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BEFORE THE  
ILLINOIS COMMERCE COMMISSION  
POLICY SESSION  
PEOPLES GAS SYSTEM MODERNIZATION PROGRAM

Tuesday, April 26, 2016

Chicago, Illinois

Met pursuant to notice at 1:00 p.m. at  
160 North LaSalle Street, Chicago, Illinois.

PRESENT:

- BRIEN J. SHEAHAN, Chairman
- JOHN R. ROSALES, Commissioner
- SHERINA MAYE EDWARDS, Commissioner
- MIGUEL DEL VALLE, Commissioner
- ANN McCABE, Commissioner

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AGENDA

Welcome and Introduction  
Chairman Brien Sheahan

Summary of Gas Modernization Workshops  
Gene Beyer, ICC Public Utilities Bureau

Party Reflections  
Peoples Gas  
Office of the Illinois Attorney General  
Citizens Utility Board  
City of Chicago  
Gas Workers Union Local 18007  
Illinois Industrial Energy Consumers

Overview: Preparation of Staff Report  
ICC Office of General Counsel

Commissioner Questions & Discussion

City of Chicago dotMaps Demo  
William Cheaks, Deputy Commissioner, Chicago  
Dept. Of Transportation  
George Keck, Project Manager, Project  
Coordination Office

Closing Remarks  
Chairman Brien Sheahan

1           MR. SHEAHAN: This session is convened pursuant  
2 to the Illinois Open Meetings Act and our guests and  
3 panelists should be aware that a court reporter is  
4 present. A transcript of this session will be posted  
5 to the Commission's website following the session.

6                         With us are Commissioners McCabe, Del  
7 Valle, Maye Edwards. And Commissioner Rosales will  
8 be with us shortly. We have a quorum. I'd like to  
9 thank today's presenters and Commission Staff for the  
10 effort they put in with the presentation and for all  
11 of you for taking the time to attend.

12                         As part of a unanimous Commission  
13 action which called for the reevaluation of the  
14 regulatory treatment of the Peoples Gas System  
15 Modernization Program, formerly known as the  
16 Accelerated Main Replacement Program, Commission  
17 Staff inducted a series of workshops open to all  
18 interested parties to address stakeholders' near-term  
19 and long-term recommendations for the new Peoples Gas  
20 System Modernization Program.

21                         The six workshops began in January and  
22 concluded in March. Topics included the scope, pace,

1 and cost of the Peoples Gas modernization program as  
2 well as safety, affordability, and other customer  
3 considerations.

4 Along with ICC Staff and Peoples Gas,  
5 stakeholders involved in the workshop process with  
6 the Office of the Illinois Attorney General, the Gas  
7 Workers Union Local 18007, CUB, the City of Chicago,  
8 and the Illinois Industrial Energy Consumers.

9 The purpose of today's session is to  
10 hear from workshop participants and learn more about  
11 the workshop process and any items learned as a  
12 result of those discussions. We'll also hear from  
13 the representative of the City of Chicago, who will  
14 demonstrate his dotMaps GIS application.

15 We'll begin by hearing from Gene  
16 Beyer, ICC Bureau Chief for Public Utilities. And  
17 then we'll hear from the Office of the Attorney  
18 General, CUB, the City of Chicago, Local 18007, and  
19 the Illinois Industrial Energy Consumers.

20 I'd encourage my colleagues on the  
21 Commission to ask questions. We do have a two-hour  
22 limit for this meeting, so we want to be mindful of

1 that. But if you have questions, please jump in.  
2 We'll conclude by hearing from OGC and City of  
3 Chicago with their demonstration.

4 So with that, Gene, you have the  
5 floor.

6 MR. BEYER: Thank you.

7 Good afternoon, everybody. Pursuant  
8 to the Commissioners' direction in December, Staff  
9 hosted six workshops to address Peoples Gas's Gas  
10 System Modernization Program. ICC Staff and  
11 representatives of the Illinois Attorney General's  
12 Office, the Gas Workers Union Local 18007, the  
13 Citizens Utility Board, the City of Chicago, the  
14 Illinois Industrial Energy Consumers, and Peoples Gas  
15 participated in the six workshops that concluded on  
16 March 22.

17 Staff is now preparing a workshop  
18 summary report that will identify key issues and  
19 alternatives for the next steps. The report will be  
20 presented to the ICC's Chairman and Commissioners on  
21 or before May 31.

22 To briefly review, Peoples Gas's Gas

1 System Modernization Program is intended to upgrade  
2 Peoples natural gas distribution infrastructure as  
3 well as to replace certain facilities, which are  
4 considered prudent to replace for operational or  
5 safety reasons because of age, because of  
6 decreasingly acceptable performance, or having been  
7 constructed from materials such as cast iron or bare  
8 steel, which are now considered by some authorities  
9 to pose safety hazards.

10 In addition to these operational and  
11 safety reasons, the company also takes into  
12 consideration the timing of its other capital  
13 projects as well coordination with the City of  
14 Chicago and public improvement projects.

15 The primary purpose of the workshops  
16 was twofold: To make certain that all parties share  
17 a common understanding of key issues related to the  
18 Gas System Modernization Program and to provide a  
19 forum for all parties to fully present their views on  
20 each of those topics. I think the workshops were  
21 successful on both fronts.

22 Regarding the topics, we began the

1 first workshop by reviewing the proposed agendas, and  
2 all parties agreed the pertinent issues were covered.  
3 Stakeholders were encouraged to add or modify topics  
4 during the workshop process.

5                   Workshop topics that we can anticipate  
6 will be part of a formal proceeding later on included  
7 the pace and schedule of the program, the scope of  
8 the program, including three basic elements:  
9 Replacing at-risk facilities, converting the system  
10 from low to medium pressure, and moving meters  
11 outside consistent with the medium pressure system  
12 and to facilitate inspections required by federal  
13 regulations.

14                   Continuing with the topics, the  
15 company's three-year plan including its schedule and  
16 its plans for reporting on and monitoring progress,  
17 the company's neighborhood approach, safety and  
18 reliability, coordination between Peoples Gas and the  
19 City of Chicago, the City's process for  
20 infrastructure management, the apportionment of main  
21 replacement work between in-house employees and  
22 outside contractors, risk assessment, new cost and

1 schedule models, the programs's cost in the near  
2 term, during the three-year plan and in the long  
3 term, customer service considerations including  
4 notice of work affecting specific neighborhoods and  
5 customers and complaint handling, the effect of  
6 system modernization on customer rates, rate impacts  
7 and affordability, rate impacts associated with  
8 different completion schedules, program completion  
9 dates should we have a firm date, should we have  
10 target dates, should we have interim dates.

11 Monitoring the program's progress in  
12 the near term and long term including a review of the  
13 company's reporting requirements, the ICC's  
14 monitoring role, and stakeholders' roles.

15 Each party fully participated in the  
16 discussions and most offered presentations to the  
17 group including the company's presentations on many  
18 of the aforementioned topics including the three-year  
19 plan, customer rate impacts, customer satisfaction  
20 initiatives, and cost and schedule models presented  
21 by Burns and McDonnell.

22 The Chicago Department of

1 Transportation's presentation on infrastructure  
2 management, project coordination, and its dotMaps  
3 tool that we'll be able to see today.

4           The Attorney General's presentations  
5 on household economics in the city and the impact of  
6 natural gas bills on those households as well as an  
7 analysis of various project scenarios regarding  
8 schedule, affordability and customer rate impacts.  
9 The Gas Workers Union presentation on the gas  
10 industry, staffing levels, and workforce policies.

11           U.S. DOT's Pipeline and Hazardous  
12 Materials Safety Administration's presentation  
13 regarding U.S. DOT's interest in pipe replacement,  
14 its safety programs, recent events and lessons  
15 learned, advisory bulletins, and threats to gas  
16 systems.

17           And finally, we have a presentation  
18 from the New York State Public Service Commission on  
19 that state's pipeline safety program and initiatives  
20 in these areas.

21           On behalf of the Commission Staff, I  
22 want to thank all the parties in their work in

1 preparing those presentations and sharing them with  
2 the group. We began each workshop at 10:00 a.m.  
3 except for one that began at 9:30 a.m. and most  
4 lasted until late in the afternoon. And all parties  
5 should be commended for their consistent attendance  
6 and participation.

7 All that participated offered their  
8 views and available information in a frank and free  
9 manner and discussed one another's positions in a  
10 respectful and forthright manner. During those nine  
11 weeks, in between the workshops, parties shared  
12 information with one another and offered  
13 recommendations to improve the process.

14 So we weren't limited to just the  
15 discussions that were occurring during those six days  
16 of workshops, parties were in touch with each other  
17 between those workshops. Key representatives from  
18 each of the parties attended all of the meetings.  
19 With one or two exceptions, the same core group was  
20 present at each meeting.

21 According to the sign-in record, there  
22 were 33 participants in the first workshop, 36, 30,

1 35, 35, and 25 present at workshops 2 through 6.

2 Those numbers demonstrate parties' interests in and  
3 the commitment to this review of the issues.

4 So just to recall that, this was one  
5 of the highlights for me. We had about 30, 35 people  
6 attend all of these, and they had a core group of  
7 people who were the main participants were there  
8 every time. The workshops marked the beginning of  
9 the Commission's ongoing process of reevaluating the  
10 Gas System Modernization Program.

11 As you will hear later from our Office  
12 of General Counsel, Staff, in consultation with the  
13 parties, is engaged in preparing the report that will  
14 be submitted to you in May for your review. We  
15 anticipate the Commission will elect subsequently to  
16 initiate hearings to resolve issues associated with  
17 system modernization.

18 Finally, and I'm sure I can speak for  
19 all parties, Paul Razor and Peter Williams have been  
20 unstinting in their assistance, ensuring that  
21 facilities have been ready for the workshops  
22 including IT and audio/video support, microphones and

1 telecom connections, and they've been willing and  
2 ready to assist whenever needed. I want to thank  
3 Paul and Peter for always having things set up for us  
4 and making the days go much easier.

5 And that concludes my summary of the  
6 workshop process.

7 MR. SHEAHAN: Thank you, Gene.

8 Okay. Next, we'll hear from the  
9 various workshop participants who will share their  
10 perspectives on the workshops. Each party has five  
11 to seven minutes to present its reflections. Please  
12 adhere to this time so we can keep within today's  
13 schedule.

14 We're going to start with Peoples Gas,  
15 and then we'll hear from the Attorney General of  
16 Chicago, Local 18007, and the Illinois Industrial  
17 Energy Consumers.

18 Andy, just for the record, will you  
19 just say your name and your title?

20 MR. HESSELBACH: Yes. Andrew Hesselbach, Vice  
21 President - Construction for Peoples Gas.

22 Chairman Sheahan, Commissioner Maye

1 Edwards, Commissioner Rosales, Commissioner McCabe,  
2 and Commissioner Del Valle, thank you for the  
3 invitation to offer our perspective on the recently  
4 concluded workshop process and the next steps.

5           The hardworking employees at Peoples  
6 Gas are committed every day to provide the safest and  
7 most reliable service to our customers and that  
8 includes replacing the aging infrastructure and  
9 providing the City of Chicago with a state-of-the-art  
10 energy system.

11           Consequently we found -- and I'm sure  
12 our colleagues at the City, AG's Office, CUB, Gas  
13 Workers Local 18007, and others who participated in  
14 the workshop were the ideal setting by which to  
15 educate others about our program for both the  
16 historical and prospective basis, while others could  
17 educate us on their perspective about the program.

18           From the company's standpoint, the  
19 workshops were a very productive and collaborative  
20 exercise. We commend the Commission for having the  
21 foresight and vision to organize the workshops. I  
22 would also be remiss if I did not mention the

1 tireless work of the Staff, particularly Gene Beyer  
2 and Matt Harvey, who kept everyone on track and on  
3 point each session along with the value of the  
4 process to maximize. Before I continue, I would  
5 encourage you to reference in the back as I go  
6 through a few of my remarks. There's a couple of  
7 maps and a couple of photos that are also up in the  
8 room here that I'll touch on as we go through.

