BEFORE THE
ILLINOIS COMMERCE COMMISSION

BENCH SESSION
(PUBLIC UTILITY)

Springfield, Illinois
Wednesday, August 18, 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
(Via teleconference)

MS. LULA M. FORD, Commissioner

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

MR. SHERMAN J. ELLIOTT, Commissioner

MR. JOHN T. COLGAN, Acting Commissioner

SULLIVAN REPORTING COMPANY, by
Carla J. Boehl, Reporter
CSR #084-002710
COMMISSIONER FORD: Pursuant to the provisions of the Illinois Open Meetings Act, I now convene this regularly scheduled Bench session of the Illinois Commerce Commission. With me in Springfield are Commissioners O'Connell-Diaz, Elliott, Acting Commissioner Colgan. I am Commissioner Ford. We have a quorum.

Acting Chairman Flores is available via phone, and pursuant to the Commission's rules we will have to vote him in to participate. Is there a motion to allow Acting Chairman Flores to participate by phone?

COMMISSIONER ELLIOTT: So move.

COMMISSIONER FORD: Is there a second?

ACTING COMMISSIONER COLGAN: Second.

COMMISSIONER FORD: It's been moved and seconded. All in favor say aye.

COMMISSIONERS: Aye.

COMMISSIONER FORD: Any opposed?

The vote is 4 to 0 and Acting Chairman Flores may participate by phone.
Welcome, Chairman.

ACTING CHAIRMAN FLORES: Thank you, Commissioner Ford, and good morning, everyone.

COMMISSIONER FORD: 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 meeting of the Commission. According to the Chief Clerk's Office, we have no requests to speak for today's session.

(The Transportation portion of the proceedings was held at this time and is contained in a separate transcript.)

COMMISSIONER FORD: Turning now to the Public Utilities Agenda, we have minutes to approve from the July 28 Bench Session. I understand amendments have been forwarded. Is there a motion to amend the minutes?
COMMISSIONER O'CONNELL-DIAZ: So move.

COMMISSIONER FORD: Is there a second?

ACTING COMMISSIONER COLGAN: Second.

COMMISSIONER FORD: It's been moved and seconded. All in favor say aye.

COMMISSIONERS: Aye.

COMMISSIONER FORD: Any opposed?

The vote is 5-0 amending the minutes.

Is there a motion to approve the minutes as amended?

ACTING COMMISSIONER COLGAN: So move.

COMMISSIONER FORD: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: Second.

COMMISSIONER FORD: It's been moved and seconded. All in favor say aye.

COMMISSIONERS: Aye.

COMMISSIONER FORD: Any opposed?

The vote is 5-0 approving the amended minutes.

We will begin with the Electric section of today's agenda. Items E-1 through E-3 will be taken together. These items are filings by
Central Illinois Light Company, Central Illinois Public Service Company and Illinois Power Company establishing a Percent of Income Payment Plan Phase 1 Extension Program. Staff recommends that the Commission allow the proposal by not suspending the tariffs.

Is there any discussion? Commissioner Colgan, I believe you --

ACTING COMMISSIONER COLGAN: Yes, Madam Chairperson. I am going to recuse myself on the vote on these three Orders because I was at the table with this, negotiating this legislation that created it. I am really proud of the fact that we have put that in place. And to avoid any appearance of impropriety on my part, I am just going to recuse myself from this vote.

COMMISSIONER FORD: Thank you. And you did a fine job doing that job, Commissioner Colgan.

ACTING COMMISSIONER COLGAN: Thank you.

COMMISSIONER FORD: Is there a motion to not suspend the filings?

COMMISSIONER ELLIOTT: So move.
COMMISSIONER FORD: Is there a second?
COMMISSIONER O'CONNELL-DIAZ: Second.
COMMISSIONER FORD: It's been moved and seconded. All in favor say aye.
COMMISSONERS: Aye.

COMMISSIONER FORD: Any opposed?

The vote is 4-0 and the filings will not be suspended.

We will be holding Item E-4 (08-0264). Items E-5 (09-0343) and E-6 (10-0097) will be taken together. These are complaints regarding billings or charges against AmerenIP and AmerenCILCO, respectfully. ALJ Tapia recommends dismissing the complaints with prejudice.

