BEFORE THE
ILLINOIS COMMERCE COMMISSION
BENCH MEETING
PUBLIC UTILITY
Wednesday, December 9, 2015
Chicago, Illinois

Met, pursuant to notice, at 10:30 A.M.,
at 160 North La Salle Street, Chicago, Illinois.

PRESENT:
BRIEN J. SHEAHAN, Chairman
ANN MCCABE, Commissioner (via teleconference)
SHERINA E. MAYE EDWARDS, Commissioner
MIGUEL DEL VALLE, Commissioner
JOHN R. ROSALES, Commissioner

SULLIVAN REPORTING COMPANY, by
PATRICIA WESLEY
CSR NO. 084-002170
CHAIRMAN SHEAHAN: Are we ready to go in Springfield?

EXECUTIVE DIRECTOR SMITH: Yes, we are.

CHAIRMAN SHEAHAN: Pursuant to the Open Meetings Act, I call to order the December 9, 2015 Bench Meeting of the Illinois Commerce Commission.

Commissioners del Valle, Edwards and Rosales are present with me here in Chicago. We have a quorum.

Commissioner McCabe is participating by phone.

Commissioner McCabe, are you with us?

COMMISSIONER MCCABE: I am.

CHAIRMAN SHEAHAN: I move to allow Commissioner McCabe to participate by phone.

Is there a second?

COMMISSIONER ROSALES: Second.

CHAIRMAN SHEAHAN: Any discussion?

(No response.)

All those in favor, say aye.

(Chorus of ayes.)

Opposed, say nay.
The ayes have it and Commissioner McCabe is granted permission to participate by phone.

We have no requests to speak and will, therefore, move into our Bench Session.

Moving on to our Public Utilities Agenda, there are edits to the Minutes of the November 12, 2015 and the 18th Public Utility Bench Session Minutes.

Are there any objections to approving the Minutes as edited for those meetings?

(No response.)

Hearing none, the Minutes are approved.

Item E-1 is ComEd's filing revising Rider Retail Customer Assessments ("Rider RCA") in order to provide a Consolidated Billing Adjustment sooner.

Are there any objections to not suspending the filing?

(No response.)
Hearing none, the filing is not suspended.

Item E-2 is ComEd's filing giving the ICC an opportunity to investigate the operation of Rider Non-AMI Metering ("Rider Nam").

Are there any objections to not suspending the filing?

(No response.)

Hearing none, the filing is not suspended.

Item E-3 concerns Mt. Carmel Public Utility Company's Reconciliation of Revenues Collected under its Fuel Adjustment Charges.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.

Item E-4 concerns Ameren's petition seeking approval of the Final Reconciliation of the Utility Consolidated Billing and Purchase of Receivable Program charge.

Are there any objections to approving
the proposed Order?

(No response.)

Hearing none, the Order is approved.

Items E-5 through 10 are Applications

for Certificates of Service Authority under the

Public Utilities Act.

Consideration of Item E-6 will be

postponed to a future meeting.

Are there any objections to

considering the other items together and approving

the proposed Orders?

(No response.)

Hearing none, the Orders are approved.

Item E-11 concerns ComEd's filing of

its Annual Formula Rate Update and Reconciliation

Revenue Requirement. There are both non-substantive

and substantive edits. The substantive edits

involve ComEd's Annual Incentive Program. I move

for the adoption of all the edits.

Is there a second?

COMMISSIONER McCABE: Second.

COMMISSIONER ROSALES: Second.
CHAIRMAN SHEAHAN: Is there any discussion?

(No response.)

All those in favor, say aye.

(Chorus of ayes.)

Opposed, say nay.

(No response.)

The ayes have it and the edits are adopted.

Is there a motion to enter the Order as edited?

COMMISSIONER MAYE EDWARDS: So move.

CHAIRMAN SHEAHAN: Is there a second?

COMMISSIONER ROSALES: Second.

CHAIRMAN SHEAHAN: It's been moved and seconded.

Is there any discussion?

Commissioner del Valle.

COMMISSIONER del VALLE: Thank you, Mr. Chairman.

I do support the Order, but I want to point something out. I would like to point out one aspect of this proceeding which might be misinterpreted.

The Formula Rate process includes two parts. Though the overall bills to ratepayers will decrease next
year, ComEd has said it will require an additional $92 million over 2015 to deliver power in 2016. This Order approves an $85 million increase in its base rate.

Any commentary about this Order that merely states that your rates are going down oversimplifies the automatic functions of the Complex Formula Rate Process and completely ignores the fact that the base rate of delivering your energy continues to increase. Thank you.

CHAIRMAN SHEAHAN: Thank you.

Any other discussion?

(No response.)

All those in favor of adopting the Order as amended, say aye.

(Chorus of ayes.)