9                   What is the number one takeaway of  
10 Peoples Gas? Simply put, the workshops affirm the  
11 need to continue the process of timely replacing the  
12 natural gas infrastructure in the most efficient  
13 manner for our customers. The changes implemented by  
14 the new management at Peoples Gas including improving  
15 our relationship and coordination with the City of  
16 Chicago and restructuring our arrangements with our  
17 contractors, making sure their interests are properly  
18 aligned with the goals of the program.

19                   It is with the company entirely to  
20 accomplish the goal. Further, the pace proposed in  
21 our three-year plan consistent with the Burns and  
22 McDonnell 2040 management model is the preliminary

1 result to indicate that it provides for an efficient  
2 mix of resources and performance. And we expect that  
3 we will continue to learn and improve the processes  
4 and performance for future planning periods as well  
5 as provide updates for forecasts and schedules based  
6 on what we have learned and keep the Commission and  
7 other stakeholders informed.

8 Information shared by the Pipeline and  
9 Hazardous Material and Safety Administration and the  
10 regulator from New York in the third workshop  
11 reinforced our core belief in the necessity of the  
12 program. In 2011 following major natural gas  
13 pipeline incidents, the U.S. Department of  
14 Transportation and PHMSA issued a call to action to  
15 accelerate repair, rehabilitation, and replacement of  
16 a high-risk pipeline infrastructure.

17 Among other factors, pipeline age and  
18 material are significant risk indicators. Pipelines  
19 constructed of cast and wrought iron as well as bare  
20 steel are among those pipelines that pose the highest  
21 risk.

22 Many of the natural gas pipes we are

1 replacing are the original cast iron pipes that  
2 deliver gas to our customers's homes where they were  
3 built over 100 years ago.

4 A couple key facts emphasizing there  
5 are -- the State of Illinois and 35 states and the  
6 District of Columbia all have replacement programs  
7 for aging infrastructure. And over 40 percent of  
8 Peoples Gas's system represent about 2,000 miles of  
9 main needs to be replaced.

10 Attachment 1 just to give you a quick  
11 snapshot shows the green, which is most prevalent low  
12 pressure but then there's also medium pressure  
13 segments that are comprised of cast and wrought iron  
14 material as well.

15 Risk mitigation is the primary driver  
16 of the AMRP and Peoples Gas cross references with  
17 high risk material with leak experience. In  
18 addition, Peoples Gas is strengthening contractor  
19 accountability with regard to safety, quality, and  
20 customer community satisfaction.

21 Utilities in New York, Philadelphia,  
22 Washington D.C., and Baltimore have embarked on

1 similar programs. It's important to note that all  
2 three of these utilities have similar customer  
3 density per mile. In any case, utilities are  
4 accelerating the pace of their programs either on  
5 their own initiative or in response to the state  
6 regulators to shorten program duration. When the  
7 State of New York was here, the regulators indicated  
8 that they're emphasizing that the work be completed  
9 in less than 25 years in New York.

10 The overall risk mitigation to the  
11 system is obviously evident. There is an increased  
12 safety for homeowners to the elimination of leaks.  
13 Also, the second board on my left also in the back of  
14 your packet shows Rogers Park as an example of leaks  
15 that occurred two years prior to AMRP and then that  
16 same period after.

17 I will note that noted in the board  
18 are material that wasn't replaced meaning it was  
19 either at the south end of that map. It's actually  
20 cast iron that was across the road in the next  
21 neighborhood that was replaced subsequent or there  
22 was one remaining 1960 piece of medium pressure steel

1 that was suitable to retain. So there's a dramatic  
2 difference from before and after.

3 The upgraded system will afford better  
4 access for public safety workers and Peoples Gas  
5 crews to show up during emergency situations and more  
6 safely turn customers back on after hours. If you  
7 look there's photos in the back, and they're also on  
8 the board. The first board you see on the back right  
9 which shows the relocation of meters and restoration  
10 which you can see are located and accessible outside.

11 In addition to the risk mitigation and  
12 enhanced safety, the program provides several other  
13 important benefits including operational customer  
14 convenience and positive environmental impact. For  
15 example, every three years every inside meter must be  
16 inspected in our system, which means currently more  
17 than 150,000 customers, we get access through the  
18 customer or the building manager, an inconvenience  
19 annually to have that inspection completed, this work  
20 and expenses are eliminated with outside meters.

21 Natural gas methane emissions are  
22 greatly reduced by the equivalent 11,500 metric tons

1 of carbon dioxide, 230,000 metric tons over the  
2 course of the program. And then lastly, Peoples Gas  
3 recently joined the U.S. EPA and their Natural Gas  
4 STAR Methane Challenge Program. It's a voluntary  
5 program to reduce methane emissions by 45 percent  
6 between 2012 and 2025.

7                   The benefits of Peoples Gas pipeline  
8 upgrade program are far reaching and go beyond  
9 safety. In fact, the program is having a positive  
10 effect on the local economy. As our partners and  
11 organized labor will attest the work we have  
12 undertaken since the inception of the program has  
13 supported thousands of jobs plus numerous direct and  
14 indirect local contracts for engineering and other  
15 support services.

16                   This balanced use of internal and  
17 external resources is very important to efficient  
18 project execution and the combined annual peak  
19 equates to 1,500 equivalent positions. Working  
20 closely with the City is very important to the  
21 success and execution of our work. We're  
22 participating in local weekly meetings with the City.

1 Peoples Gas recently entered into a coordination  
2 agreement with the City, which lays out a path for  
3 extensive use of dotMaps and for sharing detailed  
4 planning information and coordination. The agreement  
5 also includes investigation of new construction  
6 techniques and restoration techniques, how to  
7 minimize construction for the infrastructure of the  
8 City and will help with the construction costs in the  
9 process.

10 In closing, Peoples Gas ensures the  
11 Commission that we are well aware of the concern  
12 raised by our partners and stakeholders and take them  
13 seriously. We are aware of them and responded to  
14 them before the workshop. We're certainly all the  
15 more clear of those concerns as part of the workshop.  
16 We look forward to continue to work closely with our  
17 partners in collaboration as we work towards the  
18 next.

19 I want to highlight some of our key  
20 accomplishments in the last ten months since WEC  
21 Energy Group acquired Peoples Gas. There's  
22 approximately 70 percent improvement in personal

1 safety record. We have about a 90 percent deduction  
2 in the number of outstanding Class 2 leaks.  
3 60 percent reduction in wait times for customers when  
4 they call our customer care center. And a 15 percent  
5 reduction in new construction contracts that are  
6 being put in place for 2016 construction activities.

7 In short, the work must be done for  
8 the future safety of Chicagoans. Peoples Gas looks  
9 forward to the continued guidance of the Commission  
10 and working closely with our partners and  
11 stakeholders to balance all interests and bring a  
12 world-class natural gas distribution infrastructure  
13 through Chicago. Thank you.

14 MR. SHEAHAN: Thank you, sir.

15 Next we'll hear mere from the office  
16 of the Attorney General. If you can introduce  
17 yourself for the record.

18 Sure, Mr. Rosales?

19 MR. ROSALES: We chose New York as an example  
20 for what reason? Because the density was similar?

21 MR. BEYER: We chose New York because of our  
22 familiarity with their program through our pipeline

1 safety program, the National Association of Pipeline  
2 Safety Representatives, and through our work with the  
3 Feds, PHMSA, and also because New York has some  
4 similarities.

5 States with larger, older cities  
6 similar to Chicago see some of the same types of  
7 issues with their gas systems. Pennsylvania,  
8 Massachusetts, New York, Illinois, California, any  
9 larger, older systems, we saw some similarities  
10 there. So we invited New York to give us their  
11 perspective on some of the things they were seeing.

12 MR. ROSALES: So the east coast cities, some of  
13 these cities were cities before Chicago even existed.  
14 So the piping in those cities were similar to what  
15 we've had?

16 MR. BEYER: You know, statistics on similar  
17 pipes -- I don't want to put you on the spot.

18 MR. HESSELBACH: I do not know vintage. We  
19 looked at similar density per mile as a good proxy.  
20 We looked at the quantity, how many thousands of  
21 miles of pipe do we have to replace, and it was a  
22 range of maybe half of ours to maybe twice ours was

1 kind of a grouping.

2                   And then we looked at their program.  
3 Do they have a different program in place? And that  
4 led to Philadelphia, Washington D.C. as the two key  
5 cities and kind of just simply New York and Baltimore  
6 gas and electric.

7                   When you went into other cities like  
8 Detroit people said what about Detroit. What happens  
9 is Detroit is a little tougher because they have a  
10 fair amount of suburban area, so their customer  
11 density drops off a lot. So you're not sure if  
12 you're really comparing apples to apples in terms of  
13 where they do their work. So that's where we came up  
14 with that grouping of cities, was the similar  
15 customer density and a quantity of material to  
16 replace.

17           MR. ROSALES: So the age of the piping in the  
18 east cost was similar to what we had here?

19           MR. HESSELBACH: I do not know the vintage of  
20 their piping. It's often before the latter half of  
21 the 1800s you don't get a lot of manufactured gas in  
22 place, but I cannot speak to what their specific

1 vintage of their material in the ground is.

2 MR. BEYER: So we might not know the age right  
3 offhand. We can get that. We do know that the  
4 materials were similar. The cast iron, the ductile  
5 iron.

6 MR. ROSALES: Thank you.

7 MR. BEYER: I will follow up with you and get  
8 you some information on those cities.

9 MR. SHEAHAN: Commissioner Edwards?

10 MS. EDWARDS: Good morning and thank you for  
11 being here today.

12 I think one of the bigger issues that  
13 stood out to me anyway prior to the workshops was  
14 that Peoples Gas came upon because of the population  
15 density of the City of Chicago as well as the rapid  
16 pace you all were trying to modernize -- to perform  
17 the project, you came across a lot of issues with the  
18 City of Chicago.

19 And I know you spoke in your report  
20 about kind of some coordination efforts that came out  
21 of that. And I'm curious to know if those efforts  
22 were specifically because of things that happened in

1 the workshop maybe that take place inside the  
2 workshop process or outside of the workshop process.

3 MR. HESSELBACH: It was largely outside of the  
4 workshop process. Last summer and some of it  
5 probably dated certainly beginning in summer and  
6 through the fall, was where we really started to  
7 develop the notion of what became a coordination  
8 agreement, what were the key areas we needed to work  
9 together.

10 And not to get ahead of the dotMaps  
11 presentation, but there were a lot of areas where we  
12 could do better in planning. Probably the biggest  
13 thing that comes to mind: Where are we going to be,  
14 when would we like to be there, where does the City  
15 need us to be or not be because of all the things  
16 going on, and how can we coordinate.

17 So one was coordination and two was we  
18 were not completing our work task within the permit  
19 duration. So those were outstanding independents of  
20 the workshop process as it became some of the bigger  
21 areas we really focused on to execute better.

22 So it started in the fall, and we

1 actually completed the formal coordination effort in  
2 the first quarter of 2016.

3 MS. EDWARDS: Thank you.

4 MR. SHEAHAN: Commissioner Del Valle?

5 MR. DEL VALLE: In your list of key  
6 accomplishments, you indicate a 15 percent cost  
7 reduction, construction contracts for 2016 fieldwork.  
8 That's 15 percent over prior here?

9 MR. HESSELBACH: Correct.

10 So in preparing for the workshops, I  
11 asked my director of purchasing, I said, You know,  
12 look at the unit pricing we were paying for a mile,  
13 2-incher, 4-incher, 6-incher, install a service line.  
14 Over the last two years, we looked at 2014 and 2015  
15 and then look at that work that were newly bidding  
16 out for 2016 and give an idea of the cost  
17 differential. And 15 percent was the calculation  
18 that we arrived at.

19 And what we've really been doing to  
20 drive some of that is a much more intensified  
21 analysis, and I'll say critique of the bids, they've  
22 been approached of a fixed fee. So there's -- give

1 me a fixed price to perform all that work. And we've  
2 converted over to a unit price because one of the  
3 transparencies at the end of their agreement the work  
4 may happen to be the same 2,000 homes and area, but  
5 we wanted to see your cost build up for every mile or  
6 foot of material and what type of material for two  
7 reasons.

