BEFORE THE
ILLINOIS COMMERCE COMMISSION

REGULAR OPEN MEETING
(PUBLIC UTILITY)

Springfield, Illinois
Tuesday, May 22, 2012

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. DOUGLAS P. SCOTT, Chairman

MS. LULA M. FORD, Commissioner

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

MR. JOHN T. COLGAN, Commissioner

MS. ANN McCabe, 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 a Regular Open Meeting of the Illinois Commerce Commission. With me in Springfield are Commissioners Ford, O'Connell-Diaz, Colgan and McCabe. I am Chairman Scott. We have a quorum.

You will notice that I said Commissioner McCabe, not Acting Commissioner McCabe. I want to recognize that Commissioner McCabe was confirmed by the Illinois Senate last week, so is no longer acting. So congratulations and welcome aboard.

COMMISSIONER FORD: Hear ye, hear ye.

COMMISSIONER COLGAN: Congratulations.

CHAIRMAN SCOTT: Before moving into the agenda, according to Section 1700.10 of Title II of the Administrative Code, this is the time we allow members of the public to address the Commission. Members of the public wishing to address the Commission must notify the Chief Clerk's Office at least 24 hours prior to our Commission meeting.
According to the Chief Clerk's Office, we have no requests to speak at today's Regular Open Meeting.

Moving on to our agenda for today, Item 1 is Docket Number 11-0721. This is ComEd's formula rate proceeding. We will be holding this item for today's session, but we will have oral argument on this matter later today at 1:30 p.m. from the Commission's Springfield offices.

JUDGE SAINSOT: Mr. Chairman, this is Judge Sainsot in the Chicago office.

CHAIRMAN SCOTT: Yes, Judge.

JUDGE SAINSOT: I am required by law to tell you the number of comments.

CHAIRMAN SCOTT: Oh, please do. I am sorry. Go ahead.

JUDGE SAINSOT: As of approximately 9:00 this morning, there were 2,196 comments, letters and other paper form of comments on the rates.

CHAIRMAN SCOTT: Very good. Thank you, Judge.

Item 2 is Docket Number 12-0089. This is Ameren's petition for approval of its Multi-year Performance Metrics. We will also be holding this
item for disposition at a future Commission proceeding.

Item 3 is Docket Number 12-0244. This is Ameren's petition for approval of its AMI Deployment Plan. We will be holding this item and we will have oral argument on this matter today at 11:00 o'clock a.m. from the Commission's Springfield offices.

Item 4 is Docket Number 11-0629. This is a rulemaking proceeding for Title 83, Part 793 of the Administrative Code concerning the reporting of competition data. ALJ Sainsot recommends entry of an Order authorizing submission of the proposed rules to JCAR.

Is there any discussion?

(No response.)

Is there a motion to enter the Order?

COMMISSIONER COLGAN: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER McCabe: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say aye.
COMMISSIONERS: Aye.

CHAIRMAN SCOTT: Any opposed?

(No response.)

The vote is five to nothing, and the Order is entered.

Item 5 is Docket Number 12-0327. This concerns a petition filed by a set of Frontier affiliates seeking a waiver from Title 83, Section 735.180(a)(1) and (d) of the Administrative Code made pursuant to Section 13-513 of the Public Utilities Act. ALJ Riley recommends that the Commission authorize an investigation of the petition on its own motion.

Is there any discussion?

(No response.)

Is there a motion to authorize investigation of the petition?

COMMISSIONER McCabe: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER COLGAN: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say aye.
COMMISSIONERS: Aye.

CHAIRMAN SCOTT: Any opposed?

(No response.)

The vote is five to nothing, and the investigation is authorized.

Item 6 is Docket Numbers 11-0561 through 11-0566 Consolidated. This is the rate case proceeding for Charmar Water Company, Cherry Hill Water Company, Clarendon Water Company, Killarney Water Company, Ferson Creek Utilities Company and Harbor Ridge Utilities Company. The Commission held oral argument on this matter on May 7, and ALJ Dolan recommends entry of an Order approving rate increases for these companies.

