ICC Questions Top ComEd Execs on Ethics Reform & Deferred Prosecution Agreement

Chicago, IL - In open session on Wednesday, the Illinois Commerce Commission peppered top ComEd executives with questions about ethics reforms and ratepayer impacts stemming from ComEd’s recently announced $200 million criminal penalty and Deferred Prosecution Agreement with federal prosecutors.

“ComEd’s admission of wrongdoing is deeply troubling and a violation of public trust,” said ICC Chairman Carrie K. Zalewski in her remarks from the bench. “Our most critical mission at the ICC is to protect the ratepayers of Illinois and our objective today is to make sure that consumers do not pay for ComEd’s admitted wrongdoing.”

Under sworn oath, ComEd officials told the Commission that the Deferred Prosecution Agreement (DPA) requires implementation of enhanced internal controls; filing annual reports with the U.S. Attorney for three years; and full cooperation with the ongoing federal investigation in addition to a $200 million criminal penalty. While the company explained their remediation efforts, ComEd acknowledged the violation of public trust and that the $200 million criminal penalty would be paid by shareholders of its parent company, Exelon, leveraging the company’s profits.

During questioning, Chairman Zalewski and Commissioner Maria Bocanegra raised concerns regarding the amount of costs related to ComEd’s unethical practices and whether they were recovered through rates. Chairman Zalewski further pressed ComEd about legal and expert fees related to the federal investigation to ensure those costs would not be borne by rate payers. In a similar vein, Commissioner Bocanegra repeatedly asked whether ComEd had included these costs in its revenue requirements, specifically identifying compensation for consultants, legal fees, third-party vendors and interns. ComEd acknowledged that, per the DPA, the company spent $1.3 million between 2011 and 2019 on politically connected consultants for little or no work. ComEd also related that lobbying costs were excluded pursuant to the relevant statute, and further stated that it would fully respond to the ICC’s data requests concerning those issues.

Commissioner Michael Carrigan inquired about the company’s internal controls over policies and training for all employees, including entry level and contractual employees. ComEd related they would provide more targeted trainings for employees who likely engaged with elected officials but would provide widespread ethics training for all staff. Commissioner Carrigan further expressed the Commission’s expectation of continuous and ongoing reporting to the ICC regarding ComEd’s practices.

It was generally agreed among the Commissioners that Wednesday’s hearing is just the first and that more will follow. During the open hearing, members of the public were also allotted time to provide comment to the Commission.

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About the Illinois Commerce Commission

The Illinois Commerce Commission (ICC) is a quasi-judicial body made up of five Commissioners. Through its Public Utility Program, the Commission oversees the provision of adequate, reliable, efficient and safe utility services at the least possible cost to Illinois citizens served by electric, natural gas, telecommunications, water and sewer public utility companies. Through its Transportation Regulatory Program, the Commission oversees public safety and consumer protection programs with regard to intrastate commercial motor carriers of general freight, household goods movers, relocation towers, safety towers, personal property warehouses and repossession agencies. The Commission’s Rail Safety Program also inspects and regulates the general safety of railroad tracks, facilities and equipment in the state.

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