8 One, you can really push back against  
9 one who's higher or lower and see really good on 80  
10 percent. It gives you clarity -- but then the  
11 unexpected work. You have a very good numerical  
12 value to anything added or deducted from scope after  
13 you enter the agreement.

14 MR. DEL VALLE: Do you anticipate that the  
15 those procedures that you put in place, the methods  
16 that you're now using will result in additional  
17 savings in future years?

18 MR. HESSELBACH: I'm optimistic, but I'll be  
19 the first to say we have not gotten through the  
20 typical full construction season where contractors  
21 may ask for those changes. But I think twofold, one,  
22 the front end drives efficiencies in. And then two,

1 whenever there's a change or a request, we have a  
2 very good set of values of which to push back in a  
3 contract if they're looking for greater dollars than  
4 you think are warranted. And that gets you a more  
5 detailed product from the contractors.

6                   So I think we've really pushed them.  
7 And there's a couple of other things that come along.  
8 We found that all the contractors were individually  
9 contracting to take spoils away. Spoils are treated  
10 with special material. So it's a landfill.

11                   They're individually going to a range  
12 of different shops. We pulled that out of their  
13 scope. We negotiated a master agreement at a reduced  
14 rate, and we just gave grant rights, if you will, to  
15 the contractors to use a contract that we negotiated  
16 with some process that -- a spoil material.

17                   So that you only get that transparency  
18 so you see opportunities. And so that's certainly  
19 something repeatable, and now we've taken a  
20 negotiation away, and we'll get directly billed from  
21 the landfill essentially. And we negotiated a  
22 reduced rate that will apply to anyone who's dumping

1 spoils on behalf of the project.

2 MR. DEL VALLE: Thank you.

3 MR. SHEAHAN: Andy, when we approved the  
4 merger, I spoke to the importance of improving the  
5 relationship between the company and the City. Can  
6 you speak to your efforts in that respect?

7 MR. HESSELBACH: Yeah. So there were a couple  
8 of areas where we saw right away some of the same  
9 things you see. Work that isn't completed within  
10 permit windows. You see citations being issued. You  
11 saw a number of things that, you know, is not really  
12 the money or citation. You aren't working within the  
13 windows of time that you intended to and which you  
14 conveyed to the City.

15 And the City, what really is eye  
16 opening, you'll see in the map there, there's so much  
17 going on in the city. It gives you greater  
18 appreciation of the challenges they have. So we saw  
19 that we needed to change the way we were doing work.  
20 I mean, last number I saw, we request 10 to 12,000  
21 permits a year. You know, not all for the  
22 modernization program. There's also in the operation

1 side.

2 But to the City, it's all one effort  
3 if you will. Whether it's to put a new main in the  
4 ground to repair a leak, we need to execute well. We  
5 saw that opportunity that really needed attention.  
6 So, for example, this year we greatly reduced the  
7 scope of work. So we're not trying to do everything  
8 possible and push the edge and risk going over.

9 We reduced the scope, changed the  
10 sequence for doing the work, and we're just trying to  
11 learn along the way how we can best coordinate with  
12 the City. So what came from that is making sure we  
13 have all of our plans in dotMaps so the City has a  
14 good rue of where we're going.

15 It demands greater planning, regimen  
16 internally, so that we're more regimen in how we plan  
17 our work. And there also used to be an approach that  
18 we're migrating away from, that the company said,  
19 Hey, we'll give you a piece of work. You tell us  
20 when you can get it done most efficiently.

21 And it might seem somewhat intuitive.  
22 They have crews, they have the tools. So they'll

1 know when they can bid the cheapest when they can  
2 optimize their resources. The problem was the  
3 contract had certain benefits, but it put -- it  
4 didn't work well when you had all sorts of other  
5 parties that were interacting with the company.

6 And so we're specifying you need to be  
7 in, you need to be out. So those were some of the  
8 key areas where we saw an opportunity to work for the  
9 City and improve our performance and improve the  
10 ability for the City to count on us.

11 Now, we're in our first full year of  
12 construction. And so I know the City is cautiously  
13 watching that we can deliver on those elements. I  
14 feel very optimistic, but we have to prove it. We'll  
15 stumble a couple places, and have a meeting weekly.  
16 And senior management meets approximately monthly  
17 with the City that would really put the focus making  
18 sure that it works well.

19 MR. SHEAHAN: Yeah. There are a few things  
20 that should be a higher priority that I think making  
21 sure that that's a good working relationship. Any  
22 other questions? Okay. Representatives of the

1 Attorney General's.

2 MR. JOLLY: Thank you.

3 My name is Ron Jolly. I'm an  
4 assistant attorney general. We have a PowerPoint  
5 presentation. I understand you have a copy of it.

6 Thank you, Chairman and Commissioners  
7 on behalf of the Attorney General's Office. We  
8 appreciate the Commission's decision to initiate the  
9 workshop process in which parties could share  
10 information and share opinions with Peoples Gas,  
11 Staff, and other stakeholders regarding defining the  
12 framework as to how to move forward with the main  
13 replacement process.

14 We also want to commend Staff for  
15 submitting a series of questions to the parties after  
16 the workshops that covered a broad array of topics.  
17 The AG hopes that the docket the Commission has set  
18 will initiate will be similarly broad in scope.

19 In the AG's view, the two most  
20 important factors affecting Peoples Gas is main  
21 replacement program are system safety and customer  
22 affordability. While system safety is paramount, the

1 Commission is obligated under the Public Utilities  
2 Act to ensure that customers can afford essential  
3 natural gas service. In considering these vital  
4 issues, the Commission must be guided by facts and  
5 real data, not opinions without context.

6 For example, while statements like  
7 Mr. Hesselbach just made that some Peoples Gas's  
8 mains were installed more than 100 years ago may make  
9 for a nice sound bite, it cannot be the basis for  
10 arguing that the pipe replacement program should be  
11 completed as fast as possible.

12 Decisions about which mains to replace  
13 and at what rate must be based on sound engineering  
14 analysis not conjecture or supposition. As to  
15 affordability, the utility annual spend on the MRP  
16 cannot be defined by the spending cap nor can it be  
17 defined by the maximum amount of resources Peoples  
18 Gas can dedicate to the program each year.

19 The workshop process confirmed that  
20 the most vulnerable main according to the company's  
21 main ranking index are being repaired or replaced in  
22 the normal course of business outside the MRP. While

1 replacement of vulnerable main must move forward, the  
2 pace of the program has to consider the affordability  
3 of gas service.

4 In that regard, there's ample evidence  
5 that there are thousands of customers in Chicago who  
6 cannot afford this essential service at current rates  
7 much less the increased rates that necessarily will  
8 result as the program moves forward.

9 With regard to safety, the Attorney  
10 General strongly believes that the state of the  
11 system must be analyzed by engineering experts. The  
12 most recent engineering study conducted of Peoples  
13 Gas's delivery system was done in early 2007 as part  
14 of the Commission's order in Docket 060540, which was  
15 the Integris merge order.

16 One of the Commission's conditions for  
17 approving the merger required that Peoples Gas paid  
18 for an independent consultant to analyze the main  
19 replacement program. Among other things, the  
20 consultant was to recommend a schedule for the  
21 replacement of cast and ductile iron main on a  
22 going-forward basis.

1                   According to that condition, the  
2                   engineering study was re-updated every five years.  
3                   It has not been updated. In response to the  
4                   Commission's order, Peoples Gas retained the  
5                   engineering firm Kiefner & Associates to conduct a  
6                   study.

7                   With respect to the main replacement  
8                   schedule, Kiefner documented that Utility replace all  
9                   4-inch, 6-inch, and 8-inch pipe segments by 2036,  
10                  quote, because as these sizes of pipes have accounted  
11                  for over 90 percent of the instances of breakage and  
12                  cracking.

13                  Kiefner also recommended that 10-inch  
14                  and 12-inch pipe be replaced by the 2050 and that  
15                  16-inch and larger pipe be replaced by 2080.  
16                  Kiefner's study was a follow-up to a 2002 internal  
17                  study that Peoples Gas had done by Zinder  
18                  Engineering.

19                  Zinder, which was retained by Peoples  
20                  Gas, found that emphasis should be placed on the  
21                  replacement of small diameter main. Zinder's  
22                  conclusions consistent with the Kiefner reports

1 recommendation that Peoples Gas prioritize replacing  
2 small diameter main. In addition, Zinder recommended  
3 that Peoples Gas complete its main replacement  
4 program by 2050, replacing approximately 45.5 miles  
5 per year.

6                   There are a couple of slides. One of  
7 them is up here, and this is I guess in response to  
8 what Mr. Hesselbach said. In the Zinder report --  
9 and this is actually Peoples Gas's review of the  
10 Zinder report.

11                   Zinder found that the shelf life of  
12 different pipes, the larger size main, are in some  
13 instances over almost 400 years. So again, going  
14 back to Mr. Hesselbach's point, the fact that a large  
15 diameter pipe is more than 100 years old doesn't  
16 necessarily it's at risk of failure.

17                   And with the next slide, Zinder -- and  
18 this is Peoples Gas review committee when they looked  
19 at the Zinder study. They said that the expected  
20 life of a larger diameter main was so long, that it  
21 was outside the time periods they were looking at for  
22 completing the program.

1                   So going back to my notes here, during  
2 the workshops there was no independent engineering  
3 analysis of the MRP. In the docket the AG believes  
4 the Zinder and Kiefner studies should be the starting  
5 point for analyzing the schedule and scope of the  
6 program.

7                   The AG also recommends that as  
8 required by Condition 23 of the order in  
9 Docket 060520, the Commission required that  
10 independent updates in the Kiefner study be  
11 performed. Turning to customer affordability, which  
12 is the second fundamental issue that the AG believes  
13 should be the focus of the Commission's proceeding,  
14 the Liberty Consultants in their first quarterly  
15 report that was issued on September 30 noted that the  
16 recently \$8 billion-plus cost estimate raises  
17 profound questions about many issues including  
18 customer affordability.

19                   The next several slides describes  
20 Chicago's demographics and the difficulties many  
21 Chicago residents are having paying for gas service  
22 at current rates. The slide that's on the screen now

1 shows that 34 percent of Peoples Gas customers live  
2 below 150 percent of the federal poverty level. And  
3 nearly 50 percent of Peoples Gas's customers live at  
4 or below 80 percent of the area median income, a  
5 benchmark that qualifies individuals for state and  
6 federal assistance.

7                   The next slide shows that in a recent  
8 12-month period, 230,000 -- roughly more than a  
9 quarter of Peoples Gas's customers received  
10 disconnection notices. And of those, 77,000  
11 accounts, a little less than 10 percent, were  
12 disconnected.

13                   And finally, in the next slide, data  
14 that Peoples Gas submitted with the Commission shows  
15 that as of September 15, 2014, 14,077 accounts were  
16 disconnected. And of those 14,077, only 1,413 were  
17 reconnected by March 31, 2015.

18                   The data shows that large numbers of  
19 Peoples Gas customers are currently struggling to pay  
20 for essential gas service. Perhaps it's not  
21 surprising, you know, since 2007 Peoples Gas's rates  
22 have increased by a 73.8 percent. This backdrop of

1 steadily increasing natural gas rates that the  
2 Commission must consider the impact of the MRP --  
3 will have on customer affordability because there is  
4 no doubt that continued main replacement investments  
5 will put extraordinary upward pressure on customer  
6 bills.

7                   And Peoples Gas's best case scenario  
8 for AMRP completion, which makes numerous untested  
9 cost saving assumptions, the MRP will cost  
10 \$6.83 billion to complete by 2030. Based on these  
11 assumptions, the AG demonstrated that residential  
12 heating customers will pay \$580 in one year or almost  
13 \$50 a month in additional costs due to the MRP.

14                   The AG presented additional rate  
15 impacts of several other program cost estimates and  
16 dates. I did not have time to go into those studies  
17 in detail, but the overall takeaway is that while  
18 completion dates further into the future may cost  
19 more nominal dollars, annual rate impacts for  
20 customers over both near and long term are  
21 ameliorated.