We have two sets of revisions on this matter. We'll start first with some revisions I have to the rate case expenses section of the Order.

These three revisions disallow recovery under Section 9-229 of the Act for the companies' SFIO Consulting expenses and the companies' internal water service company labor expenses. The basis for these revisions is articulated in the revisions themselves,
the lack of documentation and detail regarding the work alleged as having been done in connection with the case such that the Commission can make an informed determination regarding whether these costs are sufficiently just and reasonable to recover from ratepayers.

These revisions are informed by the Appellate Court decision in the Illinois-American Water Company case which was issued in December regarding the standard by which the Commission should apply the rate case expenses under Section 9-229 of the Act and reference that case accordingly.

Is there any discussion on the proposed rate case expense revisions?

(No response.)

I will move for adoption of these revisions. Is there a second?

COMMISSIONER COLGAN: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

Any further discussion?

(No response.)

All in favor say aye.
COMMISSIONERS: Aye.

CHAIRMAN SCOTT: Any opposed?

(No response.)

The vote is five to nothing, and these revisions are adopted.

COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman, if I might?

CHAIRMAN SCOTT: Yes.

COMMISSIONER O'CONNELL-DIAZ: With regard to these revisions, obviously they are based on the record in this matter. But just to be clear, I believe it is important that we have clear and concise rules which all parties are guided by. And we have a rulemaking going on relative to the issue of rate case expense. I am not a fan of construction of rules that are not clear and concise and out there for everyone to understand, and it should be done on a case-by-case basis.

So I look forward to the rulemaking that will address and incorporate these standards that have been provided to the Commission pursuant to the Appellate Court opinion. And, again, this is --
I think as we look at these issues, they must be done on a case-by-case basis, and the Commission must be consistent and concise and clear when we have rules and regulations upon which all parties operate.

Thank you.

CHAIRMAN SCOTT: Further discussions?

(No response.)

Next up are some revisions to the Order regarding the Rate Impact Mitigation Phase-in Plan.

Commissioner Colgan?

COMMISSIONER COLGAN: Thank you, Chairman.

As you are aware, after the oral argument in this case, the Commission issued a post-record data request on May 8 regarding rate mitigation. Staff filed a response to the data request and the companies and the Attorney General filed replies.

Based on those filings and along with the assistance from all of the Commissioner's offices -- I think you all munched on that -- I am proposing amendments today to the Rate Shock
Mitigation portion of the Order. These amendments reflect Staff's post-record data request response and contain the main features of the voluntary phase-in plan adopted by the Commission in the most recent Utilities Incorporated case.

The edits that I am offering on the voluntary rate phase-in plan is necessary to address the potential rate shock for customers served by Charmar, Clarendon, Killarney and Ferson Creek. Mr. Chairman and Commissioners, I request your support in revising the Commission's Orders in an effort to minimize the extreme rate shock effect that they have otherwise incurred. So I will offer that as a motion.

CHAIRMAN SCOTT: It's been moved. Is there a second?

COMMISSIONER McCabe: Second.

CHAIRMAN SCOTT: Moved and seconded.

Any discussion?

(No response.)

All in favor of the revisions say aye.

COMMISSIONERS: Aye.
CHAIRMAN SCOTT: Any opposed?

(No response.)

The vote is five to nothing, and these revisions are adopted.

COMMISSIONER O'CONNELL-DIAZ: Mr. Chairman?

CHAIRMAN SCOTT: Yes, Commissioner.

COMMISSIONER O'CONNELL-DIAZ: Sorry. I kind of shook my head there, but you didn't see me.

First of all, I would like to thank all of our offices for working together with regard to the Mitigation Plan. That is a collaborative effort that was a good thing for the Commission to be involved in, and I think our work product will show that in this collaboration we have provided an avenue for consumers, the ratepayers, in these areas to address these, in some instances, not in all the instances, but in some instances the dramatic rate increases.