Is there any discussion? Is there a motion to dismiss the complaints with prejudice?

COMMISSIONER ELLIOTT: So move.

COMMISSIONER FORD: It's been moved and seconded. All in favor say aye.
COMISSONERS: Aye.

COMMISSIONER FORD: The vote is 5-0; the complaints are dismissed with prejudice.
We will use this 5-0 vote for the rest of the Public Utilities Agenda, unless otherwise noted.

Item E-7 is Docket 10-0177. This is a Complaint by Sean Davis against Commonwealth Edison Company regarding billing overcharges. ALJ Riley recommends entering an Order denying the complaint.

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

Item E-8 is Docket 10-0325. This concerns an Application by Energy Choice Center for a license as an Agent, Broker and Consultant. ALJ Yoder recommends denying the requested Certificate of Service Authority.

Is there any discussion? Any objections? Hearing none, the Certificate is denied.

Items E-9 through E-14 (10-0388, 10-0425, 10-0430, 10-0432 10-0449, 10-0459) will be taken together. These items concern Applications for licenses as an Agent, Broker and Consultant. ALJ Yoder recommends entering Orders granting the
Certificates of Service Authority.

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

Item E-15 is Docket 10-0405. This is a Petition by Rock River Energy Services Company for confidential treatment of its 2009 Recertification Report. ALJ Albers recommends entering an Order granting the requested relief for a period of two years.

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

Item E-16 is Docket 10-0456. This item concerns a misfiling of a petition for confidential treatment of a 2009 Recertification Report. Rock River Energy Services Company already had a docket regarding this petition when a second duplicative docket was created. ALJ Albers recommends dismissal of Docket 10-0456 in light of the existence of Docket 10-0405.

Is there any discussion? Any objections? Hearing none, Docket 10-0456 is dismissed.
Moving on to the Gas Section of today's agenda, Items G-1 through G-5 will be taken together. These are filings revising Percent of Income Payment Plans for low income residential customers. Staff recommends the Commission allow the proposals by not suspending the filings.

Is there any discussion?

ACTING COMMISSIONER COLGAN: I apologize again. I recuse myself. I was a legislative advocate for the creation of this program, and I feel that I need to recuse myself from the vote.

COMMISSIONER FORD: Thank you, Commissioner.

All in favor say aye.

COMMISSIONERS: Aye.

COMMISSIONER FORD: Any opposed?

The vote is 4-0, and the filings will not be suspended.

Item G-6 (10-0450) concerns a filing by Northern Illinois Gas Company to revise its Percent of Income Payment Plan for low income residential customers on less than required notice. Staff recommends the Commission allow the proposal by
granting the request for special permission.

Is there any discussion? All in favor say aye.

COMMISSIONERS: Aye.

COMMISSIONER FORD: Any opposed?

The vote is 4-0 and the request -- 5-0, I'm sorry, you can vote on that one, sorry. And the request for special permission is granted.

Item E-7 is Docket 08-0139. This matter concerns a petition by Consumers Gas Company seeking to enter into a gas storage contract and a gas sales agreement with Egyptian Gas Storage Corporation. ALJ Albers recommends entering an Order approving the gas storage contract but denying the gas sales agreement.

Is there any discussion?

COMMISSIONER O'CONNELL-DIAZ: If we might have Judge Albers kind of step us through? Because this is a partial grant and I think it would make it real clear for the record why he recommended -- why he gave his recommendation.

JUDGE ALBERS: On the gas storage agreement,
Egyptian and Staff were both in agreement with one or two conditions as to what would be appropriate for that agreement and that was really not disputed.

On the gas sales agreement, however, Staff raised some concerns about the fact that Egyptian and Consumers -- I am sorry, I misspoke earlier, Consumers was in the gas storage agreement. On the gas sales agreement Staff raised some concerns about Consumers being an affiliate of Egyptian. The same individual makes decisions for both Egyptian and Consumers, particularly with regard to gas purchases by the two, and there was concern that this individual wouldn't always have the ratepayers' interest at heart when it made decisions.

And I felt there was sufficient examples shown or reasons given that perhaps it is not in the public interest to allow Consumers and Egyptian to have this gas sales agreement in place.

I can proffer some examples, if you would like.

COMMISSIONER FORD: Will they be able to come back to you again and did you give them reasons that
they could correct?