Opposed, say nay.

(No response.)

The ayes have it and the Order is adopted.

Item E-12 concerns Ameren's filing of its Annual Update of its Electric Rates pursuant to
the Electric Infrastructure Modernization Act.

There are non-substantive edits to the proposed Order and substantive edits regarding Ameren's recovery of expenses associated with infrastructure improvement advertising.

And, Commissioner Edwards, I believe you have a statement.

COMMISSIONER MAYE EDWARDS: I do. Thank, Mr. Chairman.

I would like to go to the advertising expense section of the Order. Specifically, these edits change peoples' conclusions with respect to recovery of expenses related to AIC's advertising campaign for e-mail-related infrastructure improvements.

The money spent on this ad campaign is recoverable under Section 92-5 of the PUA because these ads were not designed primarily to promote AIC's public image but rather the record shows that these ads were intended to inform and educate Ameren's consumers about specific investments, programs, benefits, and opportunities associated
with AIC's infrastructure projects.

This Commission has on numerous occasions stated that we want to promote consumer education and we believe that these advertisements do just that. Because it's important for Ameren-Illinois customers to be informed of these e-mail-related investments and their impact on system reliability, it was prudent for AIC to spend a reasonable amount on its advertising. As such, those advertising expenses should be recovered.

Thank you to the Chairman's office for the collaboration.

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

CHAIRMAN SHEAHAN: I will second.

Is there any further discussion?

Commissioner del Valle.

COMMISSIONER del VALLE: Thank you, Commissioner, for your work on this.

This is a tough one. It's been a tough one for me because I don't know where the line is drawn between image building, advertising, and
consumer education, and I agree with you wholeheartedly that more has to be done to educate the consumer about the modernization of the grid that produces Smart Meters, et cetera, but I do ask that the company to be careful when they record these expenditures and to keep in mind that they need to make a solid case that an expenditure is for consumer education and try to eliminate any gray areas that there may be, because there were gray areas from time to time that didn't work.

We have our Staff and we have to struggle with that to try to determine what the intent was, and so the less gray areas we have, the better it is for us to be able to justify the expenditure for the ratepayers.

CHAIRMAN SHEAHAN: Thank you, Commissioner.

Any other discussion with respect to the edits?

(No response.)

All those in favor of approving the edits, say aye.

(Chorus of ayes.)
Opposed, say nay.

(No response.)

The ayes have it.

Is there a motion to enter the Order as edited?

COMMISSIONER MAYE EDWARDS: So move.

CHAIRMAN SHEAHAN: Is there a second?

COMMISSIONER ROSALES: Second.

CHAIRMAN SHEAHAN: It's been moved and seconded.

Is there any discussion?

(No response.)

All those in favor, say aye.

(Chorus of ayes.)

Opposed, say nay.

(No response.)

The ayes have it and the Order as edited is approved.

Item E-13 concerns a Joint Petition Requesting Approval of a Residential Customer Release from M.J.M. Electric Cooperative and Ameren. Is there any objection to approving the proposed Order?
Hearing none, the Order is approved.

Item E-14 is Clearview Electric's Petition seeking Confidential Treatment for two years of continuing compliance reporting.

Are there any objections to approving the proposed Order?

Hearing none, the Order is approved.

Item E-15 concerns ComEd's petition requesting temporarily extending its existing Residential Real-Time Pricing Program Tariff and to approve a program update and related compliance tariff.

Commissioner del Valle, do you have some comments?

COMMISSIONER del VALLE: Thank you, Mr. Chairman.

In Docket No. 06-0617 the Commission approved ComEd's Experimental Residential Real-Time Pricing Program, and in Docket 11-0546 the Commission evaluated and extended the program.

A Navigant report in that docket...
stated there were 11,530 participants by the end of 2010 and it looked at planning scenarios that ranged from 25,000 to 50,000 participants by 2015. According to the last annual report, there were 9,784 participants by the end of 2013, the highest number for that year.

This program has been found to have net benefits not only for those participating but, more importantly, for all energy consumers. ComEd's marketing materials on their website highlight the benefits of taking control of your energy use to achieve savings and reduce carbon emissions. The website states that its participants have experienced savings of more than 15 percent off the electricity supply portion of their bill over ComEd's fixed-price rate.

So, as people in the ComEd zone get their Smart Meters and ComEd touts their benefits, including dynamic pricing, I hope we can raise awareness and participation in this important program. Thank you.

CHAIRMAN SHEAHAN: Thank you.
Are there any objections to approving the interim Order?

(No response.)

Hearing none, the interim Order is approved.

Moving on to our gas agenda, Item G-1 is a complaint filed against Nicor Gas.

Are there any objections to approving the proposed Order dismissing the complaint?

(No response.)

Hearing none, the Order is approved and the complaint is dismissed.

