BEFORE THE
ILLINOIS COMMERCE COMMISSION

BENCH SESSION
(PUBLIC UTILITY)

Springfield, Illinois
Wednesday, March 24, 2010

Met, pursuant to notice, at 10:30 a.m. in
Hearing Room A, First Floor, Leland Building, 527
East Capitol Avenue, Springfield, Illinois.

PRESENT:

MR. MANUEL FLORES, Acting Chairman

MS. LULA M. FORD, Commissioner

MS. ERIN M. O'CONNELL-DIAZ, Commissioner

MR. SHERMAN J. ELLIOTT, Commissioner

MR. JOHN COLGAN, Acting Commissioner

SULLIVAN REPORTING COMPANY, by
Carla J. Boehl, Reporter
CSR #084-002710
CHAIRMAN FLORES: Pursuant to the provisions of the Illinois Open Meetings Act, I now convene a regularly scheduled bench session of the Illinois Commerce Commission. With me in Springfield are Commissioners Ford, Elliott and Acting Commissioner Colgan. We have Commissioner O'Connell-Diaz participating by phone from Chicago. I am Acting Chairman Flores and we have a quorum this morning.

Before moving into the agenda, according to Section 1700.10 of the Illinois Administrative Code, this is the time we allow the members of the public to address the Commission. Members of the public wishing to address the Commission must notify the Chief Clerk's office at least 24 hours prior to the bench session. According to the Chief Clerk's office there are three requests to speak. Speakers are permitted three minutes to address the Commission.

Please be advised that the Commission values the public's participation in the public comment period, but according to ex parte laws and
other procedural rules, we are unable to respond. If you have any questions or concerns, please follow up with the Commission's Consumer Services Division. For policy matters or questions you may also contact Peggy Snyder from the Commission's Office of Governmental Affairs.

First we have Representative Elaine Nekritz who represents the 57th District.

Representative Nekritz. Good morning, Representative.

REPRESENTATIVE NEKRITZ: Just have a seat?

CHAIRMAN FLORES: Yes.

REPRESENTATIVE NEKRITZ: Thank you, Chairman Flores and the members of the ICC.

I represent parts of Chicago's north and northwest suburbs and I appreciate the opportunity to be here today to give voice to thousands, literally thousands, of constituents in Des Plaines, Mt. Prospect and Prospect Heights, the communities I represent, who would be forced to pay more under the rate increase sought that's pending before you now from Illinois-American Water.
I know you have already heard from many of these folks. They appeared at the hearing in Mt. Prospect that you had. They have submitted written testimony and e-mails, and some of them even took time out of their work schedule to participate in the formal hearings. That's how strongly they feel about it.

And I believe that these customers of Illinois-American are justifiably angry. In Mt. Prospect, Prospect Heights and Des Plaines those customers already pay double or triple or more what their neighbors do who receive municipal water. The rate increase being sought by Illinois-American Water will exacerbate that discrepancy.

According to some Mt. Prospect Village officials, with the requested rate increase Illinois-American Water customers will pay nearly 50 percent more for base water supply than they even currently pay, and that's before supply charges and the fire protection charges they are also looking to be increased.

An example, an Illinois-American Water
customer in Mt. Prospect using 10,000 gallons per
month would currently pay 9.75 plus 37.10 for their
base water usage for a total of 46.85. Under the
proposed rate that would jump to $67.48, about a 50
percent increase. Again, this is multiples of what
their neighbors do who receive municipal water in Mt.
Prospect.

The situation might be more tolerable
if the service and delivery were exceptional, but it
is not. At meeting after meeting I hear complaints
from constituents about poor infrastructure
maintenance, lack of responsiveness to calls for
repairs, whether it is a leaky fire hydrant or a
broken water main, and an inability to get questions
answered regarding billing.

I would just like to spend another
second on one other component of the rate increase
request, the management fees. This is a service
company that Illinois-American Water utilizes to
collect a fee and then use that company to provide
the services. And it appears to me that it is just
another way of boosting their revenue without
providing any additional service. This fee for their
service company has increased over 22 percent in just
two years and this is at a time when we are in a
recession. Other private companies are reducing head
count and cutting back on administrative expenses.
IAW has chosen simply to ask for more from the
ratepayers.

In the summer of 2008 I joined with
hundreds of my constituents in opposing a rate
increase being sought by Illinois-American Water. It
is really unimaginable to me that less than 24 months
later I am back doing it again, fighting the same
exact battle. And I don't think that this will be
the end of it. As soon as they get an end to this
one, they will be back for more. I am asking you to
put a stop to it.

Thank you.

CHAIRMAN FLORES: Thank you, Representative.

Next we have Representative Sandra
Pihos who represents the 42nd District.

Representative Pihos, good morning.

REPRESENTATIVE PIHOS: Good morning, Chairman
Flores and members of the Commission. I do represent the 42nd District which is in Dupage County.

Illinois-American Water Company, as we know, is the state's largest privately-owned water utility. It is seeking a proposed $44,702,000 rate increase. The average rate increase in my district then would be 28.08 percent. Many of my constituents have their water needs provided by the communities, but Illinois-American customers are being held hostage by a private investor-owned utility which is charging them double or more over what municipal customers pay.

My people are outraged by the request. I have heard from many of them by e-mail, phone calls and letters, and as you know more than 609 citizens across the state have made public comments online. Combine that with the letters, the phone calls and the large attendance at the five open meetings that were held by the ICC, 175 which were residents from my district who attended.

Peoples Gas has one million plus customers in the state. And when they filed for a
rate increase, only 210 people filed concerns and complaints. Illinois-American Water serves just 317,000 customers by comparison, and the complaints filed in this case were about 450 percent higher. The customers in my area know the difference between a company which is covering its costs and those which are lining their pockets.

What has changed, that's what I need to know, in the provision of water which would necessitate such an astronomical increase. Why 44.2 percent in 2003, 5.28 percent in 2008 and now just less than two years later 24.62 percent, with the provision for up to a five percent surcharge into the future without the ICC's approval? Does anyone know that we are in a recession? People are out of work; they are struggling for survival; and we are going to tell them that the state, a company in this state, cannot even offer them water at a reasonable rate.

My public finds the increase very high, very unreasonable. I have heard the people's anger and it is my commitment to make sure that the Commission understands. In my area Illinois-American
Water Company doesn't even provide the water, just the pipes that the water flows through. They know what their neighbors are paying. Within a mile of my own home they are paying double for the same service that I receive. These customers are getting slammed with no relief in sight.

The best part is for those who care about the environment and they attempt to preserve the water for the future, the fixed charges are so high, because they are front loaded, that they are actually penalized. They are paying as much as $70 every month and that's before they even turn their water on. Someone needs to please explain the inherent unfairness in that to me.

According to the ICC's own mission statement, you are obligated to pursue an appropriate balance between the interests of customers and existing and emergent service providers to insure the provision of adequate, efficient, reliable, safe and least-cost public utility services.

Fresh clean water, as we all know, is an essential commodity to human survival. The reason
we have agencies like the ICC is to protect the people's rights to these basic necessities. Your mission is not to approve rate increases, but it is to look carefully at the associated costs and reject rate increases when they are unjustified.

We don't want to be known as the state that allows everything. We want, as we tell our children, to just say no. Here we are asking you to say no to this astronomical increase that this company is asking for, and maybe they will look for some efficiencies and be more careful next time before they assume that in Illinois anything goes.

I am just looking at the layers of their management. How many layers does one company need to run their operations efficiently?

I know that your commitment is to protect the residents of Illinois. You are the appointed public officials and I appeal to your sense of right and wrong for all the people of Illinois to resolve this issue in the very best interests of these people.

Thank you.
CHAIRMAN FLORES: Thank you, Representative.

Next we have Representative Renee Kosel representing the 81st District.

Representative Kosel.

REPRESENTATIVE KOSEL: Thank you, Chairman, Commissioners. I appreciate the fact that you have comments and I appreciate the ability to bring the voice of my constituents to you. I represent both Will and Cook County and the constituency in both of those counties have Illinois-American Water.