22                   The other impact analysis presented by

1 the AG during the workshops are included in the  
2 slides presented to you. In closing, the  
3 Commission's decisions in the upcoming proceeding  
4 must be based on factual engineering analysis and  
5 must consider the impact on the affordability of  
6 customer rates.

7 As the Public Utilities Act makes  
8 clear, natural gas service is not a luxury. It is an  
9 essential service that must remain affordable to all.  
10 Thank you, and I'm happy to answer any questions.

11 MR. SHEAHAN: Thank you.

12 Any questions from the Commissioners?  
13 Mr. Rosales?

14 MR. ROSALES: Does the Zinder study on the  
15 12-inch mains, 24-inch mains installed before or  
16 after 1933, is there a specific -- why is there a  
17 specific date for 1933?

18 MR. JOLLY: My understanding according to the  
19 analysis that the document that was available on  
20 eDocket was filed as part of Peoples Gas, my  
21 understanding is that the segments that were  
22 installed after 1933 were longer than those installed

1     piror to 1933.  And therefore were subject to -- more  
2     subject to breaking or leaks than the shorter  
3     segments that were installed prior to that date.

4             MR. ROSALES:  Okay.  Thank you.

5             MR. SHEAHAN:  Thank you.

6                     Next we'll hear from the Citizens  
7     Utility Board.

8             MS. SODERNA:  Good morning, Chairman and  
9     Commissioners, Julie Soderna with Citizens Utility  
10    Board.

11                    I'd first like to thank you for  
12    convening these workshops and the policy meeting and  
13    special thanks to Gene Beyer for successfully  
14    moderating what was surely a man of task.  It was a  
15    productive set of workshops, and all the parties  
16    learned a lot from them.

17                    But in considering how to move forward  
18    with the Accelerated Main Replacement Program, the  
19    Commission should be mindful of past misjudgments.  
20    In 2009, the Peoples Gas gas rate case in which the  
21    MRP was first approved, issues relating to aging  
22    infrastructure were discussed only in terms of vague,

1       conclusory statements regarding public safety and  
2       reliability.

3                       But the problem was approved largely  
4       as a cost recovery mechanism for acceleration of a  
5       major capital project that had been going on for  
6       decades. Even throughout the workshops, while  
7       valuable information was shared, no party could  
8       quantify the safety risks or benefits of performing  
9       work at any particular time nor did the information  
10      shared in the workshops answer whether the AMRP  
11      should have a fixed end date.

12                      The workshops did make clear, however,  
13      that Peoples Gas, the initial goal cost estimates  
14      have been shown to be unrealistically ambitious and  
15      overly optimistic. And it appears clear now that  
16      projecting forward about 15 to 25 years involves  
17      inherent broad based assumptions and speculation that  
18      may make establishing a long term fix end date  
19      unfeasible.

20                      Unfortunately, poor management has  
21      plagued the program since its approval and has been  
22      the cause of significant inefficiency to date, the

1 rate impacts of which have yet to be determined.  
2 What is clear is that Peoples Gas did not prove  
3 capable of implementing the MRP as it was explained  
4 to the Commission in that 2009 rate case with a  
5 completion date of 2030 and a total cost estimate of  
6 at the time of 2.2 billion. As the Commission's  
7 aware, the total cost of the program are now  
8 projected to be roughly quadruple that of the initial  
9 estimate depending on the assumptions used.

10 MR. SHEAHAN: I have a question about the  
11 assumptions. My understanding is that the original  
12 number that gets thrown around a lot didn't include  
13 any escalation over time. It didn't even include  
14 engineering costs, which it just seems insane. I  
15 don't know why we keep using that number.

16 MS. SODERNA: That was what was put forth in  
17 the 2009 rate case in which the AMRP was approved.  
18 Now, the Commission didn't necessarily approve it on  
19 the basis of that number, but that was the context in  
20 which the Commission approved it.

21 So I think it's important to go back  
22 and say, This is what the Commission was thinking at

1 the time. Now here we are, and we have a different  
2 set of data that we're looking at so we have to  
3 reconsider.

4 And, you know, the AG presentation  
5 made clear that the City demographics will lead to  
6 unaffordable rates for many city residents. So in  
7 this stage in the game the scope and pace of the MRP  
8 as Peoples Gas is currently should be reassessed in  
9 light of the dramatic and the projected costs.

10 The focus of the planning process must  
11 now change -- with QIP to prudent management cost  
12 control through specific metrics. Rather than base  
13 the pipe replacement on maximizing to spend, which  
14 does not necessarily equate to more pipe replaced or  
15 achieving an earlier completion date.

16 The goal should be to balance  
17 efficient pipe replacement activity with safety and  
18 affordability concerns. Additionally, it's essential  
19 to develop metrics to benchmark and evaluate how  
20 money is being spent. The workshop made clear that  
21 the Commission must devise a way to evaluate Peoples  
22 Gas performance.

1                   The Commission should require that an  
2                   annual plan be filed that lays out data associated  
3                   with specific metrics and consistent standardized  
4                   presentation. The plans should be approved annually  
5                   and measure actual performance against the previous  
6                   years approved plan with substandard performance  
7                   resulting in disallowances and rate cases. The  
8                   annual plan should also include a rolling three-year  
9                   implementation plan to provide and monitor project  
10                  planning.

11                  Currently a company is operating under  
12                  an established three-year plan and that plan could  
13                  continue to roll forward every year. Metrics should  
14                  include leak rates, for example, cost per mile  
15                  installation, number of miles replaced, number of  
16                  meetings replaced, number of in-house employees, and  
17                  rate impacts as well as many more specific metrics to  
18                  be included, some of which were identified by  
19                  Mr. Cheaks in his merger testimony.

20                  While the highest risk pipe should  
21                  continue to be the focus of near-term work, the main  
22                  ranking identification of highest risk should be

1 compared against other data as well.

2 The evidence in the Kiefner report  
3 mentioned by Mr. Jolly suggested that smaller  
4 diameter pipes should be prioritized. So that's one  
5 consideration the Commission could use in determining  
6 whether the current inputs are appropriate.

7 Without a credible estimation of the  
8 life of the current system safety and locations are  
9 difficult to determine. Therefore, the Kiefner  
10 report should be updated as directed by the merger  
11 order in the Peoples Gas Integris merger case.

12 In order to examine whether Peoples  
13 Gas's approach in considering neighborhood work in  
14 combination with the main ranking index is the best  
15 approach prioritizing pipe replacement the Commission  
16 should also investigate other technologies that may  
17 aid in detecting leaks and prioritizing most at-risk  
18 pipe.

19 Despite the new leadership following  
20 the merger, Liberty had expressed concerns in its  
21 first quarterly report that those performing and  
22 supervising AMRP day to day remained largely the

1 same. While it may not be necessary or helpful to  
2 replace all those who worked on the project prior to  
3 new leadership, the new leadership's ambitious and  
4 optimistic goals describe during workshops will not  
5 be met if all personnel at the executive levels do  
6 not make extensive changes to the day-to-day work.

7                   New management should explain how  
8 below the executive levels new controls will ensure  
9 that the actual construction work does not continue  
10 as simply as status quo. In the docket proceeding  
11 following this workshop process, the Commission  
12 should also consider whether additional in-house  
13 personnel is likely to improve the management of  
14 AMRP.

15                   The Commission should also consider  
16 PGL's review and oversight process of contractors to  
17 determine whether additional measures could be taken  
18 that would limit wasteful spending. And as the AG  
19 discussed, affordability is in many ways a safety  
20 consideration in and of itself because the ability to  
21 cook and heat one's home is a life necessity in  
22 Chicago.

1                   And the statistics regarding economic  
2 demographics of the city that were offered by the AG  
3 are compelling. An up-to-date system will be of  
4 little use if only a fraction of the city's residents  
5 can use it. In addition, for every Peoples Gas  
6 customer that cannot afford to pay their bills, every  
7 other customer's bill will increase above and beyond  
8 significant increases resulting from the cost of the  
9 program.

10                   The Commission must consider rate  
11 affordability just as important as any other  
12 consideration. Thank you.

13                   MR. SHEAHAN: Thank you.

14                   Next we'll hear from the City of  
15 Chicago.

16                   MR. REDDICK: Good afternoon, Mr. Chairman and  
17 Commissioners. My name is Conrad Reddick, and I  
18 participated in the workshops as a representative of  
19 the City of Chicago. The City appreciates this  
20 opportunity to speak directly to the Commissioners  
21 and talk about a topic of great importance to Chicago  
22 ensuring the safety and reliability of gas utility

1 service at affordable rates. Our remarks address  
2 four major points. First, the workshop process.  
3 Second, the need for transparency during the  
4 Commission's redesign of the Accelerated Main  
5 Replacement Program.

6 Third, transparency during the  
7 implementation of that program. And finally, the  
8 absolute priority of public safety and the importance  
9 of statutory rate impact considerations.

10 In the series of stakeholder meetings,  
11 the Commission Staff solicited stakeholders' input on  
12 the scope, pace, and cost on a revised or new  
13 program. And upon rate payer concerns; safety,  
14 affordability, and other issues. The Staff led  
15 workshops, have improved the knowledge and  
16 understanding of the stakeholders who were able to  
17 participate.

18 Both the admissions directed were  
19 preliminary exchange and examination of pertinent  
20 information and Staff's conduct of the workshops  
21 deserve commendation. The City was pleased to  
22 contribute to that exchange and appreciates the

1 candid comments of all participants. The Commission  
2 has expressed an expectation that Staff's workshop's  
3 report would define a docketed proceeding to set  
4 binding requirements for a new program of necessary  
5 modernization projects.

6                   However, even after the workshops,  
7 much of the input Staff sought from us requires  
8 factual information that is not available to  
9 stakeholders. The bases necessary for sound program  
10 recommendations and informed policy decisions such  
11 questions must be examined directly by the Commission  
12 in its docketed proceeding.

13                   Staff asked what methods and plans can  
14 and should be pursued in PGL infrastructure  
15 modernization. Utilities across the nation have  
16 formulated a range of responses to call to action for  
17 vulnerable iron and steel. Not all have adopted PGL  
18 and accelerated base. Staff's more important  
19 question is what should be pursued. That depends on  
20 the missing information.

21                   The unique safety requirements and  
22 cost attributes of PGL's distribution system. If

1 stakeholders for the Commission are to answer that  
2 question competently, they will require full  
3 transparent examinations of the factors that support  
4 PGL's accelerated investment, alternative program  
5 designs, and components that are consistent with  
6 system safety and reliability and the affordability  
7 of current and alternative programs.

8                   Unsurprisingly, the necessary  
9 information and analysis were not fully developed in  
10 an informal workshop process. The Commission must  
11 define a program tied to the specific attributes of  
12 PGL's distribution system with a emphasis on what is  
13 required for safety.

14                   Though PGL's plan to replace all  
15 categories of vulnerable pipe on an accelerated  
16 schedule isn't an easily defined approach, that  
17 response is not required by either emphasis called to  
18 action or by PGL's own risk assessment as indicated  
19 by its ratings or individual pipe segments.

20                   If alternative scope or pace  
21 parameters do not compromise safety and reliability,  
22 the increasing cost estimates for PGL's

1 infrastructure modernization require that the  
2 Commission give greater importance to consumer rate  
3 impacts affordability when defining new program  
4 parameters.

5                   Expedited completion of the Commission  
6 update to the Kiefner report regarding pipeline  
7 safely and useful assessments seems critical in this  
8 context. Determining whether some elements of PGL's  
9 suspended AMRP could be modified, rescheduled, or  
10 removed in a safe and cost-effective manner is a  
11 essential task in the plan program redesign. That is  
12 a complicated process.

13                   To support its termination, the  
14 Commission must facilitate and, if necessary, compel,  
15 develop into a full record. Given the anticipated  
16 time limitations on the docketed proceeding, the  
17 Commission's initiating order should contain  
18 procedural directives with the expeditious  
19 acquisition and exchange of information and analysis  
20 by all parties with transparency for rate payers who  
21 will pay the bills but could not participate under  
22 the workshop restrictions.