   JUDGE ALBERS: Well, it is more in the nature of the fact that, as long as that same individual is making decisions for both companies, it is going to be difficult to see where a conflict of interest is being avoided.

   COMMISSIONER ELLIOTT: It probably needs a third-party arrangement, is what you are suggesting.

   JUDGE ALBERS: If they brought in a third party, yes.

   COMMISSIONER ELLIOTT: An arms length.

   COMMISSIONER O'CONNELL-DIAZ: So there are options for them to recalibrate that request and bring it back to the Commission for a review that would give us a new picture that doesn't have those inherent conflicts that you have noted in the Order that you presented to us.

   JUDGE ALBERS: Yes.

   COMMISSIONER FORD: Thank you. All in favor?

   COMMISSONERS: Aye.

   COMMISSIONER FORD: Any opposed?

   The vote is 5-0. The Order is entered
granting the petition in part.

Again, we will use this 5-0 vote for the remainder of the agenda, unless other noted.

Moving on to the Telecommunications section of today's agenda, Item T-1 is Docket 10-0368. This item concerns an Application by IQ Telecom Incorporated for a Certificate of Prepaid Calling Service Provider Authority. ALJ Teague recommends granting Applicant's Motion to Withdraw without prejudice.

Is there any discussion? Any objections? Hearing none, the Motion to Withdraw is granted without prejudice.

Items T-2 through T-5 (10-0230, 10-0367, 10-0393, 10-0454) will be taken together. This matter concerns applications to provide telecommunication services in Illinois. ALJ Riley recommends entering Orders granting the Certificates of Service Authority.

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

Items T-6 through T-8 (10-0263,
10-0348, 10-0443) will be taken together. These matters concern Petitions to cancel or withdraw Certificates of Service Authority. ALJ Teague recommends entering Orders granting the Petitions.

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

Item T-9 is Docket 10-0300. This is a Complaint by Kurt Dunklau against AT&T alleging deceptive business practices with respect to O'Hare and Midway Limo Service. ALJ Haines recommends entering an Order dismissing the complaint without prejudice.

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

Item T-10 is Docket 10-0389. This item concerns a Petition for arbitration by Illinois Bell Telephone. Petitioners filed an unopposed Motion to Dismiss. ALJ Tapia recommends entering an Order granting the Motion to Dismiss.

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

Items T-11 through T-20 (10-0374,
10-0384, 10-0416, 10-0418, 10-0419, 10-0420, 10-0437, 10-0444, 10-0375, 10-0436) will be taken together.

These matters concern Petitions for Interconnection Agreements or Amendments to Interconnection Agreements. The Administrative Law Judges recommend approving the Interconnection Agreements and Amendments to Interconnection Agreements.

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

Items T-21 through T-24 (10-0504, 10-0505, 10-0506, 10-0507) will be taken together.

These items concern initiating citation proceedings against the companies for failure to file a 2009 Annual Report. Staff recommends entering the Orders initiating citation proceedings.

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

Items T-25 through T-27 (10-0193, 10-0402, 10-0403) will be taken together. These items concern Citations for failure to maintain corporate status. ALJ Teague recommends dismissing the Citation proceedings.
Is there any discussion? Any objections? Hearing none, the Citation proceedings are dismissed.

Item T-28 is Docket 10-0417. This matter concerns a Petition by the Universal Telephone Assistance Corporation requesting that the Commission determine the amount and form of supplemental assistance to be provided by Illinois local exchange carriers to each eligible new subscriber under the new Universal Telephone Service Assistance Program. ALJ Albers recommends entering an Order granting the requested relief. Please note that the recommendation is to grant the Petition in its entirety and not in part, as written on the agenda for today.

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

Turning now to Water and Sewer, Item W-1 is Docket 09-0556. This is a Petition by Aqua Illinois for approval of a Bulk Water Supply and Sales Agreement with Lake County. ALJ Benn
recommends entering an Order approving the Agreement.

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

Item W-2 is Docket 10-0289. This is the Complaint by Renaldo Williams, Sr., against Illinois-American Water Company. ALJ Tapia recommends entering an Order dismissing the Complaint for lack of prosecution.