Under Public Act Chapter 111.2/3, paragraph 8-1 states the duties of a public utility includes that all rules and regulations made by a public utility affecting or pertaining to charges and services to the public shall be just and reasonable.

I have printed out over 609 complaints that were filed, and in reading those complaints I have yet to find one that says that this is anywhere near just or reasonable. There were 59 different towns from across the state, so it wasn't just in the Chicago area, it was across the state. Although the representatives that are here just represent the
Chicago area, there is Alton, there is Champaign, Urbana. All the different towns are represented within those comments and no one believes that it is just and reasonable.

I also have carried the voices of over 300 people that attended the Commerce Commission hearing in my office or, excuse me, in my district, and you will see in some of the news clippings that I have provided you the anger in the faces of those people when they talk about this. They do not feel that this is either just or reasonable.

Quoting Illinois-American's own website, some of my constituents will have increases of 58 percent under this proposal. So the proposal is not across the board. This is neither just nor reasonable. Under the proposal Homer Glen, smallest users, will pay $42.60 for 2,000 gallons of gold. Across the street in Orland Park, they will pay $9.82. And down the road in a town that is probably more apt because they have a new pipeline coming in and new facilities, they will pay a whopping $17.12 for the same 2,000 gallons of water. This is not
The Company wants to recover $2.3 million in rate expenses. Illinois-American Water itself says that these are fees that they have paid to answer the rate complaints of consumers. Is it fair that the rate complainers should pay for their complaints as well? It doesn't sound just or reasonable to me.

The Company says that they should pay increases between 19 and 59 percent in a flat economy. That doesn't sound just and reasonable. The typical water user in Homer Glen, the typical small water user, will go from $85 a month to 130, and there are very few people that I know that see even $130 now, so I don't want to think what it is going to be. Not just and reasonable.

Illinois-American Water just received a true-up that raised the rates 20 percent in the water. Then there was an approval just this week of the QIP of five percent a year going on. And now they want on some of my consumers a 58 percent increase. This is not just or reasonable.
I am disappointed that Illinois-American Water has come to you again for another increase. I am disappointed that I have to appear here to make sure that the voices are heard. I want to make sure that my constituents receive "just and reasonable" addressing of this issue. Enough is enough. Please listen to the law. Make this just and reasonable.

Thank you.

CHAIRMAN FLORES: Thank you, Representative. Those are all the speakers that we have.

COMMISSIONER FORD: Nice seeing you again, Representative Nekritz.

CHAIRMAN FLORES: Wanted to thank all the representatives for taking time out of their busy schedules to appear before the Commission. Thank you.

Moving on to the Public Utility agenda, there are minutes to approve from the February 24, 2010, pre-bench session. I understand that amendments have been forwarded. Is there a
motion to amend the minutes?

COMMISSIONER ELLIOTT: So moved.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER COLGAN: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed?

The vote is 5-0 approving the minutes as amended.

We will begin with the Electric agenda. Item E-1 (08-0044) involves a ComEd petition to determine the applicability of Section 16-125e liability to events caused by the December 23, 2007, storm. Administrative Law Judge Dolan recommends entering the Order dismissing the matter without prejudice. Is there a motion to enter the Order?

COMMISSIONER ELLIOTT: So moved.

CHAIRMAN FLORES: Is there a second?

COMMISSIONER FORD: Second.

CHAIRMAN FLORES: It's been moved and seconded.

All in favor say aye.
COMMISSIONERS: Aye.

CHAIRMAN FLORES: Any opposed?

Hearing none, the vote is 5-0. The Order is entered.

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

Item E-2, Docket Number 08-0264, will be held.

Item E-3, Docket Number 08-0532, will be held.

Items E-4 through E-6 (09-0109, 09-0110, 09-0112) will be taken together. These items concern the reconciliation of revenues under coal tar riders by Ameren affiliates. Staff recommends approving the proposed reconciliation Orders.

Is there any discussion? Any objections? Hearing none, the Orders are entered.

Item E-7 is a request for oral argument in Docket Numbers 09-0306 through 09-0311. This case concerns Ameren affiliates' proposed general increase in electric delivery service and gas
delivery service rates. The Commission is prepared to schedule oral argument for April 13 in Springfield. We do have a tentative time of 1:30 p.m. If for one reason or another that time does not work, we will inform Judge Wallace and the appropriate notice will be made. But we do have April 13 as the date.

Is there any discussion? Any objections? Hearing none, oral argument is scheduled for April 13 in Springfield at 1:30 p.m.

Item E-8 (09-0320) is a joint motion to dismiss brought by the Village of Burr Ridge and Commonwealth Edison Company. Administrative Law Judge Kimbrel recommends that the docket be dismissed without prejudice.

Is there any discussion? Any objections? Hearing none, the motion is granted and the docket is dismissed.

Item E-9 through E-10 (09-0577, 09-0598) will be taken together. These concern the applications for licensure of agents, brokers and consultants under Section 16-115C of the Public
Utilities Act.

JUDGE WALLACE: Mr. Chairman, just to bring it to your attention, there were two requests for oral argument, one from Ameren and a second one from the Attorney General. Did you want to delineate that you were granting both?

CHAIRMAN FLORES: That's fine. If we can just go back to --

JUDGE WALLACE: E-7.

CHAIRMAN FLORES: Let the record reflect that Ameren affiliates and the Attorney General's office have requested oral argument. So that the record is clear, oral argument is granted per the requests made by both petitioners.

COMMISSIONER O'CONNELL-DIAZ: Chairman Flores, may I inquire with regard to the AG request, was it timely filed?

JUDGE ALBERS: This is ALJ Albers. It was received after the statutory provision that would require the Commission to hear oral arguments, but it is certainly within the Commission's discretion, I believe, if they wanted to hear oral argument on
those issues, to grant the petition.

COMMISSIONER O'CONNELL-DIAZ: Just so I understand, the Attorney General did not file within the statutory deadline for oral argument, is that what you are telling me?

JUDGE ALBERS: Yes.

JUDGE WALLACE: It would be for the mandatory, statutorily required oral argument that the Attorney General would have missed that deadline. So what it turns into is it reverts back, we think, to our current rules which would be discretionary with the Commission to grant oral argument or not.

COMMISSIONER O'CONNELL-DIAZ: Thank you.

CHAIRMAN FLORES: Thank you, Commissioner O'Connell-Diaz. Any other questions or further discussion on this matter?

I would just like to, again, just so the record is clear, given that there were two petitioners who have requested we move forward on this request for oral argument, so that the record is clear, are there any objections to this request for oral argument? Hearing none, oral argument is
scheduled for April 13 in Springfield at 1:30 p.m. on
motions made by both -- requests made both by Ameren
affiliates and the Attorney General's office.

Going back to where we left off, this
would be item E-9 through E-10 taken together. These
concern the applications for licensure of agents and
brokers and consultants under Section 16-115C of the
Public Utilities Act. In each docket the
Administrative Law Judge recommends approving the
Order granting the requested Certificate for Service
Authority.

Is there any discussion? Any
objections? Hearing none, the Orders are entered.

Item E-11 (09-0609) involves a
customer billing complaint against ComEd. The
parties have filed a joint motion to dismiss this
docket and Administrative Law Judge Sainsot
recommends dismissal with prejudice.

Is there any discussion? Any
objections? Hearing none, the matter is dismissed.

E-12 through E-13 (09-0613, 09-0615)
will be taken together. These items concern the
applications for licensure of agents, brokers and 
consultants under Section 16-115C of the Public 
Utilities Act. In each docket the Administrative Law 
Judge recommends approving the Order granting the 
requested Certificate of Service Authority.

Is there any discussion? Any 
objections? Hearing none, the Orders are granted.

Item E-14 (09-0620) involves a 
petition for relief by Champion Energy to protect 
confidential and/or proprietary information. The 
Administrative Law Judge recommends entering an Order 
approving the petition.

Is there any discussion? Any 
objections? Hearing none, the Order is entered and 
the petition is approved.

COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman, if 
I might just point out that, unlike what has become 
our practice, it appears in this proceeding that the 
Applicant has responded to the ALJ's request for 
explanation for the five-year treatment that is 
requested and has shown that there is certain 
financial information that bears confidential
treatment for the longer period of time. And I would like to thank Judge Albers for making that inquiry and for making it clear for the record.

CHAIRMAN FLORES: Thank you, Commissioner. Any further discussion?

Items E-15 through E-17 (09-0622, 10-0001, 10-0010) will be taken together. These items concern the application for licensure of agents, brokers and consultants under Section 16-115C of the Public Utilities Act. In each docket the Administrative Law Judge recommends approving the Order granting the requested Certificate of Service Authority.

Is there any discussion? Any objections? Hearing none, the Orders are entered.

Items E-18 through E-23 (10-0064, 10-0065, 10-0071, 10-0077, 10-0089, 10-0124) will be taken together. These items each involve petitions for relief to protect confidential and/or proprietary information. In each instance the Administrative Law Judge recommends entering an Order approving the petition.
Is there any discussion? Any objections? Hearing none, the Orders are entered and the petitions are approved.

E-24 through E-26 (10-0141, 10-0142, 10-0143) will be taken together. These items concern petitions surrounding Commonwealth Edison Company's authority to enter into financial transactions with affiliated interests. In each item the Administrative Law Judges recommend that the Commission enter an Order approving the petition.

Is there any discussion? Any objections? Hearing none, the Orders are entered and the petitions are approved.

Item E-27 (10-0147) involves a petition for relief to protect confidential and/or proprietary information by Champion Energy as well as a motion to appear pro hac vice. Administrative Law Judge Albers recommends entering an Order granting the petition.

Is there any discussion? Any objections? Hearing none, the Order is entered.

E-28 (10-0166) concerns a petition for
relief to protect Spark Energy's annual kilowatt hour report from disclosure. Administrative Law Judge Tapia recommends entering an Order granting the requested relief.

Is there any discussion? Any objections? Hearing none, the Order is entered.

That concludes the Electric portion of today's agenda.

Turning to Natural Gas, Item G-1 (09-0191) concerns a petition by Atmos Gas Company to protect confidential information. Administrative Law Judge Wallace recommends entering an Order granting the requested relief.

Is there any discussion? Any objections? Hearing none, the Order is entered.

G-2 (09-0193) involves a billing complaint by Paula Johnson against AmerenIP. Administrative Law Judge Tapia recommends the Commission enter an Order granting AmerenIP's motion to dismiss with prejudice for want of prosecution.

Is there any discussion? Any objections? Hearing none, the Order is entered and
the motion to dismiss is granted.

Item G-3 is Docket 09-0312, MidAmerican Company's proposed general increase in natural gas rates. Administrative Law Judge Gilbert recommends that the Commission enter an Order approving new tariffs and rates for MidAmerican Energy Company.

Is there any discussion on this matter by any members of the Commission? Okay. Any objections? Hearing none, the Order is entered.

G-4 and G-5 (09-0390, 09-0569) will be taken together. These items are motions to dismiss customer complaints against Peoples Gas. The parties have settled and the Administrative Law Judges recommend dismissal with prejudice.

Is there any discussion? Any objections? Hearing none, the dockets are dismissed.

G-6 through G-9 (10-0076, 10-0078, 10-0128, 10-0165) will be taken together. These items involve petitions for relief to protect confidential and/or proprietary information. In each instance the Administrative Law Judge recommends
entering an Order approving protection for at least
two years time.

Is there any discussion? Any
objections? Hearing none, the Administrative Law
Judges' Orders granting relief are entered.

That concludes the Natural Gas portion
of today's agenda.

Starting with the Telecommunications
agenda, Item T-1 (TRM#53, TRM#54) concerns filings to
remove the termination liability section from
Illinois Bell's business local calling assurance
product. Staff recommends not suspending or
investigating the filings.

Is there any discussion? Any
objections? Hearing none, the filings will not be
suspended or investigated.

Item T-2 (TRM#63) involves Gallatin
River Communications, LLC, d/b/a CenturyLink adding
the option of a priority restoration service called
Telecommunications Service Priority System. Staff
recommends not suspending or investigating the
filings.
Is there any discussion? Any objections? Hearing none, the filings will not be suspended or investigated.

Items T-3 through T-5 (10-0029, 10-0040, 10-0099) involve applications for Certificates of Authority to operate as resellers throughout Illinois. In each instance the Administrative Law Judge recommends entering an Order granting the requested applications.

Is there any discussion? Any objections? Hearing none, the Orders are entered.

Item T-6 (10-0052) involves a customer complaint against Illinois Bell. The parties have settled and the Administrative Law Judge recommends dismissing the case with prejudice.

Is there any discussion? Any objections? Hearing none, the matter is dismissed.

Item T-7 (09-0381) concerns entering a First Notice Order surrounding the revision of 83 Illinois Administrative Code 730. Administrative Law Judge Hilliard recommends entering the Interim Order.

Is there any discussion? Any
objections? Hearing none, the Order is entered.

Item T-8 (09-0511) involves a petition to initiate rulemaking under Illinois Administrative Code Part 200 concerning interlocutory review. Both the petition and the proposed rule changes are the product of negotiations among many parties, including Staff of the Commission, the utilities, consumer advocates and various other stakeholders. Administrative Law Judge Dolan recommends entering the First Notice Order.

Is there any discussion? Any objections? Hearing none, the Order is entered.

T-9 (09-0605) involves YourTel America's application for designation as an eligible telecommunication carrier for the purpose of receiving Federal Universal Service support. Administrative Law Judge Riley recommends entering an Order granting the application.

Is there any discussion? Any objections? Hearing none, the Order is entered.

Items T-10 through T-13 (10-0003, 10-0122, 10-0145, 10-0170) will be taken together.
These items each involve petitions for relief to protect confidential and/or proprietary information. In each instance the Administrative Law Judge recommends entering an Order approving the petition.

Is there any discussion? Any objections? Hearing none, the Orders are entered and the petitions are approved.

Items T-14 through T-19 (10-0060, 10-0061, 10-0062, 10-0063, 10-0082, 10-0083) will be taken together. These items each involve joint petitions for approval of interconnection agreements involving Mediacom Telephony of Illinois. In each instance Administrative Law Judge Riley recommends granting the Order approving the agreement.

Is there any discussion? Any objections? Hearing none, the Orders are entered.

This concludes the Telecommunications portion of the agenda.

We have one item on the Water and Sewer portion of the agenda which is Docket Number 09-0319, Illinois-American Water rate case. Oral argument was heard on this matter yesterday and this
matter will be held for disposition at a future hearing.

Miscellaneous, (10-0223) our first miscellaneous item is a resolution that declares April 2010 as National Safe Digging Month. I want to recognize Commissioner O'Connell-Diaz who brought this matter forward. Commissioner, would you like to say anything on the record concerning this resolution?

COMMISSIONER O'CONNELL-DIAZ: Yes, Chairman. Just it is a good thing for all of us to remember as we are moving into the construction phase of our yard work and everything, with regard to our responsibilities and contractor's responsibilities. Because what you do in your own yard or what you have a contractor doing really will affect other people in your area if you have not done the appropriate calling to find out where those lines are buried. So for the health and safety of not just your family but all in communities, it is really an important thing for us to remember as the weather warms up, and so I think that this resolution gives
us the appropriate reminder, and I am glad that the
Commission is supportive of it.

Thank you.

CHAIRMAN FLORES: Thank you, Commissioner. I
also want to recognize Commissioner Ford. She
obviously heads our committee on gas and is
nationally recognized as an expert in this area.
Commissioner, would you like to say a few remarks,
given the importance of this resolution?

COMMISSIONER FORD: I would just simply like to
reiterate what Commissioner O'Connell-Diaz said, and
we are going to -- Tim did send a letter out and we
will be meeting with the City of Chicago to reinforce
some of the things that we want done with the
Pipeline Safety Committee. And I would like to
thank -- I don't see him here -- Darin Burk, for
always insisting that people call before they try to
do things. And I see Marcy here with our 9-1-1 and
8-1-1. I think I see Marcy.