1                   There was considerable testament among  
2 the stakeholders that the Commission's AMRP auditors  
3 via Liberty Consultants have not been involved in  
4 this process. That firm has become very familiar  
5 with PGL's system and its practices, and we believe  
6 its knowledge base and recommendation should be a  
7 part of the record on which you make your decisions.

8                   The City emphasizes that in the  
9 redesign process, public safety is not a factor to be  
10 balanced. If safety requires a utility response, the  
11 necessary action should be taken not subjected to  
12 apples and oranges analyses.

13                   As it is implemented the Commission  
14 must transparently asses the effectiveness of a  
15 utility investment. The safety benefits and metrics  
16 used by the Commission to approve this multibillion  
17 infrastructure program should be the starting  
18 criteria for that evaluation.

19                   The Commission may be asked to  
20 consider implementing the main replacement as a  
21 series of short-term plans. While such plans could  
22 be more adaptable to changing circumstances, the

1 Commission should be mindful of that such changes  
2 would present a moving target for performance  
3 evaluations and regulatory oversight, eliminating  
4 consistent benchmarks and more deliberate scrutiny of  
5 utility performance over non-transitional  
6 implementation periods, inform Commission decisions  
7 on a series of short-term programs will require close  
8 continuing monitoring of PGL's planning and  
9 performance not merely after the fact review.

10                   The Commission will not have time to  
11 repeatedly reeducate itself and undertake new  
12 analysis for successive rounds of review. Likewise,  
13 stakeholders will require routine availability of  
14 performance reports ideally on eDocket to participate  
15 meaningfully in the periodic assessment of PGL's  
16 performance and the achieved benefits.

17                   Finally as to rate impacts because  
18 accelerated investment, accelerated rate increases,  
19 the Commission should detail its bases for  
20 accelerated investment and the criteria for  
21 evaluating whether that accelerated investment and  
22 the accompanying rate increases are producing the

1 customer benefits at affordable rates.

2 Under Illinois's regulatory scene,  
3 permanent scope and pace must be defined by the  
4 requirements for safe, reliable, and affordable  
5 utility service. The main funding mechanism for  
6 AMRP, QIP should not be a factor since prudent  
7 investments can be recovered for rate proceedings.

8 Program scope and pace should not  
9 match available accelerated recovery or to consume  
10 the maximum rate payers can afford. If safety  
11 considerations permit schedule flexibility,  
12 affordability of service deserves priority in the  
13 Commission's scheduled and scope determinations.

14 The City's entrance in this program  
15 will remain high and the City looks forward to  
16 working with the Commission to turn the right course.  
17 Thank you.

18 MR. SHEAHAN: Thank you, sir.

19 MS. EDWARDS: Thank you very much for the  
20 presentation. In light of the presentation that  
21 Peoples Gas just gave, I'm wondering if the optimism  
22 on behalf of the coordination efforts are mutual on

1       behalf of the City of Chicago.  If you feel as though  
2       the relationship has been improved.

3               MR. REDDICK:  I am a watcher.  The operational  
4       people are sitting right behind me, and I'm sure  
5       you'll have an opportunity to talk with him.  But  
6       from my conversations with him, he is optimistic as  
7       Andy said.  This is a new arrangement, new  
8       coordination effort.

9                       They have not gone through an actual  
10       reconstruction season.  This is the first chance that  
11       we've had to try it and to make sure it works.  So by  
12       the end of the summer or the fall, I'm sure both  
13       parties will have much more informed operational  
14       perspectives.

15               MS. EDWARDS:  Sounds like we're optimistic.

16               MS. McCABE:  We've heard three calls for the  
17       Kiefner study, and I just wanted to know if you'd  
18       like to give your thoughts on that.

19               MR. HESSELBACH:  I can give some qualified --  
20       some of the history reference was before my  
21       engagement on Kiefner.  Some points that Mr. Jolly  
22       pointed out from Kiefner that are relevant, we talked

1 the 8-inch and smaller diameter pipe that's built.  
2 Since that size of main 90 percent of the customers  
3 are served off that small diameter, it gets that  
4 extra attention.

5 As far as a refresh as I understand it  
6 the direction was to do an update on the progress  
7 that was made. It was not a from-scratch full  
8 reassessment of Kiefner. But that may nonetheless be  
9 a appropriate at this time.

10 So we think the Kiefner study is very  
11 consistent with the plan. It may be more stable but  
12 it's certainly not a backbone to the system. And to  
13 have a backbone that doesn't feed smaller diameter  
14 pipe that you've already had to replace. It doesn't  
15 serve much of a purpose because you need to bring  
16 that new material to serve all the customers.

17 MR. DEL VALLE: You mentioned Liberty. Could  
18 you elaborate on that, what you feel their goal  
19 continues to be or needs to be in the future?

20 MR. Reddick: Of the engineering expertise  
21 available to stakeholders, people other than the  
22 company which has its own engineers, the Liberty

1 reports have been valuable. They have provided  
2 insight to the structure and the operation of  
3 distribution of Peoples Gas. And they have developed  
4 over the last 2 or 3 years probably more familiarity  
5 with that system than anybody else other than Peoples  
6 Gas.

7                   And it was puzzling to us that they  
8 were not a part of this process. So I'm suggesting  
9 very strongly that as the Commission moves forward  
10 that knowledge base and expertise be made part of the  
11 record on which you make your decision.

12           MR. SHEAHAN: Do you want to address that in  
13 terms of why they weren't?

14           MR. Beyer: Sure. We did address that during  
15 the workshops and some parties were interested in  
16 Liberty's participation and Liberty's assistance in  
17 helping the parties walk through the issues.

18                   Liberty's work is very narrowly  
19 defined, and Liberty's work was to look at Peoples  
20 Gas program back in 2014, early 2015 and prepare a  
21 study, a report on that which they delivered to us  
22 last spring talking about what they saw during their

1 review of Peoples Gas at that time.

2 Liberty's work right now is a two year  
3 implementation period of that snapshot of the  
4 company. To have included Liberty in the workshop  
5 process would have drawn them away from a separate  
6 but somewhat parallel effort but it would have drawn  
7 them away from that effort for which we contracted  
8 with Liberty a couple of years ago.

9 So while they're looking at a lot of  
10 the same issues and a lot of their findings are of  
11 interest that overlap such as cost, schedule, scope  
12 of the program, a lot of similarities, the work that  
13 Liberty was doing is not consistent with I think what  
14 we're trying to do to reevaluate this program.

15 Liberty understands that. We've  
16 talked to Liberty about this issue more than once.  
17 And as now Liberty is facing a new set of management  
18 at the company versus the one that they evaluated  
19 back in 2014, 2015. We're continuing to work with  
20 them to see how those changes are affecting the  
21 assignment they have been given.

22 But that assignment, in short, is

1 different from what we're trying to do right now.  
2 Overlaps, yes, but we would have had to pull that  
3 away from this contracted engagement.

4 MR. SHEAHAN: And is it still your opinion that  
5 in the future the Commission should consider  
6 retaining some expertise with respect to sort of cost  
7 accounting and project management. We've talked  
8 about that in the past. Obviously procurement is a  
9 challenge in this current state government  
10 environment, but is that still your thinking that  
11 having that kind of expertise as a resource might be  
12 useful?

13 MR. BEYER: Yes. I think that this project and  
14 the importance of this project to the company as well  
15 as to the residents and the City of Chicago is quite  
16 massive. And it requires I believe a lot of  
17 oversight more than what this agency can do without  
18 that outside assistance.

19 So I would certainly support and  
20 assist in trying to identify what that role should be  
21 and going through the process to identify someone  
22 that can help out in that area.

1 MR. SHEAHAN: Any other questions? Okay.

2 Thank you, sir.

3 Next we'll here from Local 18007.

4 MR. ELFENBAUM: Good morning, Chairman,  
5 Commissioners. My name is Ian Elfenbaum. I'm the  
6 attorney for Local 18007. We participated in the  
7 workshops, and as you can see from the presentations  
8 today they we're well prepared and excellent and a  
9 good way to exchange information.

10 So I think that's what we're getting  
11 from everyone's comments. A lot of our comments  
12 haven't been touched on by the prior presenters.  
13 What they've said and bringing forward in the Union's  
14 perspective. We approached our presentations, an  
15 hour and a half PowerPoint, on cost safety and a  
16 particular issue called graying of the workforce.

17 Graying of the workforce is  
18 essentially the aging of the skilled trades people  
19 who do the work and the inability to replace them  
20 because there's not a lot of people in that pipeline  
21 for lack of a better way to --

22

1           MS. EDWARDS:  Could you pull your microphone a  
2 little closer?

3           MR. ELFENBAUM:  Yes.

4                        So the graying of the workforce issue  
5 is something that Liberty talks on at length.  Most  
6 of our comments we used the Liberty report as an  
7 authority or as a footnote to show our opinions were  
8 coming also from those auditors.

9                        We came up with five proposals that we  
10 put forth at the end of the workshop.  The first one  
11 was to increase the unionized to 1300 and the current  
12 level of 950.  Based on the information we had, we  
13 thought a workforce of 200 dedicated AMRP workers was  
14 appropriate.

15                       Liberty suggested we -- the company  
16 bring in house 25 percent of the AMRP work on a trial  
17 basis to see what kind of savings they could achieve  
18 by that.  We also suggested that working  
19 classification to retain and utilize skilled,  
20 experienced workers.  Something that has not been in  
21 place.

22                       And finally, Utility Workers of

1 America is getting national press for the U map  
2 program which trains veterans to come into the  
3 workforce after their service. It's supported by the  
4 City, by the company, by various federal and state  
5 agencies.

6 It's used by a number of major  
7 employers, and as a result of the workshops New York  
8 City had asked -- so using U maps as a trading tool,  
9 it's already here in place in Chicago in a way to  
10 bring in more people into employment with the  
11 company.

12 There's a big issue around  
13 subcontracting of work that's behind those proposals.  
14 Subcontracting is something that I think we agreed to  
15 disagree about. Although generally speaking without  
16 some of the prior information you heard with access  
17 to numbers and a real way to measure cost.

18 So finally I just want to point out as  
19 we listed in the presentations today that the Union's  
20 gone through this as has the City, as has the  
21 Commission, as has the other stakeholders in the  
22 room, Cub, the AG, we're all still here. But we do

1 sense that the companies do turn over. So we're  
2 asking the Commission to give us some long-term  
3 guidance on these issues so we don't continue to  
4 discuss the employment levels, funding, and safety  
5 issues because we have done this before with prior  
6 ownership.

7                   And then the only new people in the  
8 room are the new owners and we start all over again.  
9 So I think after what's going on and the focus of the  
10 AMRP, we want to be able to say, Here's what we need  
11 to do for the long term safety of the project.

12                   MR. SHEAHAN: Thank you.

13                   Any questions?

14                   Next we'll hear from the Illinois  
15 Industrial Energy Consumers.

16                   MR. FORAN: Commissioners, participants, my  
17 name is Paul Foran. And I together with this  
18 gentleman behind me, I'm here today on behalf of the  
19 Illinois Industrial Energy Consumers. You will  
20 hopefully be happy to hear that I do not intend to  
21 take my full allotted time. Substantively I think  
22 that the previous presenters have done an excellent

1 job in bringing to your attention some of the same  
2 concerns that we would have in the community with  
3 regard to this program including the Attorney  
4 General, CUB, and the City of Chicago.

5 We have also provided written  
6 responses to Staff's questions to the extent we were  
7 able to based on the information obtained in the  
8 workshop and so we will stand on those comments. I  
9 do, however, that being said, want to add our thanks  
10 and appreciation to the Staff, Gene, to the  
11 Commission for initiating this process, to the  
12 Company for all the information it presented as well  
13 as to all of the other presenters.

14 We do believe that workshop is highly  
15 informative and will be very useful to us in  
16 evaluating whatever comes down the line here with  
17 regard to AMRP. I think a lot remains in the way of  
18 information that needs to be obtained before  
19 definitive answers could be provided to some of the  
20 questions that were posed.