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

Item W-3 is Docket 10-0342. This item concerns a Petition by County Line Water Company to cancel and annul a Certificate of Convenience and Necessity. ALJ Teague recommends entering an Order granting the Petition.

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

We have two other items of business on today's agenda. First, we have the Liberty Consulting Group's Sixth Quarterly Report for the investigation of Peoples Gas Pipeline Safety Program. I believe Darin Burk is available to brief us on
MR. BURK: Thank you. This report covers the period of March through May of 2010 and is referred to as the Sixth Quarter Report. During that period Liberty completed 42 of the recommendations from the beginning to the current point in time. Liberty has checked progress towards all 66 of the recommendations so far. They had anticipated closing approximately 11 to 24 recommendations during this quarter, and they accomplished 14 of those. At least three recommendations may be left open and require Pipeline Safety monitoring beyond the contract. Recommendation II-17 dealt with improving the accuracy of the crews' control readings; Item II-23, improve the corrosion control record keeping; and Item III-17, reduce the year-end leak backlog. Pipeline Safety will be developing a plan to follow up on those three items. At the end of the fifth quarter Liberty identified five items as most difficult to close. Two of those items were actually closed in
the sixth quarter. Item II-7, working with digger to resolve bogus emergency locate requests was closed in the sixth quarter, as well as Item V-11, develop a structure process for long-term planning.

The three remaining items that they identify as difficult to close are Item II-8, develop and implement communication and training protocol with the City of Chicago work force; Item II-18, improve timeliness of corrosion control actions; and Item II-20, testing casings to insure electrical isolation of the carrier pipe. That involves the corrosion control.

Pipeline Safety accompanied Liberty on two weeks of follow-ups in the sixth quarter. The Staff obtained more direct knowledge of the issues and the actions that will be required by Pipeline Safety to stay on top of the issues beyond the contract with Liberty.

Liberty issues identified requiring our follow up will be Item I-1, improve management level organization. Our primary focus will be on the field supervisors, making sure that they are out in
the field actually supervising the crews. Liberty had identified that they were spending too much time on administrative work and the crews were left alone in the field. Although we do not have a code requirement for this, we feel that we can encourage Peoples to continue this by very strict enforcement of adherence to the procedures.

Item II-8, upgrade the training program for locators, Pipeline Safety has met with the management and issued a Notice of Amendment requesting that Peoples Gas include more specific locating procedures in their operation and maintenance plan. Our field investigations determined that the locators were not necessarily following the procedures as prescribed by Peoples Gas because they didn't have a very good understanding of what the procedures required. So we are going to ask them to revise the procedures.

Item II-19, evaluate the atmospheric corrosion monitoring practices, Staff will continue to work with Liberty and Peoples Gas on this issue to identify the processes that need to be implemented.
Item II-20, testing casings to insure electric isolation from the carrier pipe. In the past there has not been real good guidance on how to perform that activity, and the industry has developed guidance that's been shared with Peoples Gas and our Staff, and we will be working with them to insure that they implement the best practices.

Reduce the year-end backlog of leaks, the cast iron replacement program should help with this issue and that has been scheduled.

V-8, improve the quality assurance quality control program, Liberty is concerned about the level of expertise of the new quality assurance quality control staff. Pipeline Safety will monitor the training and performance of these inspectors. They ran into an issue of just simply having enough qualified staff to promote into these positions, and we have been monitoring their assessments in the field and trying to determine if they have adequate knowledge to perform the task. We have also worked with their training facility to revise the training for quality assessors to improve their level of
expertise.

Item V-9 provides a means and requires that general supervisors spend more time in the field on job sites. Again, staff at Liberty have determined that there is a culture at Peoples Gas where they fail to follow the company procedures. We don't understand what the issue is, but the only way that we feel that we can get this through to the workforce is to monitor them closely and issue violations whenever the operator or personnel fails to follow the company procedure.

Item V-10, upgrade the Legacy computer system, the Work Assets Management System, also known as WAM has been brought online. Liberty and Staff have identified a few errors and omissions in the report data provided by the program. Staff will continually monitor the progress during the annual record and focused audits to verify that all of the issues and inconsistencies have been worked out of the program. But otherwise we feel that this is a vast improvement over the Legacy systems that they had prior to the implementation.
And that completes my update. Are there any questions for me?