But, anyway, I certainly thank you and
I thank Commissioner O'Connell-Diaz for bringing it
to our level on staff.
CHAIRMAN FLORES: Any further discussions by other members of the Commission? Very well. Any objections? Hearing none, the resolution is approved.

Our second miscellaneous item is a request for oral argument in Docket Number 09-0268. This docket concerns a corporate reorganization involving joint applicants Frontier Communications Corporation, Verizon Communication Incorporated, Verizon North Incorporated, Verizon South Incorporated and New Communications of the Carolinas Incorporated. Joint applicants have requested oral argument in this case. However, Administrative Law Judge Tapia indicates her belief that oral argument will not be useful in this case and believes the issues have been thoroughly briefed by all the parties.

Is there any discussion on this matter? Any objections? Hearing none, the request for oral argument is denied.

Judge Wallace, are there any other matters to come before the Commission today?
JUDGE WALLACE: No, Mr. Chairman.

CHAIRMAN FLORES: Very well. I know that we have had some changes, some new additions, to the Staff. I just wanted to acknowledge the new Staff members that have joined, various members of the Commission, and also just wanted to thank all Staff and everyone else in preparation for today's hearing.

Again, Commissioner O'Connell-Diaz, our deep condolences to you and your family.

COMMISSIONER O'CONNELL-DIAZ: Thank you, Chairman.

CHAIRMAN FLORES: At this point the meeting stands adjourned. I would just like to remind everyone that we will take a 15-minute break and we will then be moving on to the video conference room for an administrative meeting that has been scheduled for today after the conclusion of this bench today.

So thank you.

(Whereupon the meeting was adjourned until 11:20 a.m. in the videoconference room.)
ADMINISTRATIVE MEETING

CHAIRMAN FLORES: Just so that the record is clear, we are now convening the administrative meeting that was scheduled for today, March 24, following the bench.

There are two matters that we wanted to discuss here today, the first matter being a discussion beginning a dialogue on process and procedures surrounding a potential possible ICC resolution addressing the readiness of Illinois electric service providers to accommodate electric vehicles.

The second matter was brought forth by Judge Wallace and this was the scheduling of procurement meetings.

Taking the first matter on the agenda, as all of you know, Commissioners, there has been a lot of discussion in Illinois and outside the state of Illinois about electric vehicles, plug-in electric vehicles, being developed and then being sent to market sometime late, sometime this fall.

Given the potential impact that it is
going to have on the work that we do here, I just thought that it would be a good idea to caucus and start talking about some formal steps. This was also, frankly, precipitated by discussions that I believe are being had by other stakeholders in the state of Illinois and I just wanted to bring this matter to this collective body to flesh out what would be the appropriate next steps and action items.

I want to yield to Commissioner Sherman Elliott who has been doing a lot of work, doing some work in this area, has been following some national trends and then obviously to hear from the other Commissioners in terms of their viewpoints on this matter.

Commissioner Elliott?

COMMISSIONER ELLIOTT: One of the things that first impacted me with regard to the urgency around this issue was a presenter at the PJM, a demand-response symposium some months ago, from Indiana, Paul Mitchell, who has been working in this area on a pilot project for PHEV implementation in Indianapolis for two years. And he gave a
presentation of what they have been engaged in and
the work that they have been doing and some of the
problems of pulling all the parties together, the
utilities, the vehicle manufacturers, the charging
station folks, the software guys, everything that
needs to sort of work seamlessly to make the customer
adoption of an electric vehicle seamless, and
essentially not to kill the electric car again.

And so I started reaching out to see
what was going on, and it seemed that there were a
number of different independent collaboratives and
efforts going on, none of which were inter-related,
but that the NRDC and Becky Stanfield (sp) and her
group have been working with ComEd and the City, and
had drafted a resolution and they were looking to
either do something legislatively or present it to
the Commission.

And so once I was made aware of that,
I sort of circulated some things around and had some
discussions with them and certainly with ComEd in
particular with regard to, you know, actually
physically being able to implement these things once
they hit the market, and what the implications were.

And as I said, I think there are companies that are out there that are contemplating building charging stations for the public that have no idea that the Commission has regulations and rules with regard to sales of electricity, resale of electricity, public safety issues.

So there are just a number of issues that I think we need to start tracking on and particularly urgently with regard to the early adopters. And I am sure there are going to be some, considering a $7500 tax credit for up to 200,000 electric vehicle sales and with all the companies taking, it seems, a major step in this area to produce and get these to market.

So with Chicago being a key market, all of the manufacturers are looking at that, it just seems that we should make some efforts here to get something going and the sooner, the better.

COMMISSIONER FORD: Well, I would certainly like for it to come from the legislature because I think in my opinion, I think we have so much on our
plate with this Smart Grid and with the AMI, that I think that it would look like we are coming out with another pilot.

And I went back to that letter, not letter, but that editorial that you sent me on Baltimore, so I don't want us to be out front and then the prices go down on anything. I would rather it come from the legislature. Because, remember when we were at Harvard? All those cars out in California, it doesn't seem to be doing anything. I don't see a big impetus, other than from people who are elitist with this kind of thing.

COMMISSIONER ELLIOTT: Actually, it has and California has opened a proceeding on this identical stuff.

COMMISSIONER FORD: But I was sitting next to the president and that was forced from the legislature. That's why --

COMMISSIONER ELLIOTT: Actually, it was forced from his wife.

COMMISSIONER FORD: Peavey said, he said, "I am on board," but because Peavey, who you know is the
chair, had kind of twisted his arm. I want us to be
cautious and let the legislators take the lead with
this. That's just my opinion. Because all these
representatives coming in here now, that's pressure,
subtle pressure. And if they take the lead on this,
then the mayor would make sure -- let the mayor's
legislative people take the lead on this piece. I
have no problem asking the mayor to do this.

COMMISSIONER ELLIOTT: I don't have any
problems pursuing that, and I am sure parties will.
But I think in the short run, I think trying to get
something in place to enable this -- someone is going
to buy a car. How the heck do they hook it up,
what's the relationship between the dealership and
the utility, what rate do they get put on, all these
things are going to come before us. And we are
either going to have a plan in the short run to deal
with this or we don't.

COMMISSIONER FORD: But wouldn't that be
incumbent upon them, Chairman?

COMMISSIONER ELLIOTT: No, possibly in the long
run. I think the relationship between the PHEVs and
the Smart Grid and all those types of things, there are policies that you can deal with in the long term and certainly that is something that we should be looking at in cooperation with them.

But in the short run, I mean, in the next five months, someone is going to buy an electric vehicle. There is a Tesla dealership that has opened up in Chicago. General Motors really wants to move in the Chicago market. And it is an issue that we, I think, have to have some regulatory enabling, some tariffs, something, some means to allow this to happen.

COMMISSIONER FORD: Then why would they buy before -- that to me is putting the cart before the horse.

COMMISSIONER COLGAN: That's part of the problem.

COMMISSIONER O'CONNELL-DIAZ: If I might, I am not sure what a resolution is going to do to effectuate that, number one. Number two, I think the Commission -- to Commissioner Ford's point, what I am hearing Commissioner Elliott say is that there is
going to have to be changes in our tariffs, massive amounts of changes. So I don't really know that the resolution does anything to do that except put us out in the front of the parade.

That being said, I think that -- and I could be very wrong -- but I think that this issue is being addressed in the Smart Grid collaborative and so are we jumping into some area that is part of that process? And to be honest with you, unless I had a presentation by these respective companies as to what their notions are, I really don't know enough to do anything. And, again, I go back to I don't know what a resolution does. A resolution to me doesn't effectuate the change that I think we are going to need to do to actually have the stations, the hook-ups, how that's going to be billed, how the infrastructure is in place to do that.

This kind of reminds me of, you know, when we were getting the independent power producers and everybody went out and they went out along the road sides where there were transmission facilities, and many of those places are out of business today.
So I just think that we should go cautiously and I do think it is going to require a legislative change. And, honestly, I just don't have enough baseline information. Maybe that would be the place for us to start, where we would invite companies to come and make presentations to the Commissioners.