Item G-2 concerns Energy Transfer Crude Oil Company's Application for a Certificate of Good Standing to Construct and Operate a Petroleum Pipeline as a Common Carrier Pipeline.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.

Item G-3 is a billing complaint filed against Peoples Gas.
Are any objections to approving the proposed Order denying the complaint?

(No response.)

Hearing none, the Order is approved and the complaint is denied.

Item G-4 concerns Ameren's tariff provisions proposing a general increase in gas delivery service rates and revisions to other terms and conditions of service.

There are non-substantive edits throughout the proposed Order and substantive edits concerning the appropriate amount of recovery for Ameren's Charitable Contributions.

Commissioner Edwards, I believe you have some remarks.

COMMISSIONER MAYE EDWARDS: Thank you, Mr. Chairman.

These charitable contribution edits change the peoples' conclusions with respect to the charitable contributions analysis and allows Ameren to recover its requested amount of $1,039,000 which includes $398,000 to Liheap, the record shows, as
these charitable contribution costs are just and reasonable.

While Staff's proposal to utilize a three-year historical average with annual 2 percent escalation was consistent with this Commission's decision in Docket No. 13-0192 in evaluating the reasonableness of recovery and charitable contributions, the Commission must discern the appropriate method to utilize on a case-by-case basis using present circumstances.

Furthermore, the Commission has not normalized charitable contribution expenses for any other utility and the record, along with all the other intervening parties, have failed to demonstrate why Ameren should be treated differently in this regard.

Lastly, but not least, now is the time to adopt a discussion to require Ameren to contribute to Liheap in the years following the test year as well as the recommendation for the reporting proposal.

With that, I move the adoption of
these items.

CHAIRMAN SHEAHAN: Is there a second?

COMMISSIONER ROSALES: Second.

CHAIRMAN SHEAHAN: Is there any discussion?

Commissioner del Valle.

COMMISSIONER del VALLE: Thank you. And once again thank you, Commissioner, for all your work on this.

I have to oppose the edit. In my opinion, this edit only examines the total charitable contribution amount in aggregate and applies a standard of "reasonableness" which only looks at whether amounts are lower or higher than other utilities of various sizes.

This is a departure from a previous methodology used by the Commission in the last Ameren gas rate case and advocated for by Staff in this case without analyzing that previous methodology's merits or why it is no longer needed.

In addition, the ALJs recommended that the Commission adopt a reporting requirement in connection with the authorization for the additional
$400,000 to contribute to the Liheap program.

I agree with the ALJs. If Ameren Gas ratepayers -- and these are ratepayer dollars and these are not state-paying dollars -- shareholder dollars, I should say -- are going to more than double their charitable contributions in order to assist low-income energy customers, ratepayers have the right to know that these funds are being used for that purpose.

The report recommended by the ALJs would provide the important level of accountability to track that the money approved for low-income assistance is used for low-income assistance.

You know, the Liheap amount caught my attention because, as we know, at this point let me commend the Governor and General Assembly for finally having approved the state's supplemental dollars that are desperately needed. I believe those dollars are a mere small percentage of eligible individuals that are being assisted.

And so when I saw this in the Order, I certainly welcomed it, but I don't want to bait and
switch here to do it for one year and then you don't
do it for the next year.

I think the reporting is important,
and I think that given my long history as a
legislator, and as a director of not-for-profit
agencies, and having been at the other end of this,
I have seen lots of things over the years, and so I
think it's important to have as many reporting
mechanisms in place as possible to ensure
accountability, because, again, we are talking about
ratepayer dollars. We're not talking about
shareholder dollars.

If we are talking about shareholder
dollars, I would say do what you want to do, give to
whatever group you want in whatever quantities you
want, but when we are talking about ratepayer
dollars, we want to make sure that the Commission
does its job to make sure that everything is in
order. So, for that reason, I oppose the Order.

CHAIRMAN SHEAHAN: Is there any other discussion
with respect to the edits?

(No response.)
All those in favor, say aye.

Aye.

COMMISSIONER MAYE EDWARDS: Aye.

COMMISSIONER ROSALES: Aye.

CHAIRMAN SHEAHAN: Opposed, say nay.

COMMISSIONER del VALLE: Nay.

COMMISSIONER McCABE: Nay.

CHAIRMAN SHEAHAN: The vote is 3 to 2. The ayes have it and the edits are adopted.

Is there a motion to enter the Order as edited?

COMMISSIONER MAYE EDWARDS: So move.

CHAIRMAN SHEAHAN: Is there a second?

COMMISSIONER ROSALES: Second.

CHAIRMAN SHEAHAN: It's been moved and seconded to approve the Order as edited.

Is there any discussion?

COMMISSIONER del VALLE: Comments on the Order, Mr. Chairman.

