'm going to make a motion to accept the report and post the report on the Commission's website.

Is there a second?

COMMISSIONER FORD: Second.
COMMISSIONER ELLIOTT: Second.

ACTING CHAIRMAN FLORES: It's been moved and seconded.

    All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0. The Report is accepted and will be posted on the Commission's website.

Again, we want to thank everyone for their hard work on this.

Item 26 concerns a proposal letter to the PJM Board of Managers concerning capacity procurement.

Do we have someone from Staff? Is that Randy?

MR. RISMILLER: Yes.

ACTING CHAIRMAN FLORES: Good morning, sir.

MR. RISMILLER: Good morning. This is Randy Rismiller in Springfield.

You have before you a draft of a
letter, and as with many of these PJM issues, its sort of an obscure issue with potentially large consequences. So I will try to describe a bit of the background and some of the context for this letter.

As you know, PJM uses the RPM program to procure capacity three years forward. When a generated resource clears the RPM option, it incurs an obligation to offers into PJM's energy market every hour of the year except when the cases it's on outages. When a demand response resource clears the RPM option, it incurs a more limited obligation, specifically to respond when called upon by PJM during an emergency and to be ready no more than 10 times during the summer for no longer than 6 hours per call. And it's this limitation, particularly the 6 hours per call, that is sort of a key to the problem here. In the most recent PJM auction about 9,000 megawatts of demand response cleared. That's out of a total of around 150,000 or so. So it's a significant, significant amount.

Just the way this thing works, the more demand response resources that clear in the RPM
auction, the fewer generated resources that can be cleared. They replace each other one for one. PJM, therefore, is concerned that under the current RPM program design it could result in procuring what they're considering to be too much demand response and not enough generating resource, therefore, creating what they consider a potential reliability issue, particularly when peaks last longer than 6 hours.

PJM's proposed solution is to develop a minimum procurement target for generating resources and other resource that are always on call, types of resources that PJM calls unlimited. Once the unlimited resource target is calculated, it can be implemented either in the base residual auction or in the incremental auctions or both. The result of implementing the target in the base auction could be a significant price increase paid to the unlimited resources and a significant increase in total overall costs of the RPM program. And the reason for that, the way the math works out is that the amount of unlimited resources which will be procured and paid a
premium is proportionately greater than the amount of the limited resources, the demand response primarily, which will be procured and paid less.

So PJM recognizes this cost impact of their proposal, and, consequently, PJM is proposing -- their proposal is procure the target using both the base auction and the incremental auction. But the way it works is they're proposing to procure 97 1/2 percent of the target at the base auction, only 2 1/2 percent of the target in the incremental auction. And so because of those splits and percentages it only will have a minor effect on mitigating the total overall costs.

Using the target exclusively in the incremental auctions would result in a significantly lower cost, and the letter recommends using this approach. The letter also acknowledges that there could be downsides to using the incremental auction approach in the constrained location of deliverability areas, which are primarily in the east and acknowledges the possibility that PJM may want to choose one of the other two options in those eastern
ares, but still recommends the incremental auction
approach for the -- what they call the rest of the
RTO, which includes the Commonwealth Edison area.
PJM's Board is proposing to -- as I understand it, to consider this matter at their
meeting on December 1st and make a decision as to
what to file with the FERC. They plan to make a FERC filing, as I understand it, also on December 1st. So this letter is proposed to go to Mr. Schneider, who is Chairman of the PJM Board of Mangers, urging him to consider the cost impacts of this issue and consider implementing this alternative approach in the rest of the RTO region where Commonwealth Edison is.

So we're asking permission to send this letter.

ACTING CHAIRMAN FLORES: Any questions?

Comments?

COMMISSIONER ELLIOTT: Yeah, I was just thinking, is any other states doing something similar?