COMMISSIONER FORD: Are there any questions for Mr. Burk?

COMMISSIONER O'CONNELL-DIAZ: Mr. Burk, you noted the main replacement program, obviously, that the Commission voted for, and we are really happy to see that program in place. And you also noted that there were some issues of dealing with the City of Chicago. Do you think that by virtue of the fact that we now have this really large program that is going to be going on, will there be, because of that, need to coordinate with the City? And their getting a new system put in pursuant to our Order, do you think there will be an upgrade in the issue of dealing with the City and being responsive in the way that we would like them to be?

MR. BURK: It will require a lot of communication, give and take, between the City and Peoples Gas. They are going to need to keep the City informed of where they are going to be working and the issues that are going to be involved with traffic.
control, interference with other utilities, so on and so forth. My understanding is that Peoples Gas is aware of this and they do plan to communicate with the City and meet with the City administrators to make sure that this goes smoothly.

We do think that overall that it will be beneficial because it will be less disruptive. In this situation, they will go in and take out blocks of main at one time, rather than just hit and miss and make repairs, and I think the coordination is going to be there. They have a plan to make it work.

COMMISSIONER FORD: Thank you, Mr. Burk.

Is there a motion to have the report posted on the website?

COMMISSIONER ELLIOTT: So move.

COMMISSIONER FORD: All in favor?

COMMISSONERS: Aye.

COMMISSIONER FORD: Any opposed?

The vote is 5-0 and the report will be posted on the ICC website.

Next we have the Lifeline Awareness Week Resolution. Commissioner Colgan, would you like
to introduce the resolution?

ACTING COMMISSIONER COLGAN: Yes, thank you.

I reported to you a couple of weeks ago that I have been huddling up with Staff of various departments, IT, Telecom, Consumer Services, External Affairs, Public Affairs, trying to put together a plan, a comprehensive way to promote Lifeline and Link-up. And NARUC, as all of you know, has declared September 12 through the 18th to be Lifeline Awareness Week. We have secured a proclamation from Governor Quinn declaring that as a Lifeline Awareness Week in Illinois.

We have secured the cooperation and participation of DCEO, the Department of Human Services. The Governor's Office is definitely on board. We are reaching out also to get the State Board of Education, due to the free meals automatic qualification to participate. And, in addition, we have reached out to AARP, to CUB and the Illinois Association of Community Action Agencies. They are all willing to participate.

We have updated all of the providers,
telecom providers, that offer this service in Illinois. We have put together hot links for our website for any interested eligible consumer to click on and go to and get immediate information about how to call and talk to any of these providers to sign up for this important and vital service.

So with that, I am just promoting this and asking for your support of this resolution that you have in front of you that would on our own motion resolve that this would be Lifeline Awareness Week at the Illinois Commerce Commission.

So with that, I mean, I would be happy to read it, but I am not sure that that's necessary. I think you have all had a chance to look at it. So with that, I would be glad to answer any questions and I ask for your support.

COMMISSIONER FORD: Thank you, Commissioner Colgan. There is a motion to adopt the Lifeline Awareness Week Resolution. Is there a second?

COMMISSIONER ELLIOTT: Second.

COMMISSIONER FORD: All in favor?

COMMISSIONERS: Aye.
COMMISSIONER FORD: Any opposed?

The vote is 5-0 and the Lifeline Awareness Week Resolution is adopted.

ACTING CHAIRMAN FLORES: Commissioner Ford, may I just make a few remarks?

COMMISSIONER FORD: Sure.

ACTING CHAIRMAN FLORES: I wanted to commend Commissioner Colgan for his leadership in this effort. I think this is a wonderful way for the Illinois Commerce Commission to interface with other agencies as well as the general public about the various initiatives and programs that are available to Illinois consumers. And, again, I just want to commend Commissioner Colgan and the rest of the ICC Staff for their efforts in this endeavor.

ACTING COMMISSIONER COLGAN: Thank you for that and, yes, I want to extend, too, my gratitude to Staff that's graciously worked on this project, put a lot of time into it. Thank you.

COMMISSIONER FORD: Judge Albers, are there any other matters for us today?

JUDGE ALBERS: No, Commissioner, there are not.
COMMISSIONER FORD: Thank you. There are none; this meeting is adjourned.

MEETING ADJOURNED