But as far as -- I would be uncomfortable in getting into a resolution situation at this juncture. And I do understand that there is this time element but, you know, the companies that are going to be bringing this to market should be thinking about that and so should our legislature.

COMMISSIONER FORD: Maybe we can have California -- are they ahead of the game, is that what you are saying, Sherman?

COMMISSIONER ELLIOTT: Yeah, they are clearly ahead of the game. And Michael Peavey, the impetus behind that was his wife bought a Mini Cooper that was electric and she was charging it and it took too long to charge, it never got fully charged and finally was dead on the street and they thought they were charging it. So they opened up an
investigation. That's basically what it is.

COMMISSIONER O'CONNELL-DIAZ: Isn't his wife a legislator, too?

COMMISSIONER ELLIOTT: Yes.

COMMISSIONER O'CONNELL-DIAZ: Yes, right.

COMMISSIONER ELLIOTT: But this is a Commission opening. I could send around the scoping memo that Michael Peavey wrote and these are the types of things that I think are being contemplated by the parties seeking to address this, particularly with regard to the short term aspect. And what the resolution I think is intended to accomplish, is to start a workshop process for a very brief period of time to try and work these issues with a tariff filing by the utilities.

And so, you know, that's the -- and some short term solution to dealing with home charging and not necessarily the public charging infrastructure but just a short term idea of how does someone that wants to buy a car make it work.

COMMISSIONER FORD: What would they do? If you were to buy a car, what would you do now? The
batteries I am told are not up to par.

COMMISSIONER ELLIOTT: They are being sold.

One in five cars in California is an electric vehicle right now.

CHAIRMAN FLORES: That's -- and I am sorry to cut in. Manuel Flores for the record. That's one of the concerns that we had when we were in California for the Harvard -- the Kennedy School program. What I took from that presentation was that, you know, there were some real concerns also by the utility companies in understanding how these cars then were going to effect some of the things that they are doing.

And, you know, one thing that we ought to consider to also Commissioner O'Connell-Diaz's point is, you know, in crafting whatever it is that we decide on is to -- I think the information for us is very important, all right, in terms of not just from the car manufacturers and what they need, but also to hear from the utility companies in terms of how they are going to be -- you know, what are the needs that they are going to have, frankly, in terms
of being able to also provide the services that are
going to be required to meet the demand created by
the sale of these cars.

Commissioner Colgan, did you want to
say anything?

COMMISSIONER COLGAN: Well, I understand your
point, Chairman. You know, I read some of the memos
that were coming out of that collaborative in Chicago
with all the different parties, and it seemed like
they had a very entrepreneurial spirit about how they
were charging forward on this issue. And I think
they were pretty -- you know, the groups were pretty
ideologically aligned and I think they were really
hopeful that they were going to get something out of
that process.

But then you start to notice that part
of their idea is that like in parking lots they would
have battery charging stations where people would be
plugging their cars in. And that, I think we have to
be involved in that. I mean, it is like that's the
resale of electricity. And then, you know, to set
all that infrastructure up. So I understand that at
some point we are going to have to be involved in this because, you know, we are going to have to be a check off at some point down the line.

I am not clear what you think the General Assembly would do on this. Can you explain a little bit?

COMMISSIONER FORD: I think the General Assembly, if you are going to do -- we are talking about tariffs again. Isn't that raising costs? I want them to take the lead and then we will have somebody to point a finger at. That is the same way with this Tenaska piece. They take the lead with these big issues, in my opinion; then we will have somebody to say, well, this came through the state legislature, they are asking us to do that.

COMMISSIONER COLGAN: Are there legislators involved in this issue?

COMMISSIONER FORD: Well, I think there should be if we don't get involved.

CHAIRMAN FLORES: Well, I think, if I may, the only way that this is going to work, though, the right way is if you were to include very early on the
governor, you know, cities. The City of Chicago, for instance, is involved in this program right now. And one concern that I have and I am sure it is shared by all of you is the City of Chicago is engaged in this program but I don't think they have engaged the ICC at all about what it is that they are -- well, maybe Tim, but.

MR. ANDERSON: We are engaging. The City's thing has been going on for a little while. ComEd through Val Jensen (sp) clued us in. We have become --

COMMISSIONER FORD: Who is the lead at the City?

CHAIRMAN FLORES: It is the Commissioner of the Department of Environment. But they have been working on this now for some time.

COMMISSIONER FORD: Where would they plug their cars in, Sherman?

COMMISSIONER ELLIOTT: Well, that's the problem. I mean, the real issue here is I think a lot of people have been concentrating on public charging infrastructure and all the data that I have
seen say that 80 percent of these vehicles are going to be charged at home. And the real issue from my perspective is what is the rate? I mean, are we going to have these folks on average flat rates charging their car when they get home at 5:00 o'clock in the afternoon? And we know that that doesn't cause a problem today with five or ten. But when you get to 100,000, then you have got significant problems. And it doesn't --

The other thing is the distribution infrastructure. When two or three of these things cluster in the same neighborhood, which is what they have been experiencing in California, everyone that wants to drive a vehicle, an electric vehicle, tend to live in generally the same areas. They are having significant impacts on the distribution infrastructure and the utilities aren't really aware of it because they don't have the Smart Grid infrastructure in place yet.

So the initial stages of this and how it is done, particularly, you know, what rate, I mean, ComEd has an RTP rate now and to the degree
that they are going to have to work with the automobile dealer to put in any type of infrastructure in the home, to deal with, you know, what rate design they are on, those are things that I think we need to be working on and working on now. Because if we don't, there is just going to be no connection between these things.

And people are going to buy them. They are not going to wait for legislative response here. You know, General Motors and everyone else, Nissan, are putting these things out. There is a tax credit. People are going to buy them; they are going to show up; they are going to plug them in at home and we are going to run into problems.

MR. ANDERSON: Some of what's happening, too, is everything is being marketed without any kind of --

COMMISSIONER FORD: Right.

MR. ANDERSON: I think there is some building developers in the city who have made part of the marketing for the building we have got charging stations on every other floor for your electric cars.
CHAIRMAN FLORES: That's right.

MR. ANDERSON: Well, there is no way for that to work. So people are going to buy --

COMMISSIONER FORD: I think it is going to be misleading.

MR. ANDERSON: And people are going to have expectations that won't be able to be met because nobody is ready for --

COMMISSIONER ELLIOTT: Not only that but we don't know what the building is doing, who is charging that customer for that service, is it part of the -- you know, what's the public safety issues around that.

MR. ANDERSON: Does ComEd understand what they have got? I mean, do they understand that -- I mean, they probably have to know about it.

COMMISSIONER FORD: I am sure they have to be licensed by the city to have a charging station.

MR. ANDERSON: But the station city is pushing it.

CHAIRMAN FLORES: Again, from my experience with the city,
sometimes we try our best to communicate with one another but sometimes we are not on the same page. And I think, you know, and then expanding that a little bit, again, if we don't have other stakeholders like the legislator, House of Representatives, the Senate, Governor's office, other municipalities, I mean, if you took a look at Naperville, for instance, and what they are doing, some of the exciting things that they are doing with their Smart Grid technology, and I am sure they are already looking at the plug-in electric vehicle and how it is going to be interfacing with their system, I think it behooves us to address this issue now, but to do it to Commissioner Ford's point, to do it in a way where we are collaborating and create a mechanism where we are all talking about this together and we are all taking the lead so that everyone on the front end has a role to play and everyone understands what the rules of engagement are going to be.

One concern I personally have is, again, where someone creates a mandate but doesn't include us in that discussion on the front end and
then all of a sudden we are put in a position where
we are very limited and whereby later on down the
road we realize well, gees, if only we had been
involved earlier on, we would have had a little bit
more latitude and flexibility to really address these
issues.

This place, the ICC, has the
expertise. We have the experts in place, the people
who understand energy, who understand energy policy,
ratemaking, how these systems work. I think it is
imperative that we be involved on the front end.

That being said, I think, again, reiterating
Commissioner Ford's point, we want to create a
mechanism where we include other stakeholders to also
take the lead along with us.