21 But this has certainly been an  
22 informative first step, and we appreciate that effort

1 and the ability to participate in it. So thank you  
2 very much. If you have any questions, I'll be happy  
3 to try to explain.

4 MR. SHEAHAN: Any questions? Thank you.

5 Next we'll hear from the Office of the  
6 ICC General Counsel regarding next steps.

7 MR. HARVEY: As Mr. Beyer told you, the  
8 Commission's Office of General Counsel is working  
9 with Commission Staff in consultation and with the  
10 participants and stakeholders to prepare a report on  
11 the workshop process which pursuant to your  
12 directive, we will submit on or prior to May 31,  
13 2016.

14 Before I discuss the report, however,  
15 I'd like to describe the process of preparing the  
16 report that we've hit upon. First, based on  
17 discussions that took place in the workshop, our  
18 office identified seven major topic areas, which are  
19 the scope of the program, the cost of the program,  
20 the schedule for main replacement, the management of  
21 the program, ongoing monitoring of the program, the  
22 rate impacts that will result from the program, and

1 the public safety implications of the program. With  
2 each of these topic areas, we prepared questions  
3 designed to solicit the feedback from stakeholders  
4 about areas of concern that they have. Workshop  
5 participants have provided comments and suggested the  
6 inclusion of an 8th topic area which was engineering  
7 studies.

8 The purpose of Staff's questions are  
9 to make sure that each participant has first an equal  
10 opportunity to present its position in its own words  
11 to the Commission. And second, each party has the  
12 opportunity to address the same major topic areas so  
13 that you'll be able to compare apples to apples if  
14 you will.

15 On March 25, Staff provided each  
16 workshop participant with the final questions that  
17 had been revised subject to the party's input, and we  
18 asked stakeholders to provide recommendations in  
19 areas of concern using the questions that we had  
20 submitted as a guide. The participants did respond  
21 in writing in approximately mid April, and these  
22 responses will be included in their entirety in the

1 Staff report that we submit to you.

2                   The Staff report, we hope, will  
3 provide the Commission with a complete summary of the  
4 information presented by the parties and other  
5 stakeholders in the workshops. The report, however,  
6 is not intended to definitively resolve any of those  
7 issues. Instead, it is -- we'll attempt to do two  
8 things.

9                   First, we hope to provide a framework  
10 for a future docketed proceeding in which  
11 stakeholders can raise -- can work together to  
12 address the Peoples Gas System Modernization Program  
13 in the long term. And second, the report we hope  
14 will provide recommendations for Commission  
15 evaluation oversight of the program in the short term  
16 while the docket proceeding is ongoing and pending.

17                   A draft of the Staff report will be  
18 circulated to workshop participants on May 2 of this  
19 year. Participants will hopefully submit comments on  
20 the report to the Staff by May 16th. And the final  
21 report will be submitted to you on or prior to  
22 May 31, 2016.

1                   The Office of General Counsel greatly  
2 appreciates the efforts of all the participants and  
3 stakeholders. And most particularly our ICC Staff  
4 colleagues and Mr. Beyer most particularly of all.  
5 We're prepared to answer any questions you may have  
6 regarding the workshops, the process of preparing  
7 Staff report, and the process for Commission  
8 consideration of the report at this time.

9                   MR. SHEAHAN: Commission Del Valle?

10                  MR. DEL VALLE: You have indicated that you're  
11 going to recommend mechanisms for oversight in the  
12 short term.

13                  MR. HARVEY: I think we're going to recommend  
14 some procedural, yeah. Our recommendations in the  
15 Staff report will be largely procedural. Here's what  
16 we think you should do next to resolve these issues.  
17 We're not going to say, you know, here is what the  
18 resolution of those issues should be.

19                  MR. DEL VALLE: Okay. And then you indicate  
20 THE docket proceeding.

21                  MR. HARVEY: That's certainly subject to your  
22 approval.

1           MR. DEL VALLE:  So if that's what happens, then  
2 what kind of time frame are you thinking for the  
3 short term as well as long term?

4           MR. HARVEY:  Well, that really is up to you  
5 based on, you know, what you take away from the  
6 report.  I mean, you may very well determine that as  
7 a Commissioner that certainty and getting the matter  
8 resolved quickly has value and is important and you  
9 could at that point say, you know, look, parties, you  
10 need to get this accomplished in 180 days.

11                        You may determine that there's a way  
12 to deal with this on an interim basis if you think,  
13 for example, that the three-year plan is generally  
14 suitable.  You could enter interim report directing  
15 that the company continue with that while you decided  
16 how to deal with the long-term question or a lot of  
17 ways that you could accomplish this.  And I'm not  
18 necessarily recommending any of them.

19                        Based on the report, I hope you'll  
20 have ample information to be able to make that  
21 decision.

22           MS. EDWARDS:  Are you all proposing a timeline,

1 or are you leaving that to the Commission to set a  
2 timeline?

3 MR. HARVEY: I frankly don't know the answer to  
4 that. I think that certainly we will give you  
5 several different, I guess, alternatives and  
6 scenarios, and you can pick any or none of them to  
7 proceed with.

8 MR. BEYER: I do know that last November and  
9 December when we were beginning to talk this process,  
10 planning the workshop process, I know that some of  
11 the discussions we had we were anticipating or  
12 actually giving a formal docket shortly after the  
13 report perhaps the middle of the summer, and we're  
14 tentatively setting a deadline so that we could  
15 address it in a timely manner by the end of 2016.

16 So that's kind of the time frame that  
17 we're on. And as you heard, Conrad Reddick say, he  
18 referred to that timeline sort of the short timeline.  
19 And that's what he's referring to because we were  
20 clear during the workshops that we were on that type  
21 of time frame obviously with the reaction you may  
22 have to the Staff report that you get, you may

1 determine at that time -- that the timeline should be  
2 changed or that we should modify it. Or we may find  
3 during the progress of the case that something else  
4 needs to be set in place perhaps a different  
5 schedule, that sort of thing. So those are sort of  
6 open, but we've been operating on the assumption that  
7 we'll start up something this summer and perhaps  
8 close it up before the end of the year.

9 MR. SHEAHAN: Any other questions?

10 Okay. Thank you.

11 Finally, we're going to hear from  
12 Commissioner Cheaks from the City of Chicago  
13 regarding the dotMaps tool.

14 MR. BEYER: I would if possible request that if  
15 we were moving right through this dotMaps  
16 presentation and 3:00 o'clock arrives that we be  
17 patient and allow them to continue and wrap it up and  
18 not hurry it along. I think it's that interesting,  
19 and you'll find it that helpful.

20 MR. SHEAHAN: That's great. And that's fine.

21 MR. ROSALES: Just so you understand, four to  
22 five Commissioners here are residents of the City of

1 Chicago, so ...

2 MR. CHEAKS: Good afternoon. My name is  
3 William Cheaks. I'm the Deputy Commissioner of  
4 Infrastructure Management with the Department of  
5 Transportation for the City of Chicago. I'd like to  
6 thank you for allowing us the opportunity to give a  
7 demonstration of our coordination tool that we use.

8 What I'm going to first do is give you  
9 kind of a run-through what CDOT and the Division of  
10 Infrastructure is responsible for. And then we will  
11 bring up our coordination tool, dotMaps. It is live.  
12 It is interactive. So if you have some questions  
13 while we're navigating through it, feel free to ask  
14 me. We can look up certain locations, and we think  
15 you'll find it quite interesting. And it's a life  
16 safer for me.

17 So our agenda, we're going to talk  
18 about our Infrastructure Management, Project  
19 Coordination Office, dotMaps, and we will give you a  
20 discussion.

21 Infrastructure management, I'm  
22 responsible for the Office of Underground

1 Coordination, which is basically if someone is  
2 submitting plans in design, they come through the  
3 Office of Underground Coordination. There are 26  
4 members that belong to the OUC, those plans come into  
5 us kind of like a wheelhouse distribution center, I  
6 get the plans, I give them to all 26. And if there's  
7 no conflicts, the members give an approval, which is  
8 called a PIA authorization, and then whichever  
9 contractor is able to go to the permit office and get  
10 a permit to do their work.

11                   The Project Coordination Office --  
12 this is George -- I'm sorry, I was negligent. He's  
13 my project manager for the Project Coordination  
14 Office, so all the work that comes in we vet it, put  
15 it against different schedules, everybody's working.  
16 I'm kind of like a traffic cop or orchestrator,  
17 conductor. That's my ruling in the scheme of things.

18                   We also -- I have the geotech and deep  
19 foundation review. Any excavation or foundation work  
20 that's deeper than ten-foot in the public way, that  
21 has to go through another level of scrutiny. We got  
22 an additional sign-off. At the permit office last

1 year, we did 120,000 new permits. That does not  
2 include any reups, they get an extension. So that's  
3 not part of that. I also have construction  
4 compliance as well. I have 26 inspectors out in the  
5 street, seven days -- well, on Saturdays and Sundays  
6 I have a skeleton crew, but we are out in the streets  
7 seven days a week.

8                   Some of the things that CDOT is  
9 responsible for is a thousand miles of major streets,  
10 3,000 miles of residential streets, 2,100 miles of  
11 alleys, and 7,400 miles of sidewalks. Here's just a  
12 brief cross section. So from property line to  
13 property line, I'm responsible for what goes on in  
14 the public way citywide.

15                   So we regulate canopies, new  
16 construction, also anything that's in the realm of  
17 utility trenches, sidewalk, parkway construction, and  
18 new foundation as well. This is kind of what's on  
19 our plate for the next 10 to 20 years. Mayor Emanuel  
20 came up with the building in Chicago, so what we have  
21 to do -- he's mandated that we pave 300 miles of  
22 street a year.

1                   The Department of Water  
2 Management/Sewers is 750 miles of sewer main  
3 replacement over the next ten years. ComEd has  
4 indicated that the wanted to do 100 miles of conduit  
5 repair. There's a huge growth in telecom. Currently  
6 I have between Verizon, AT&T, Sprint, T-Mobile.  
7 We're anticipating 2,000 digital antennas in the City  
8 of Chicago next year. We're currently vetting a lot  
9 of those as we speak.

10                   The 880 miles of water main  
11 replacement over the next ten years, ComEd also said  
12 they had 20,000 manholes that need to be refurbished  
13 or rebuilt. They are out doing surveys and some do  
14 need to be fixed, and some are just pretty good.

15                   Peoples Gas, the reason why we're all  
16 here, 2200 miles of natural gas pipes to be repaired,  
17 replaced over the next 20 years. So there is just a  
18 lot of things that are going on that I have to  
19 juggle. So this is one of the intersections that's  
20 down here. This kind of gives you an idea of what's  
21 going on in the city. I know the pave marks are one  
22 of your pet peeves.

1                   In the picture, there's ComEd, Peoples  
2 Gas, water, and telecom all in this intersection. So  
3 if someone wants to go through here, sometimes  
4 there's a lot of support work that has to go in  
5 conjunction with that work.

6           MR. ROSALES: Just for clarification, is the  
7 2,200 miles of natural gas pipelines to repair or  
8 replace, is that all the pipelines for Peoples Gas?  
9 Or are those ones that we're repairing or replacing?

10          MR. HESSELBACH: 2,000 miles, the difference  
11 might be just be -- originally it's about 2,300 and  
12 change to start out with, and we've cleared out about  
13 350 miles approximately. So about 2,000 is left to  
14 be replaced as part of the program.

15          MR. ROSALES: Thank you.

16          MR. DEL VALLE: I want to -- right outside our  
17 doors here, Randolph, I think there have been three  
18 different cuts maybe more over, what, a year's time  
19 now?

20          MR. CHEAKS: Comcast, yes.

21          MR. DEL VALLE: Any more cuts coming?

22          MR. CHEAKS: There's several manholes along

1 Randolph that need to be prepared. So some more so  
2 in the intersections but some are sizeable and some  
3 are rather small.