MR. RISMILLER: Not that I know of.
COMMISSIONER ELLIOTT: Okay. On a sort of an ancillary note, the PRD -- the Price Responsive Demand issue, one of the submeetings to the Market Committee -- it didn't even make it to Market Committee, I guess.

MR. RISMILLER: That's right. It's a separate issue, somewhat related.

COMMISSIONER ELLIOTT: Somewhat related but it's, again, a disturbing trend from my perspective that these things are being treated so poorly. And I know several of the Commissions wrote letters in response to that particular issue --

MR. RISMILLER: Yes.

COMMISSIONER ELLIOTT: -- at least four or five. And I was just wondering if we can get them to -- I don't know if there's a timeliness issue here or -- but it seems to me that trying to become -- or at least show some consistent front here might be worthwhile as opposed to the lone state that's --

COMMISSIONER FORD: Commissioner Elliott, it is a timely issue in this one because Randy just sent it to me yesterday --

COMMISSIONER FORD: -- put it on an OPSI schedule. But Maryland and -- did send a letter of support, and they did -- the OPSI Board adopted it. We abstained because it did not come before us and that -- we were at the meeting. So there are letters on this, a little estranged from what we're talking about. But there are letters going out from OPSI on RPM.

COMMISSIONER ELLIOTT: Good. The more the merrier.

MR. RISMIFFER: There are a couple of issues going on --

COMMISSIONER FORD: I know.

MR. RISMIFFER: -- Commissioner Ford is correct. The Maryland letter and the OPSI letter and a number of numerous states submitted a letter to the Board on which particular products -- demand response products should PJM create and allow to participate in this demand response saturation issue. So it's related to this letter but not exactly the same.

As for -- on the price responsive
demand issue, that's a different one --

COMMISSIONER ELLIOTT: Right.

MR. RISIMILLER: -- and you're right, the Members Committee did not issue up in any significant way. And PJM has decided what they will do is reconsider that matter internally within PJM Staff and take it directly to the PJM Board of Directors in February. So there will be an opportunity to weigh in on the price responsive demand issue. In fact, Raj Barua, Executive Director of OPSI, has drafted a letter regarding price responsive demand and that is pending for consideration at this point. So there are actions being taken on that issue as well.

COMMISSIONER ELLIOTT: Just like to see the producer-consumer surplus be a little more balanced.

Thanks, Randy.

ACTING CHAIRMAN FLORES: Any further questions or comments?

(No response.)

ACTING CHAIRMAN FLORES: Very well. Thank you so much.

So the letter will be finalized and
sent? If you direct, I will make a motion.

COMMISSIONER ELLIOTT: Very well, I will second that motion.

All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0 so we can get that going. Thank you.

Item 27 is a FERC matter and that concerns pending litigation. So we'll go into closed session to address that, please.

I will make a motion to go into closed session.

Is there a second?

COMMISSIONER FORD: So moved.

ACTING CHAIRMAN FLORES: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)
ACTING CHAIRMAN FLORES: The vote is 5-0 to go into closed session.

(Whereupon, at this point, Pages 37-40 of the proceedings are contained in a separate closed transcript.)
CONTINUATION OF PROCEEDINGS

ACTING CHAIRMAN FLORES: In closed session the Commission discussed making filings with FERC in FERC Docket No. ER 10-1791-000, the multi-value project transmission cost allocation case.

I will make a motion to make the filings with the FERC.

Is there second?

COMMISSIONER O'CONNELL-DIAZ: Second.

ACTING CHAIRMAN FLORES: It's been moved and seconded.

All in favor say "aye."

(Chorus of ayes.)

ACTING CHAIRMAN FLORES: Any opposed?

(No response.)

ACTING CHAIRMAN FLORES: The vote is 5-0. The motion and comments will be filed with FERC.

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

JUDGE WALLACE: No, there's not, Mr. Chairman.

ACTING CHAIRMAN FLORES: Very well, sir. Thank you so much.
Hearing none, this meeting stands adjourned.

MEETING ADJOURNED