CHAIRMAN SHEAHAN: Commissioner del Valle.

COMMISSIONER del VALLE: I'm sorry. I just want to make sure. Fixed charges have come before the
Commission many times. The Commission has moved the utilities away from this rate design in recent years.

The Commission has found fixed charges discourage the efficient use of energy and energy saving investments among customers, and significantly they also represent a subsidy from low-use to high-use customers.

This Order approves more than a 14 percent rate increase for Ameren's territory, and this increase will fall disproportionately on low-use customers who are subsidizing high-use customers. Low-use customers include renters, low-income households, and smaller residences. The high-use customers, who are being subsidized, include larger residences, higher-rate income households, and those residing in inefficient housing.

I would like to see stakeholders and the utilities bring better solutions to the Commission that are sensitive to the real concern of rate shock but moves Ameren to a rate design for
these customers that eliminates these
cross-subsidies and are consistent with the
cost-causation principles that the Commission has
recognized to be the bedrock of good rate design.

These low-use customers should not be
subsidizing high-use customers, and we need a plan
to make sure that this is not happening.

For this reason and for those I
outlined in my opposition to the edits, I would be
voting no on this Order.

CHAIRMAN SHEAHAN: Thank you, Commissioner.

Is there any other discussion
regarding the Order as edited?

COMMISSIONER MAYE EDWARDS: Mr. Chairman, I have
a question. Do you know how to distinguish voting
for an overall Order as edited and voting for the
actual edit?

CHAIRMAN SHEAHAN: I'm sorry?

COMMISSIONER MAYE EDWARDS: So, essentially, you
do not vote for the edit but vote for the overall
Order. I guess I'm not sure how that works. Do you
understand that?
CHAIRMAN SHEAHAN: Yes. You can vote for or against an edit and vote for or against the Order.

COMMISSIONER MAYE EDWARDS: As edited?

CHAIRMAN SHEAHAN: Sure.

COMMISSIONER MAYE EDWARDS: So it doesn't contradict a negative vote for an edit and then positive vote for the Order?

CHAIRMAN SHEAHAN: Not at all, Commissioner Maye. You may wish to convey an opinion on the edit, but I think that the overall Order as edited is something that they would want to vote for and that's certainly within their right.

COMMISSIONER MAYE EDWARDS: Thank you.

COMMISSIONER del VALLE: It's a good question, and I have thought about that in the past, too, but in my mind it's about weighing things. The entire Order may have a lot of good provisions in it and even though you are opposed to one part of the Order you make a judgment call on the entire Order. In this case there's a couple I had problems with. That's why I decided to vote the way I did. Does that help?
COMMISSIONER MAYE EDWARDS: Yes.

CHAIRMAN SHEAHAN: All right. We are still on G-4. There's a motion and a second to approve the Order as edited. All those in favor, say aye.

COMMISSIONER ROSALES: Aye.

CHAIRMAN SHEAHAN: Aye.

COMMISSIONER MAYE EDWARDS: Aye.

COMMISSIONER McCabe: Aye.

CHAIRMAN SHEAHAN: Opposed, say nay.

COMMISSIONER del VALLE: Nay.

CHAIRMAN SHEAHAN: The vote is 4 to 1 and the Order as edited is approved.

Item G-5 involves a complaint filed against Ambit Illinois.

Are there any objections to granting the parties' Joint Motion to Dismiss?

(No response.)

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

Item G-6 involves a complaint filed against Spark Energy.

Are there any objections to granting
the parties' Joint Motion to Dismiss?

(No response.)

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

Telecommunications Agenda Item T-1 concerns the ICC's motion to set the maximum rates and charges for Operator Service Providers pursuant to Illinois Administrative Code Part 770.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.

Item T-2 concerns the ICC's initiated proceeding against the City of Harvey Emergency Telephone System Board for failure to file its financial reports by October 1, 2014, as required by Section 27 of the Wireless Emergency Telephone Safety Act and the Illinois Administrative Code.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.
Item T-3 concerns Illinois Electric Cooperative's Application for a Certificate of Local and Interexchange Authority to Operate as a Retail Seller -- I'm sorry -- a Reseller and Facilities-Based Carrier of Telecommunication Services.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.

Item T-4 concerns Illinois World Electric Cooperative's petition to withdraw its Certificate of Service Authority and Interexchange Service Authority.

Are there any objections to approving the proposed Order?

(No response.)

Hearing none, the Order is approved.

We have no other items on our agenda today. And, Judge Kimbrel, do you have any other matters for us?

JUDGE KIMBREL: Nothing further, Mr. Chairman.
CHAIRMAN SHEAHAN: Commissioners, do you have any other business to discuss this morning?
(No response.)
Hearing none, we stand adjourned.

Thank you.
(Whereupon, the above matter was adjourned.)