4 MR. DEL VALLE: Okay. So you are speaking to  
5 the coordination of all that and, of course, the  
6 question I always get is I know you can't block off  
7 the whole street, that's why you're supposed to do  
8 things at different times. But could it be better  
9 coordinated so that the number of cuts are reduced?

10 MR. CHEAKS: Well, what you're seeing now is  
11 actually the brunt of the Loop Link. In context, so  
12 Loop Link, so wherever you see the bike lane, the  
13 platform, a lot of places there, utilities  
14 underneath, those new facilities. So we had to do a  
15 relocation and move them out because if something  
16 ever goes wrong, you can't jump up the platform to  
17 repair it.

18 So we did a lot of relocation.  
19 Randolph Street is also part of that since a lot of  
20 this infrastructure that was in the CBD central  
21 business area is old, so it's just part of the  
22 remediation process. So unfortunately one of the big

1 impacts was Block 37, that was a new building there.  
2 So trying to work either within that closure or  
3 around it. Michigan Avenue and Randolph, there's  
4 ComEd and then we had to work around Macy's. We  
5 treat them with, you know, in a number of ways.  
6 There are some other businesses along that way. So  
7 hopefully unless there's a new development that I  
8 can't stop, we do want new development. We'll pave  
9 it, and then I'll lock it down for five years.

10 So that's -- so the need for a project  
11 coordination office, a large amount of constituent  
12 and alderman complaints about lack of coordination  
13 and newly resurfaced treatment being recut.

14 So the aldermen are given \$1.3 million  
15 a year for their programs, sidewalk, street lighting,  
16 and such. What was happening is aldermen would pay,  
17 CDOT would go out and pave several blocks, and  
18 inevitably, three months, six months, someone would  
19 come in and cut it up.

20 So with the amount of work that was  
21 coming up, we had to find better way to do it. So  
22 the map does help us in doing that. It's more of the

1 coordination, who's going in. We have something  
2 that's more like opportunities and conflicts, trying  
3 to see who does have the work, when it's slated for,  
4 is there an opportunity to slide someone in sooner or  
5 if we tell everybody somebody's going down.

6 Water has had a project that's  
7 starting in May that will be out there for 90 days.  
8 After they're done, you can't get in again. I'll  
9 lock it down for five years. So if you have --  
10 they're coming in May, this is April. But usually we  
11 kind of notice things a year ahead of time, so we try  
12 to and give everybody an opportunity and get in now,  
13 or you're done.

14 Another thing is optimizing resources,  
15 better coordinate with the utility companies, and the  
16 public way. We also used dotMaps before it was  
17 internal. There's a firewall. No outsiders could  
18 get in. We went to a cloud based solution.

19 Another thing before there was kind of  
20 this perception that the City was holding everything  
21 close to the chest, and I wanted to dispel that  
22 because by me releasing work, it does mean to not let

1 people finish. Because that's what I'm judged on is  
2 are they in, are they done, when we get the holiday  
3 season, is my street done. That's what I have to  
4 answer to. That's -- you know, I get called on the  
5 carpet it's -- so I had to do something to stop all  
6 that.

7 Another thing was to reduce  
8 construction and special event conflicts. Worst  
9 thing we had the Chicago Marathon, they sent us a  
10 route that they wanted to be on. There was a  
11 construction project on it, and so we actually had to  
12 have them reroute the race because the project  
13 wouldn't be done in time.

14 But see, knowing, being able to look  
15 at that on the map lets me see it. One of the  
16 biggest problems we saw is everybody -- my project,  
17 and this is all I see. But I see everything. And so  
18 once you put it out there for transparency, and you  
19 show everything, this is what's out there, this is  
20 what -- then everybody has a better idea, it's not  
21 all just about me. This is something that helped get  
22 that message across.

1                   Also, we're able to properly sequence  
2 work while still not impacting utilities programs.  
3 That's just getting everybody in line. Get your work  
4 done. Offer opportunity for all effective users. So  
5 again, that goes to whoever's last, paves. Sometimes  
6 if another contractor, you were going to pave, but  
7 you're not paving this time, so that quantity you do  
8 more paving on the next project that we do.

9                   George is going to speak now.

10                  MR. KECK: Thank you.

11                   I run the Project Coordination Office  
12 in the supervision of Deputy Commissioner Cheaks. So  
13 we set up a solution in which utilities could better  
14 coordinate and see the same information that allows  
15 us to align the sequence. So I'm briefly going to  
16 hit on the points and get right to the map because I  
17 think that speaks volumes.

18                   So there's over 400 users that are  
19 currently interacting in dotMaps, and those are made  
20 up of City departments such as OEMC, Water  
21 Management, IDOT. All these City departments along  
22 with our partners in private utilities such as

1 Peoples Gas, telecommunication companies like Comcast  
2 and ComEd. All these agencies are now rolled up into  
3 one enterprise tool. So you can see special events  
4 and other activities that could hinder your ability  
5 to sequence your work.

6                   So if you wanted to do permanent work  
7 for next week, and we have an impact, now you can see  
8 why, to apply for a permit. The internal access  
9 portal, so the way this is built by ex Google  
10 engineers on Google infrastructure.

11                   So this makes it very intuitive for  
12 any user at any skill set to be able to get into a  
13 map and to be able to find the same information. So,  
14 for example, when we started the project like William  
15 said, everything was a provision on the firewall.  
16 There was only a provision to and do analytics and  
17 exhibits by our GIS.

18                   It was taking like eight hours to  
19 create an exhibit versus now you can do it in a  
20 matter of half an hour because it's built -- it's the  
21 same mantra as Google. So if you could find a pizza  
22 place, you should be able to find a project, you

1 should be able to find a permit. This is provision  
2 to OUC members. So only OUC members have access and  
3 right now, we have on board ten aldermen. So we --  
4 this is our internal access portal.

5 We actually just created another one  
6 for the aldermen.

7 MR. CHEAKS: There's ten that we've met with  
8 last week. There's a two-week pilot, to play with  
9 it, and get back to us, and then there's some added  
10 features that, you know, don't come to us because the  
11 engineering aspect. But if there's something else  
12 that they see that we might need to add, we'll look  
13 at that. And I'll be rolling it out to the other 40  
14 shortly thereafter.

15 So the goal of that is to have 50  
16 aldermen on board by the end of May.

17 MR. KECK: And initially the way this is built  
18 is these individual buttons that represent assets  
19 that are rolled up in the City of Chicago and are  
20 managed by the public. You can see lighting, assets,  
21 infrastructure, and pavement condition index.

22 This, Project Coordination Office and

1 special events right here. And performance, so if we  
2 can get into some analytics, dashboards over there,  
3 traffic safety using Google's infrastructure so we  
4 can see live traffic. And project development also  
5 looking at how they're impacted by construction.

6 So it's an easy search. It's built  
7 just like a typical Google search. And I'm going to  
8 click through a few of these just because of time  
9 here.

10 So I'm going to zoom out just to kind  
11 of give you a perspective of an area where Peoples  
12 Gas is. This is currently the Beverly area. So the  
13 yellow represents Peoples Gas so if I left click off  
14 to the left these are all the agencies that are  
15 represented on the map.

16 So you have different aspects of CDOT,  
17 Water Management, Peoples Gas, telecommunications  
18 companies. You have private industries, special  
19 events. And what you can see here is the influx of  
20 Peoples Gas work area and the challenges with all  
21 these other dots that are in the surrounding areas  
22 that are made up of Water Management work. These

1 purple dots are representative of 50/50 sidewalk  
2 replacement programs. So if you're a home owner,  
3 you're looking to replace your sidewalk, you want to  
4 coordinate that with Peoples Gas. So there's all the  
5 way down to that level of detail where you're  
6 actually making sure that the sidewalk happens to be  
7 recut over and over again.

8           Okay. Also, we can isolate by project  
9 type. So it's off the screen to the left here, but  
10 there's CIP which is the capital improvement program.  
11 That's where there's over 100 miles of being invested  
12 in sewers also doing -- I think that's a combination  
13 of water and sewer on a year to year operation.

14           So they provide us a one-year look  
15 ahead whereas Peoples Gas provides us a three-year  
16 look ahead. CDOT is using a one-year forecast,  
17 two-year forecast on determining where their  
18 servicing programs are, which William alluded to,  
19 that many programs is a year-to-year program.

20           So 1.3 million and then they pick  
21 their project for that given year. So those are some  
22 of the challenges that Peoples Gas faces selecting

1 impacts within an intersection. So if you're having  
2 to make a crossing and the alderman wants to  
3 resurface it. We get into the coordination office  
4 where we meet every week, and we talk about that  
5 detail of are you crossing the intersection, aldermen  
6 maybe want to omit the intersection.

7 So those are the day-to-day like back  
8 and forth emails that we have with Peoples Gas and  
9 other utilities. And then we have a two-hour meeting  
10 every Thursday where we actually nail down those  
11 level of details. We have something called an MOU, a  
12 memory of understanding, of what those agreements  
13 equate to.

14 So the quantity that's being traded  
15 between asphalt and restoration, so EMP is existing  
16 facility protection, so this is where you'll see all  
17 the design plans that are coming in along Randolph.  
18 And other utilities have the opportunity -- they have  
19 30 days to comment on that infrastructure saying,  
20 going down Randolph, they're are able to comment on  
21 their actual alignment.

22 And then Water Management comes in and

1 says, you know, You're within five feet with our  
2 facilities, can you retract two or more feet. So we  
3 have separation where you're doing the excavation.  
4 And then Comcast will come in and say, We have a new  
5 service, and they all know in the meanwhile that  
6 CDOT's going to resurface in September.

7 All these utilities are trying to get  
8 ahead of the resurfacing and then at the end, CDOT  
9 will do the final surface course. So those are the  
10 day-to-day impacts. And we also have to take into  
11 consideration things like the draft is coming in  
12 tomorrow so you need to make sure that that's done so  
13 you see Comcast completed all their work before the  
14 draft starts tomorrow.

15 So there's a lot of moving pieces, and  
16 we can get into those. But EFP is directly related  
17 to the subservice impacts and the impacts of the  
18 alignment in the corridor. And then now utility  
19 submit into dotMaps, they get an instant  
20 notification.

21 So after we resurface it, he puts a  
22 hold on that for five years. So now when an agency

1 private or public submits for EFP on a form, it's  
2 automatically they're getting a notification that  
3 says you're submitting a project. So that allows us  
4 to put a hold on that design plan, and we actually  
5 take it to another level of scrutiny saying, You may  
6 have to expand your restoration, you may not be able  
7 to get in for two years.

8 Those are cost impacts to programs as  
9 well so that's important to know.

10 MR. BEYER: What about an emergency?

11 MR. KECK: These are all related to plan  
12 projects. So emergencies would come in under the  
13 permit, so they would just directly go out and  
14 they're sent out an OEMC notification. Those  
15 notifications -- correct me if I'm wrong -- allowed  
16 48 hours to go and apply for a permit after you fix  
17 the emergency.

18 And then I can show for permits, so I  
19 can turn on off to the left here permits, street  
20 opening, and I can look at all permits that are in  
21 the month of April. So that's where you would see  
22 emergency projects and then you can overlay those

1 over capital work.

2 All right, so if there was an  
3 emergency here, can you leave that concrete to grade,  
4 maybe there's another agency coming in and that's  
5 going to pick up that restoration work. So left  
6 click on the permit, and you can see that's the DOT,  
7 a public way opening permit.

8 And it actually gives us a description  
9 of the permit activity. And it's in restoration, and  
10 it's Peoples Gas. And they have till April 13 and so  
11 it should be done. And that gives you a level of  
12 detail. So this is where our field engineers would  
13 go out and do a post permit inspection and see if  
14 they're completed in the time frame. And then  
15 Peoples Gas may or may not ask for an extension, but  
16 this gives us the ability to look at all permits  
17 holistically and all things that could impact the  
18 sequence of their work.

19 So another asset that we are currently  
20 showing are the pavement condition. So this allows  
21 agencies to kind of get a forecast of street  
22 conditions in the condition that they're currently in

1 potentially for a resurfacing job. So this also  
2 allows agencies to say, All right, well here's some  
3 red areas that are in poor condition. So left click  
4 on those, and you can see it was in poor condition on  
5 that block. And maybe this is a location in which  
6 utilities showed take advantage of trying to get  
7 ahead of a future resurfacing project.