COMMISSIONER FORD: I want to see how --

COMMISSIONER O'CONNELL-DIAZ: Chairman, if I
might, you know, three years ago I was at, I don't
know, the Mark conference and the whole buzz was
about natural gas vehicles. So, you know, I think
that there are several different modalities of these
eco friendly cars, I will call them. So I think that
limiting this to just the electric vehicles versus the natural gas vehicles or any other modality that is going to be popping up may be a mistake.

And honestly, I mean, obviously there are companies that are manufacturing these vehicles. They should be in talking to us and making presentations so that we have the information foundation to know what's out there. And I just don't have that at this point.

And, again, I go back to the Smart Grid workshops and I believe that these issues are somehow being covered there and are we stepping on their terrain and that is a docketed proceeding. So I don't know what the resolution gets us. I mean, I think that maybe we start --

COMMISSIONER FORD: We will know April 6, won't we, if it is out there? How much do these cars cost?

COMMISSIONER ELLIOTT: It depends. Some of them are as low as 25,000 plus you get a $7500 tax credit. So these things are going to move; there is no question in my mind.

And I think with regard to, you know,
the Chairman's points, you know, trying to -- there are activities going on right now. There are actions being taken in various levels at various arenas that are going to have an effect. If we come into this late in the game, we are going to be seen as, you know, creating barriers, that all of a sudden we are getting involved, etcetera, etcetera.

And I think you are right, your point is well taken, that trying to bring these parties altogether collectively to talk about these issues so that we are not the last guy in the game with all of a sudden all the regulatory problems and all the certification and all the concerns that we normally have are now suddenly in the forefront and of concern to these parties.

CHAIRMAN FLORES: Commission Colgan?

COMMISSIONER COLGAN: Yeah, I think that we are -- I think this is a good place to have a discussion like this and maybe we need to have it more on an ongoing basis. Because I think we are really talking about fundamental perspectives of what the Commission is and what our function is. I mean,
we are living in a changing world and so I think the Commission, we are going to have to change along with everybody else. And I have not been here long enough to really have, you know, a full point of view on this, but it seems like the mode that we operate in is we wait for things to come to us. And that's pretty much a judicial, quasi-judicial, mode that we operate in.

It also seems like in this brave new world we are heading into, we are going to have to take some steps in terms of out there being involved in what you might more accurately refer to as a legislative mode, like having some upfront input. Because we do have the expertise here. And I have worked 20 years down the street and there are some notable exceptions in terms of expertise, but in these areas, you know, there is none. They don't go very deep into this. So what you get are these political ideas, these popular looks Green America ideas that sell politically and it sounds great.

I was over there yesterday at the Illinois Chambers Energy Meeting and, seriously, the
discussion was all about economic development and the renewable portfolio standards and there was not one -- well, other than a woman from Exelon made a comment about we need to consider the customers, you know, the costs and do they really want this stuff because it is going to cost money.

So I think, you know, that we have some role here. And I am not clear on exactly what that role is, but I think we should at least have staff at some point involved in these discussions so that, you know, because they might have to come back and redo the whole plan. Because nobody knows -- these discussions that are happening in Chicago, it's like they don't even know the Commerce Commission exists.

COMMISSIONER ELLIOTT: Right.

COMMISSIONER COLGAN: It is like, oh, we can do just do this, you know.

MR. ANDERSON: And we got involved in that because we were told about it by ComEd and we are still trying to kind of -- we have contacted them. We have asked to be involved. Kind of the feedback
we got is, well, we are kind of on a break. We are writing a first phase report and then we are going to go into phase two. So we are trying to catch up. We are trying to catch up into phase two.

But, you know, if they are talking about parking lots and plug-ins in parking lots, they are obviously not thinking about the regulatory aspect of that.

COMMISSIONER ELLIOTT: Exactly.

CHAIRMAN FLORES: And that hasn't been the practice, frankly.

COMMISSIONER COLGAN: In today's lobby it would be a throwaway.

MR. ANDERSON: Because that sounds very convenient.

COMMISSIONER ELLIOTT: And the other thing to the point, I know ComEd has got $5 million in ERA funding for this project that they are working with the city. So they are spending money. They are moving forward with this and they are putting real money into it.

And, again, if we are not involved in
driving these people into a process that somehow is here at the Commission, then whatever gets developed, if we have to turn around somehow and dismantle it because of regulatory concerns or delay it, again, because we weren't involved in the process --

COMMISSIONER FORD: But if ComEd is involved, then they know about the ICC. Come on now.

MR. ANDERSON: Which is why they --

COMMISSIONER FORD: They have lawyers there with them. Well, then they should have started their legislative piece. And they have lobbyists and they have money. He just said they have $5 million. So who heads the Energy Department for the Senate and the State House of Representatives? Who is the Energy chair in the House?

MR. ANDERSON: In the House is -- I think the public utilities is what they have been using this year. I think it is Annazette Collins.

COMMISSIONER FORD: I know Annazette very well. Who is in the Senate?

MR. ANDERSON: Mike Jacobs.

COMMISSIONER FORD: I don't know him, but I
certainly know Annazette. And I think ComEd and the

city needs to have a conversation, and I certainly

want to look back at those plug-in hybrid vehicles to

see exactly what California, since they have one in

give, I would like for us to go out there and look at

that. Look at their stations to see how they, step

by step, how they did it.

COMMISSIONER ELLIOTT: They are working on that

right now.

COMMISSIONER COLGAN: I think the regulated

utility is going to want to have that charging

station be their charging station.

COMMISSIONER FORD: Of course.

COMMISSIONER COLGAN: I am sure there are other

people who would like to have a piece of that.

COMMISSIONER FORD: You said the right word

when you said entrepreneur. Everybody that's running

now wants to buy those places to make money.

COMMISSIONER O'CONNELL-DIAZ: To bring in a
telecom analogy, it is going to be like a pay phone

that we never can find any more. But that's kind of

what I am seeing that could be -- and then you are
going to have the same type of certification processes that accompanied those pay phones and were the big rage in the '90s.

And I totally agree with what Commissioner Colgan so succinctly stated. You know, the political poppycock, as opposed to the real nuts and bolts, and the bottom line is somebody is going to pay for this and it is going to be the ratepayers that we have to shove those costs on to. And I don't know how that is even factored into all of this, you know, renewable green, green, green, green, green. Well, green is the cost of money and it is going to cost a lot of money to do all of this.

And I am certainly -- you know, I think it is great for us to be environmentally conscious and sound and do all these things, but, you know, we heard this morning from three different representatives that told us to just say no, no matter what a rate increase was. And these are going to be rate increases. There are going to be tariff changes. There is going to be all of these things.

But, again, I go back to the
informational piece, that I don't really think we have this informational piece. And if ComEd is there and Ameren is there, then obviously I think there is an obligation for them to come in and talk to us about what's going on in these meetings that are going on with regard to the City of Chicago.

And, you know, the City of Chicago, no offense, they want it their way or the highway. And they are very closed about how they do things. And they care nothing about the regional impact of what they do and how others are going to pay. And I say that as a former Chicago resident and a McHenry County resident.

So, you know, these are things as regulators -- that's why it is great that we come from all different parts because we kind of look at it a little differently. But I think we need to learn more about it before we start sticking our head in a place that it may not be appropriate for us to be doing it, when we don't have the base knowledge for it.

CHAIRMAN FLORES: Let me just say for the sake
of time because I know that Commissioner Elliott has
got to get going, that's why I wanted to bring this
up in this administrative meeting so that we would
have the ability to have this discussion and to
really formulate it in a way that made sense.

Again, I just want to reiterate that
it is critical, given what the ICC's knowledge of the
importance of making sure that policies, whatever
policies are made, that they be in line with all of
the areas and the factors that we have to regulate,
all right. I think a good point has been made with
regards to protecting that consumer interest and
recognizing that a variety of policies, while they
may seem politically good and expedient, that we have
to be mindful of what the expenses are going to be,
that we enter into these policies with our eyes wide
open.

But, frankly, the ICC is in the best
position to inform and instruct these parties. And
that's why, again, I think it is good for us to have
these discussions and to think about the vehicle by
which we can provide for that instruction, to avoid
the issues that Commissioner O'Connell-Diaz just
referenced and also Commissioner Colgan, Ford and
Elliott.

