BEFORE THE
ILLINOIS COMMERCE COMMISSION

EMERGENCY SPECIAL OPEN MEETING
(PUBLIC UTILITY)

Springfield, Illinois
Tuesday, April 12, 2011

Met, pursuant to notice, at 11:15 a.m. in
the Audiovisual Conference Room, Second Floor, Leland
Building, 527 East Capitol Avenue, Springfield,
Illinois.

PRESENT:

MR. DOUGLAS P. SCOTT, Chairman

MS. LULA M. FORD, Commissioner
(Via teleconference)

MS. ERIN M. O'CONNELL-DIAZ, Commissioner
(Via teleconference)

MR. SHERMAN J. ELLIOTT, Commissioner

MR. JOHN COLGAN, Acting Commissioner

SULLIVAN REPORTING COMPANY, by
Carla J. Boehl, Reporter
CSR #084-002710
CHAIRMAN SCOTT: Pursuant to the provisions of the Illinois Open Meetings Act, I now convene an Emergency Special Open Meeting of the Illinois Commerce Commission. With me in Springfield are Commissioner Elliott and Acting Commissioner Colgan. With us in Chicago are Commissioner Ford and Commissioner O'Connell-Diaz. I am Chairman Scott. We have a quorum.

We have one item to consider at today's Emergency Special Open Meeting. This item is the consideration of price benchmarks for Ameren's capacity auction. Is there a motion to approve the benchmarks?

ACTING COMMISSIONER COLGAN: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: I have a question before we -- and is anybody from Staff there or am I allowed to ask a question as long as I stay out of numbers? Contained in the memo -- good morning, Richard.

MR. ZURASKI: Good morning.
COMMISSIONER O'CONNELL-DIAZ: On page 2 of the memo you mention that if we were to desire the procurement administrators to produce an alternative benchmark methodology, then in fact we don't have the time to do that due to delay in IPA in hiring the procurement administrators. Essentially the Commission's been robbed of an opportunity to improve on something if we chose to because we didn't have this material to us in a timely fashion.

On a going forward basis how can we assure that that doesn't happen again? Because, I mean, these are the prices that people are paying. And if the Commission is not fully enamored with the results but we don't have any more time left to, you know, behind the scenes administrative stuff, that's concerning for me. I would imagine it is concerning -- I mean, you noted it, so it is a concern for the Commission. And how do we alleviate this problem on a going forward basis? Do you have any idea?

MR. ZURASKI: I don't think there is anything that the Commerce Commission can do to alleviate it
insofar as the IPA is an independent -- or I shouldn't say independent, but it is another Illinois agency under the executive branch. And the benchmark process really starts with the procurement administrator. Under the statute it has to start with the procurement administrator that the IPA hires. So unless they start hiring procurement administrators perhaps in a more timely fashion, I don't really see how we don't get into this problem either every year or every year that it is necessary to hire new procurement administrators.

One thing that I was thinking about recently is perhaps we could have an administrative rule in place that sets forth a process for the hiring of procurement administrators, the justification being that the Commission has to approve the procurement administrators. And that's all well and good, but I don't know what happens if, notwithstanding that rule, there is, you know, a three, four months delay as we have been experiencing.

COMMISSIONER O'CONNELL-DIAZ: Well, and it is
not against the procurement administrators. It is this opportunity for an alternative benchmark that we have been really kind of like denied that opportunity to do that again because of the start-up delay in hiring those procurement administrators.

So the bull here is to get the lowest price possible. And if we were given something that we felt we needed to get an alternative methodology on, we would not have that time. I think it is just something that we should be thinking about at the Commission and how to improve the process. I think we have all struggled with the kind of starts and stops and things that have been occasioned from this process.

ACTING COMMISSIONER COLGAN: Well, I would have to agree with that. You know, it's my second time through here and it seems like it is always the same situation. You get something, you get it the day before or maybe two days before, and you have no time for mature reflection on the issues nor if you are going to make -- you know, if you are going to make an adjustment to it, the complicated calculations
that would need to be factored in, in this very short window period of time, is really prohibitive.

And maybe it is in our interest to think about do we have any recourse. Certainly we can have a communication with somebody about this.

COMMISSIONER ELLIOTT: That's what I was thinking. Just sending a letter.

ACTING COMMISSIONER COLGAN: And I am wondering who we would send the letter to. Is it the governor? I guess it is an agency of the state under the auspices of the governor's office, and maybe just say here is the situation. And not file it so much as a complaint, as a concern, that we are required by statute to review this and approve these administrators, you know, and their proposals, but we don't really have the kind of time frame, especially when we don't know who they are going to be, before it is already on us.

MR. ZURASKI: If I could just make one further comment, sort of one thing in defense of the IPA, the agency has indicated that they actually attempted to start the process, I want to say, November. I think
it was November. And that the delay until March was
basically due to some initial misunderstandings
relative to, what's it called, the Ethics Commission,
whether they had jurisdiction over this hiring of
procurement administrators. So he was kind of
waiting for a ruling from them before he moved
forward and that took all the way until February.

COMMISSIONER O'CONNELL-DIAZ: Well, I think we
are all cognizant of the fact that -- and I am not
saying this against IPA. But the bottom line is
there is no opportunity for us to, if we chose to
reject these, to do something else. And all of this
other -- and I don't mean to say that it is nonsense,
but that is work that should have been taken care of.

And I am not casting aspersions on the
staff people or the procurement administrators, but
the process. There is a problem with the process.
We are not getting stuff in the timely way that it
is, I think, anticipated that we would get and the
business-like way. And the bottom line is that we
are in charge of approving these numbers that our
consumers are going to be paying. And in our
judgment call, if we say we don't like it, we don't have time to run another procurement benchmark process because things are not taken care of at the front end in a timely and business-like fashion. This is business and it is the consumers' business and it is the Commission's business when we have to vote on it.

And these other things that are happening that are administrative in and of this other agency, I mean, it is beyond unacceptable. So and, you know, it is a shirt that we will wear because we end up approving this, so.

COMMISSIONER FORD: My suggestion would be, Chairman, that you could send a letter and ask that we get this in a timely fashion, realizing all of the other issues that have occurred. But for our next auction, that we would hope that it would be done in a timely fashion.

CHAIRMAN SCOTT: Is there any objections to that?

ACTING COMMISSIONER COLGAN: No.

COMMISSIONER ELLIOTT: I would consider that.
CHAIRMAN SCOTT: Thank you. We actually still have a motion on the floor to approve the benchmarks. Is there a second?

COMMISSIONER ELLIOTT: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN SCOTT: Any opposed say nay.

(No response.)

The vote is five to nothing and the Ameren capacity auction price benchmarks are approved.

Judge Wallace, are there any other matter for our consideration?

JUDGE WALLACE: No, Mr. Chairman.

CHAIRMAN SCOTT: Thank you very much. Hearing none, this meeting stands adjourned.

MEETING ADJOURNED