With that said, I think it is incumbent upon the Commission to keep to the fore with regard to our companies being relevant as to their need for rate increases in a timely fashion.
Certainly not saying that companies should be coming in here every year, but certainly when we see companies staying out, especially small water companies -- we do understand that there is an expense issue there -- but staying out for a number of years does result in these situations where rate mitigation plans are really the only way around the increase that in some of these instances is quite large.

So I think our Order reflects that goal of the Commission. We cannot order our companies in, but certainly it is something that we encourage our companies to look at their books every year and see how this impact of increased costs will affect the ratepayers in their districts and to act accordingly and to take advantage of the small water company opportunities that we have at the Commission. We have great staff that can help our small water companies through these rate cases with hopefully minimal expense.

Thank you.

CHAIRMAN SCOTT: Thank you. Further discussion
on this matter?

(No response.)

Is there a motion to enter the Order as revised?

JUDGE DOLAN: Chairman?

CHAIRMAN SCOTT: Yes.

JUDGE DOLAN: I am sorry, but I just have to give you the numbers again.

CHAIRMAN SCOTT: You know, I keep forgetting that. I am sorry. Go right ahead.

JUDGE DOLAN: Okay. With Charmar Water Company we have 17 online comments and we received one letter; Cherry Hill, 11, no letters; Clarendon Water Company, 17 comments online and one letter; Killarney, 66 online comments and one letter; Ferson Creek, 22 online comments and one letter; and then Harbor Ridge, one comment online.

CHAIRMAN SCOTT: Thank you very much.

JUDGE DOLGAN: You are welcome.

CHAIRMAN SCOTT: Is there a motion to enter the Order as revised?

COMMISSIONER FORD: So moved.
CHAIRMAN SCOTT: Is there a second?

COMMISSIONER COLGAN: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN SCOTT: Any opposed?

(No response.)

The vote is five to nothing, and the Order as revised is adopted.

Item 7 (12-0355) concerns entering into an agreement to allow the Commission to share information with the Illinois Department of Revenue for facilitating the collection of taxes imposed by the Prepaid Wireless 9-1-1 Surcharge Act. Staff recommends entry of an Order authorizing the agreement.

Is there any discussion?

(No response.)

Is there a motion to enter the Order?

COMMISSIONER COLGAN: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER McCabe: Second.
CHAIRMAN SCOTT: It's been moved and seconded. All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN SCOTT: Any opposed?

(No response.)

The vote is five to nothing, and the Order is entered.

Item 8 is a FERC item which concerns pending litigation, so we will go into Closed Session to address it. Is there a motion to go into Closed Session?

COMMISSIONER COLGAN: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER McCabe: Second.

CHAIRMAN SCOTT: It's been moved and seconded. All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN SCOTT: Any opposed?

(No response.)

The vote is five to nothing, and we will now go into Closed Session. Please let me know when we are ready in Chicago.
(Whereupon at this point pages 17 - 23 of the proceedings are contained in a separate closed transcript.)
CONTINUATION OF PROCEEDINGS

CHAIRMAN SCOTT: In Closed Session the
Commission discussed filing comments in FERC Docket
Number ER12-1700. Is there a motion to file our
comments with FERC?

COMMISSIONER FORD: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER McCabe: Second.

CHAIRMAN SCOTT: It's been moved and seconded.

All in favor say aye.

COMMISSIONERS: Aye.

CHAIRMAN SCOTT: Any opposed?

(No response.)

The vote is five to nothing, and the
comments will be filed with FERC.

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

JUDGE WALLACE: No. Impeccable timing, five
minutes.

CHAIRMAN SCOTT: How about that? Thank you.

This meeting stands adjourned, and we
will start up with our oral argument in the Ameren
AMI dockets in about five minutes.

BENCH SESSION CONCLUDED