Let me make this recommendation.

Commissioner Elliott indicated that he had some
literature on this issue. If anyone else has any
other literature on this issue, I ask that the
parties make that available to all of the assistants
so that everyone has an opportunity. I believe that
with regards to a resolution, Commissioner
O'Connell-Diaz, I think it could be along the lines
of frankly instructing parties that we regulate that
if you are having these discussions, to come before
the ICC to give us a report.

COMMISSIONER O'CONNELL-DIAZ: You know what,
Chairman.

CHAIRMAN FLORES: I am not done.

COMMISSIONER O'CONNELL-DIAZ: We don't need a
resolution for that.

CHAIRMAN FLORES: I am not done. Can I just
finish my remarks, with all due respect? It is a
recommendation. I am not suggesting that that's the
vehicle we choose. It is a recommendation of a possible vehicle. So I think it starts, though, from the perspective of making sure that everyone has the information and so that people can review this material so that we can decide collectively what is the appropriate next steps.

That being said, I would just like to remind everyone again, though, that timing is important. Given that people are already meeting, given that the industry has already indicated that they are going to be marketing these vehicles, given that our own President of the United States has indicated, has demonstrated, a real strong interest in this, and given that you have also had discussions even among the FERC commissioners about this material, we in Illinois have to be prepared as the chief regulatory commission of the utilities.

So let me just say in wrapping up here that if, Commissioner Elliott, if you can distribute the materials you have...

COMMISSIONER ELLIOTT: Certainly.

CHAIRMAN FLORES: ..let's plan on having
another administrative meeting in the next bench session that we have to then discuss this issue. I am hoping that at that point we can agree to some concrete next steps or measures, given the information that we will have.

COMMISSIONER FORD: One other point, I would like to look at best practices. See, we don't need to try to always reinvent the wheel. If California takes the lead, I want to know what they did, Tim, if you are going to find somebody to this. That's the way I would like at it.

COMMISSIONER ELLIOTT: I think they are in the middle of looking at the same things that we are talking about.

COMMISSIONER FORD: But they seem to be farther ahead, if they are one in five. Somebody has to be.

COMMISSIONER ELLIOTT: That's what I am saying. They are buying these cars without a plan. They are putting them in their garages and plugging them in.

COMMISSIONER COLGAN: I think it's good to look at that, though.

COMMISSIONER ELLIOTT: I mean, that's what's
being done in California.

COMMISSIONER O'CONNELL-DIAZ: But I have a question. I don't believe on our staff we have anybody that is an expert on plug-in hybrid vehicles of any sort. Are there any stimulus moneys that are available that we could in fact get somebody that is an expert in that field?

And I am not slicing our staff or anything, but we all are assuming that we have someone that is an expert in this area. And forgive me, but we are running low on the amount of employees that we have. We have 8,000 rate cases; people are working around the clock. And so, you know, we just need to be mindful of this. And I don't know whether we have anybody that is there that does that, and maybe some of these stimulus moneys could be utilized for that purpose.

MR. ANDERSON: I think we have utilized the stimulus money and there are some people getting ready to come on board. In the energy area these are young people. That's the way we did it. But I think they are --
COMMISSIONER FORD: Saying something about us olders?

MR. ANDERSON: But we can submerge them in this kind of thing. Mary has a person who is getting ready to start in that area, too, could assist from some of the legal aspects. So we can get on that from that perspective. That's what we have these folks here to do, is some of these new emerging areas. So we can get right on that.

COMMISSIONER O'CONNELL-DIAZ: Good.

COMMISSIONER FORD: The last question for Sherman. Who is paying the bills when the people plug in, Sherman? I guess that's my --

COMMISSIONER ELLIOTT: That's the problem. What you have got is a car with a battery and a plug. You go home and you plug it in. The issue is, is this good policy, and the answer is no. What you want to do is have these things charge off-peak. Well, how do you do that? What's the mechanism that you accomplish that with?

COMMISSIONER COLGAN: People will be burning their house down because they are trying to get
something out of the plug in the wall that it is not
designed to provide.

COMMISSIONER ELLIOTT: Exactly. And the cars,
they are not charging the way they are being told.
So what's happening is the experience is turning out
bad for the consumer, bad for the automobile
manufacturer. It is bad for the utility because they
have got distribution system problems related to the
clustering of these things. And now they are all
finding out that we need to come together to solve
these problems and here are the problems, and that's
what California is in the middle of doing.

And looking at the scoping memo, the
scoping memo that Michael Peavey wrote, about the
investigation that they are dealing in, it is exactly
the same things we have been talking about here.
What's the short term solution to deal with the guy
that comes home with the car? What's the long term
solution when it comes to the Smart Grid? And that's
the sort of think that we are dealing with in the
collaborative.

COMMISSIONER FORD: What was their regulatory
controls before? They had none? They had no regulatory controls before this happened?

COMMISSIONER ELLIOTT: No. I mean, you don't have to go to -- when you buy a car, there is no connection between that and the utility or the regulatory community. You just buy a car with a plug.

COMMISSIONER COLGAN: Well, that's a missing step then.

COMMISSIONER FORD: The missing step is that the consumer evidently didn't know that they were going to pay more to plug that car in.

COMMISSIONER COLGAN: Deceptive practices.

COMMISSIONER FORD: Absolutely.

COMMISSIONER O'CONNELL-DIAZ: Well, here is another thing, and this really does go to the legislative impact of this. If this is the fact that there is no plan, there is no -- there does need -- I mean, the entities selling the cars are licensed by the state. There has to be a connectivity between that and how the new gas for the car is going to come into that car. And that really is a legislative
function.

If the law is changed to the effect that the car manufacturers as well as the car dealers are going to have to, you know, fit that piece of the puzzle in, that's the front end part. And, you know, that is a legislative function because the Commission can't be telling them what to do, they can't tell the City of Chicago what to do.

MR. ANDERSON: Well, at a minimum that involves the Secretary of State.

COMMISSIONER ELLIOTT: Right. There are many issues here, the motor vehicle tax not being done on gasoline, if these things take off, who knows. I am agnostic with regard to whether they are ever going to go.

My issue is what do we do in the short term for somebody that comes home with a car in November of this year with a plug. Because there is no relationship.

COMMISSIONER O'CONNELL-DIAZ: How many cars are coming to Illinois in November of this year?

COMMISSIONER ELLIOTT: Well, if there is no
infrastructure to do this, they probably won't market in Illinois. That's the other issue. I mean, they will bypass those communities that aren't able. That's why the two-year program in Indianapolis was so interesting because they weren't going to market in Indianapolis because the city wasn't ready. But with what they have done over the last two years, now the automobile manufacturers are looking at that community as coming in and doing business.

COMMISSIONER O'CONNELL-DIAZ: Then let's look at what they did. That sounds like they are a Midwestern city. Let's see what they did.

COMMISSIONER ELLIOTT: Yeah, there is no question that we can certainly take whatever best practices they have accomplished.

COMMISSIONER COLGAN: So have the staff that's going to take a full scope look at it, and I support your idea that we circulate the memo that you are talking about and continue this discussion.

COMMISSIONER FORD: Absolutely continue it.

COMMISSIONER ELLIOTT: But I just feel a sense of urgency here, even if it is one car. And I know
somebody is going to buy the darn thing, you know.

CHAIRMAN FLORES: Let's get you out of here, Sherman.

COMMISSIONER COLGAN: They will go California and buy the car and drive it here.

CHAIRMAN FLORES: Again, let's just agree, though, that we are going to be exchanging information regarding these initiatives and let's plan on addressing this issue the next admin meeting which will be scheduled for the next bench that we have scheduled, with the intent of having a more formalized idea of how we want to move forward on this issue, okay.

COMMISSIONER O'CONNELL-DIAZ: Well, I just want to say something about our admin meetings. You know, obviously we bring these issues up at the admin meetings, but I would encourage everybody to talk amongst ourselves outside the admin meetings and encourage that type of discussion, that we are not violating any kind of rulings of the Commission, but certainly we really do need to dialogue among ourselves and not just at the admin meetings. And I
think that we could be doubly productive because of that. So I would encourage everyone to, you know, when we have these issues that come up, let's talk about them in between time and we will get double the fun out of it.

COMMISSIONER ELLIOTT: Absolutely.

MS. STEPHENSON-SCHROEDER: I would only concur on that point. Can I just say, I think Commissioner O'Connell-Diaz hits on a very important point. Admin meetings are supposed to be for personnel and scheduling matters, so it is really limited what you can go into discussions on. We have had this problems in the past and sometimes you stray off that. You can stray a little and talk about ideas for proposing and scheduling for proposing things, but you are really supposed to stick to personnel and scheduling matters.

COMMISSIONER O'CONNELL-DIAZ: So really, these issues, we can really do these among ourselves and I think we can be very -- what is the word I want -- productive in talking about these all during the
weeks and I don't think we really need to be just only isolating these for admin meetings. And based on what Mary just said, which I didn't really think about, it is probably not appropriate for them to be at the admin meetings. So I think we really should start talking among ourselves without violating any rules and figure out a game plan for this, and we don't need to have it at the admin meetings. We can really start working on what we want to be doing with this and come to some good, well-constructed programs.

CHAIRMAN FLORES: I just agree with that and, Mary, I appreciate just the reminders in terms of the admin meetings. I also, though, share the views that Commissioner Colgan expressed that these admin meetings are, I think, a good idea in addition to what Commissioner O'Connell-Diaz indicated, just so that we stay on track in terms of scheduling. I know we have so much work on our docket and, you know, what we are doing individually, but I think these are good meetings just to keep moving forward.

So that being said, I just want to
thank all of you and also Commissioner Elliott. We wish you a safe travel to wherever you are going.

COMMISSIONER ELLIOTT: Yeah, I am going to go talk about transmission planning. I am excited.

COMMISSIONER FORD: Well, you better have control of citing. Lock it down, lock it down.

CHAIRMAN FLORES: Judges Wallace?

COMMISSIONER FORD: The southern states would never go with it, if it wasn't states' rights.

CHAIRMAN FLORES: Judge Wallace, do you want to talk about the scheduling of the procurement meetings?

JUDGE WALLACE: Well, the initial thing is Richard says we need a meeting March 30 or 31 for the Ameren capacity benchmark methodology.

COMMISSIONER FORD: The 31st is not good for me unless it is in Chicago because I have a meeting.

MR. ANDERSON: It would be a special meeting.

JUDGE WALLACE: Well, it will be a special open meeting and it can be anywhere and it can be video conference.

COMMISSIONER O'CONNELL-DIAZ: The 31st in
Chicago is fine for me. Is that okay, Commission Ford?

COMMISSIONER FORD: That's fine. It would have to be because I have a meeting right after that.

JUDGE WALLACE: And Commissioner Elliott got out of here, so I don't know if that's good.

CHAIRMAN FLORES: What was the date again on that?

COMMISSIONER COLGAN: March 31.

JUDGE WALLACE: March 31, whatever time.

CHAIRMAN FLORES: I will not be here. I will be out of the country, so.

JUDGE WALLACE: You are available?

COMMISSIONER COLGAN: I am available.

JUDGE WALLACE: Well, we just need to check with Commissioner Elliott to see if he is available. Whatever time you want to do it is fine. We have until Friday to put out notice.

COMMISSIONER O'CONNELL-DIAZ: Commissioner Ford, what time is your commitment?

COMMISSIONER FORD: It is not until 4:00.

COMMISSIONER O'CONNELL-DIAZ: So how about is
10:30 good for everyone or do we want to do it in the afternoon? What's everyone's pleasure? Commissioner Colgan?

COMMISSIONER COLGAN: I am good.

COMMISSIONER O'CONNELL-DIAZ: I know you are good. I was asking for a time.

COMMISSIONER COLGAN: That day looks good.

10:30 is fine with me.

MR. ANDERSON: And just for background, these things, we don't have anything else like this. I mean, the procurement administrators in the IPA kind of decide how these things are going to run and then we end up throwing out -- they are always special meetings. We try to work them in with existing scheduled meetings but a lot of times we have to, because it is a one-day turnaround, say we need a meeting this day or this day. We really have nothing else like this. It is not ideal, but it is the way the law sets approving these things up.

COMMISSIONER O'CONNELL-DIAZ: So we don't have any choice. We have to meet by those deadlines.

MR. ANDERSON: Right, and especially if the
capacity -- the benchmarks end up driving everything else. So we have a little bit more forward notice on what the actual RFP approval things are, but the benchmarks kind of end up -- they don't even have most of the rest of them scheduled yet.

COMMISSIONER O'CONNELL-DIAZ: Well, we have a quorum even without Commissioner Elliott, so I think we are okay.

MR. ANDERSON: No, I don't think we do.

COMMISSIONER O'CONNELL-DIAZ: We have got three?

MR. ANDERSON: I think we need four.

JUDGE WALLACE: We need Commissioner Elliott.

COMMISSIONER O'CONNELL-DIAZ: We have three?

JUDGE WALLACE: No, our quorum is four.

MR. ANDERSON: When you are at a full five, you have to have --

COMMISSIONER O'CONNELL-DIAZ: I am sorry. I got so used to the other way.

COMMISSIONER FORD: We can have Alicia e-mail him and find out.

JUDGE WALLACE: He will be back.
COMMISSIONER FORD: Yeah, he will be back. He will be back in time.

COMMISSIONER O'CONNELL-DIAZ: He can always call in.

JUDGE WALLACE: No, he can't call in, either.

MS. STEPHENSON-SCHROEDER: Yes, he can.

JUDGE WALLACE: No, he can't. The quorum has to be either physically present or video.

MS. STEPHENSON-SCHROEDER: I thought if they are altogether, then one still can call in.

MR. ANDERSON: The fifth could call in.

JUDGE WALLACE: The fifth person can call in, not with four.

MR. ANDERSON: You need the quorum in place.

MS. STEPHENSON-SCHROEDER: I am sorry. I am sorry. I thought Chairman -- I didn't hear Chairman Flores wasn't going to be here. I'm sorry.

JUDGE WALLACE: And then the next meeting is, according to Richard, is it looks hopefully it could be taken care of April 6 or 7, and it all depends on whether you want to take one day to vote or two days to vote.
COMMISSIONER FORD: April 7 I will be gone to Charleston, West Virginia, for my OPSI board.

COMMISSIONER O'CONNELL-DIAZ: And we have the meeting on the 6th, so let's get that done on the 6th. We will be here.

JUDGE WALLACE: Again, it depends if they get the report in.

COMMISSIONER O'CONNELL-DIAZ: Encourage them to work quickly on it.

COMMISSIONER FORD: Because we leave right after the April 6 meeting.

JUDGE WALLACE: But there should be four here to vote on the 7th, right?

CHAIRMAN FLORES: Yeah.

JUDGE WALLACE: And it gets goofier when ComEd starts rolling in, too.

MR. ANDERSON: It gets goofy. And they wanted to go to one day. Aren't we at one day now?

JUDGE WALLACE: Well, March 31 is two days but the April 6, 7, 8, if we go -- if it comes in April 6 like Richard suggests and we vote on it April 7, it's the one day. If you want to go to two days, you
would have to have a special open meeting on the 8th.

MR. ANDERSON: So what do we need to ask Commissioner Elliott? It is May or, I am sorry, March?

JUDGE WALLACE: March 31, 10:30 a.m.

MR. ANDERSON: March 31, 10:30.

JUDGE WALLACE: And I guess just for purposes of setting it, we will have it set in Chicago.

COMMISSIONER COLGAN: But we can do it by video?

JUDGE WALLACE: We can set it for Springfield. It is flipping the coin on that issue. Those are the only two dates Richard has given us so far. So there will be others that RFPs will come in and more benchmarks from ComEd.

Okay. Thank you.

CHAIRMAN FLORES: All right. Any other matters? Very well, that concludes our administrative meeting.

MEETING CONCLUDED