8                   So this is a dynamic pavement  
9 condition index that can be modified as people are  
10 resurfacing or restoration occurs. So we output this  
11 and all utilities will see the same information as  
12 us. So they understand why streets are being  
13 evaluated for resurfacing.

14           MR. SHEAHAN: Can you use Ways data and put  
15 potholes on that list?

16           MR. KECK: Yes. So right now we're in  
17 negotiation with Ways to -- we're currently under  
18 negotiation with them right now. There's many  
19 opportunities. So that's part of the partnership we  
20 currently have with Google and in their  
21 sub-consultants solutions that's something that's  
22 helping us build this application is we're getting

1 insight into all these future technologies that are  
2 coming through such as Project Tango.

3           Okay. So other than things that you  
4 can turn on for assets and camera locations, so crews  
5 can try to avoid those locations. Viaducts. So this  
6 is important for us to understand like a CTA re-route  
7 if there's certain horizontal or vertical clearance  
8 issues. Or even if an asphalt crew has a potential  
9 to route, you may want to see the restrictions of the  
10 bridges.

11           So you can actually see that. This is  
12 actually a vertical clearance of 11 and a half feet  
13 so you might want to take that into consideration.

14           MR. ROSALES: 11 and a half feet, isn't that  
15 kind of small?

16           MR. CHEAKS: They are out there.

17           MR. KECK: You can also turn on the building  
18 permits so this gives you some insight into where  
19 buildings are coming up and new surfaces may be by  
20 these new buildings. Sorry, I'm operating off of a  
21 hot spot here, so it's taking a little bit of a lag  
22 time.

1 MR. SHEAHAN: Sorry we don't have WiFi.

2 MR. KECK: So you can see here's a renovation  
3 and a contractor table so if you were to come back  
4 the agency of who's out there, you have the ability  
5 to get that information. All right.

6 MR. SHEAHAN: George, what kind of analytics do  
7 you run off this?

8 MR. KECK: Right now the only thing we're  
9 analyzing is usage by the utilities to kind of  
10 understand. So there's a few tiers of the OUC  
11 membership. There's an executive and an associate  
12 level so we're able to see what people are actually  
13 hitting on the page and how much they're actually  
14 using it. So right now that's the only thing we're  
15 monitoring as far as analytics.

16 MR. SHEAHAN: But in terms of the actual data  
17 that is feeding in terms of construction and how long  
18 things take, are you running analytics off that?

19 MR. KECK: Not currently.

20 MR. CHEAKS: But it's in development. It's  
21 kind of like -- that, what you're speaking of is in  
22 development right now, and it's actually kind of like

1 the next step for us. So we can take on this  
2 information and slice it and dice it and see what's  
3 best mainly for our own crews so to speak so we can  
4 see how efficient we are.

5 MR. KECK: So this is isn't complete  
6 representation of conflicts, but these are the  
7 conflicts that we have talked about in our weekly  
8 meetings every week. So last year we discussed over  
9 800 conflicts, which is made up of 2,500 projects,  
10 over 45 meetings that we discussed. All these  
11 individual point conflicts.

12 So a conflict is when two agencies are  
13 overlapping each other in the same space. There's a  
14 gap in the time frame so we're trying to align to  
15 minimize impact. Trying to align back to back. So  
16 back to your point how do we align those different  
17 projects to have one impact rendered in recutting  
18 that street every year over and over again.

19 MS. EDWARDS: I understand the goal is to have  
20 one impact. I think that's necessary. I'm just  
21 wondering you showed the map I believe it was of  
22 Beverly. And I have driven down probably exactly

1 where that map is, and it's literally like a million  
2 things going on. Make a right, you're going over a  
3 pothole. Make a left, you're going over -- it's  
4 crazy. So I wonder if there's a balance in trying to  
5 have a very minimum impact but also not disturbing  
6 the entire city or the entire neighborhood for three  
7 months straight. Do you know what I mean?

8 MR. KECK: Yes. And to your point I think what  
9 we're also looking at is to make sure that we're not  
10 doing consecutive blocks. So this is why we wanted  
11 the City has requested for a detailed schedule so  
12 that way we can actually tighten up that  
13 block-to-block impact.

14 We understand that the work needs to  
15 occur in a way that we're minimizing, you know, give  
16 people relief every other block or whatever it may  
17 be.

18 Okay. You can also isolate based on  
19 other -- so you can see other wards. Right now, what  
20 we showed initially is all of the permit -- plan  
21 project activity in addition to the screenshot of  
22 Beverly was a one-year window. So you have the

1 ability to also go back as far as building a new  
2 Chicago service that we can go back all the way to  
3 2012. And then sewers, just a five-year plan. You  
4 can also isolate districts, community areas, where  
5 the legacy -- so this is where 100-year mains exist  
6 in the city. Just turn that off really quick.

7                   And then CTA bus fronts. So we're  
8 also in like -- spoke earlier in collaboration with  
9 CTA so we can actually see what bus routes and stops  
10 are impacted. So being able to give CTA the ability  
11 to post stops in advance and see, you know, there's  
12 two impacts in our street be it the stops and the  
13 routes that are impacted.

14                   So before that relied on a lot of  
15 email communication back and forth. Now they have  
16 access to this. And I can also turn out parcel data,  
17 railroads, so this gives you the PIN number, and I  
18 can turn on an aerial overlay. This is Google's  
19 infrastructure. They have their own drones too that  
20 fly the city twice a year.

21                   And then you can click on the pin of  
22 that address. The ten digit thing is the address as

1 well. You can see where the impacts are. Okay.

2 How are we doing on time?

3 MR. SHEAHAN: Take your time. We have plenty  
4 of time.

5 MR. KECK: Okay. So this shows you where all  
6 of the streets are that are currently under a  
7 five-year moratorium, so I'm going to zoom out a  
8 little bit.

9 So I think there's been press releases  
10 where it says a quarter of all city streets have been  
11 resurfaced, and this should give you a representation  
12 of that. There's a fee assessed when you cut into a  
13 new street. \$5,000 for every opening, so this  
14 actually allows its -- acting as a deterrent and  
15 protect the City's investment in the resurfacing.

16 And you can also isolate by a  
17 particular ward, and you can do this for any. So I  
18 isolate by Ward 16. You can see all of the  
19 activities in Ward 16.

20 Special events, so I can click on --  
21 this is interactive as well. And I could actually  
22 click on the window. It'll take you right down to

1 street view.

2 MS. EDWARDS: So what's the best way for the  
3 general public to determine when there will be work  
4 done around their house and properties? Do you  
5 anticipate this one day being available to the public  
6 or to Commissioners of the ICC.

7 MR. CHEAKS: Right now, it is not going to be  
8 public. So yes, the best way would be to call the  
9 alderman's office because at the end of the day  
10 they'll have access to it as well. Generally the  
11 postings go up a little earlier. And actually that's  
12 kind of like once the posting -- so what we've done,  
13 though, we've made it so you can cut and paste some  
14 of the notifications.

15 So aldermen and can cut and paste  
16 either on their blog or newsletter of work that's  
17 coming up within the next week, month, six months,  
18 that kind of thing. So it's just more information  
19 that they're able to disseminate among their  
20 constituents.

21 MS. McCABE: You said about these weekly  
22 newsletters and notifications, can you expand?

1           MR. KECK:  What we've built for the alderman,  
2           there's a notification tool so every Monday at  
3           8:00 a.m. they get a list of all the permits that are  
4           actually in the next seven days up and coming with  
5           their ward.  So that's something that we just are  
6           testing.  So it kind of looks like Facebook where you  
7           click the notification, and it gives you a list and  
8           you copy all those and paste right into the  
9           newsletter.

10          MR. ROSALES:  A couple of things that have come  
11          up since we're talking in general of your program.  
12          Number 1, we're getting complaints, when it says  
13          there's no parking between 3:00 to 9:00 and 3:30 to  
14          1:00, the signs go up and then there seems like  
15          nothing is going on.

16                           And there's such a -- it's infuriating  
17          for others that like to find parking, if anybody ever  
18          had a parking ticket, you know, they point to that  
19          saying, Well, what's going on.  And you don't know if  
20          that's -- that's one thing that we hear a lot.  
21          Just -- and that's not us, but we hear it because we  
22          live in the city.

1                   And the second part is when the signs  
2 go up and then it rains and some of the signs are up  
3 and some of the signs are down, they're trying to  
4 look at the signs. And so it gets very frustrating  
5 for residents. I just want to let you know that  
6 because we get this. Who puts the signs up anyway?  
7 Is it through the individual utilities or Water  
8 Department? Whose responsibility is that?

9                   MR. CHEAKS: So the posting is actually done by  
10 several entities. Water does theirs. CDOT does  
11 theirs. Streets and sand post for certainly  
12 activities as well.

13                   So for the permit, usually what  
14 happens is 30 days, that's just the default. What  
15 we've been trying to do is get contractors. Some  
16 projects are long term. 30, 60, 90 days. Some are  
17 just for a week.

18                   But because the default is just  
19 30 days, so when someone comes in they apply for the  
20 permit, it's the 30 days that's what gets posted even  
21 though they only have a week's worth of work. So we  
22 hear that as well, and we've been meeting with

1 certain contractors trying to get them to narrow that  
2 window. If you're only going to be out there for two  
3 weeks, then that's the permit you ask for rather than  
4 ask for the 30 days.

5 MR. KECK: So also up to the upper part here is  
6 if you drop down to street view, you can actually --  
7 we're getting into the point there's point data  
8 that's being collected by Google. So we're getting  
9 to the point where you'll be able to use cloud data  
10 and walk the alignment of the project. So that's  
11 something we're also in discussion with Google.

12 MR. ROSALES: When is that going to get  
13 updated? On the last picture, there was snow on the  
14 ground, and this picture it looks very nice. So I  
15 would -- you know, not knowing, you know, when that  
16 picture was taken, that's very important. So how  
17 does this get updated?

18 MR. KECK: So when Google Maps is updated, so  
19 when they drive with the street view, it's also  
20 updated dynamically on our map as well. Up to the  
21 left here is interactive. You can click on it. It  
22 takes you actually into that view, the same exact

1 street I was just on. So that gives us the timeline.  
2 You also have the ability to look in September  
3 of 2014. So it's really just the historical data  
4 that's made available to us.

5 I kind of clicked on this already. So  
6 it's a flat map. This is just a CTA bus route. A  
7 this is the ability to measure so I can turn on  
8 street view and measure across so you can actually  
9 measure the width of the roadway.

10 Some of that point cloud data, we're  
11 going to pick up curb width so I'll be able to snap  
12 to the actual and get a real definite measurement not  
13 kind of just from an -- I don't know 200-foot level.

14 So we can do that and here's another  
15 analytical tool that we built to see all the activity  
16 within a buffer. So I'm going to zoom out a little  
17 bit. And this little feature here, this is where I  
18 was speaking to earlier doing the analytics so -- in  
19 exhibits. So we can define a certain region and this  
20 little buffer allows us to dynamically drag along the  
21 corridor and dynamically updates to show all the  
22 assets that roll up to that particular street level.

1 And so I can actually -- it shows you all the events  
2 within that 3,000-foot buffer.

3 So you see special events, water, and  
4 then I can also do the same thing down in this  
5 search. I can look at just projects that are on  
6 51st Street or intersect 51st Street as soon as I  
7 zoom out. Ward 16 is shown right now, but just  
8 another way to kind of look at data and see what  
9 impacts are on particular corridor or streets I'm in.

10 Okay. So let's show the calendar  
11 view. So we also have the calendar view. This is  
12 also things that could impact the public way. So  
13 right now I'm showing a week snapshot of all the  
14 special events that are citywide based on certain  
15 categories. So we can see tomorrow or Thursday. So  
16 this is good for personal use too. So you get a  
17 little more information on when the event starts but  
18 potential impacts so getting a little more estimated  
19 attendance, a little more detail into the  
20 description.

21 And then also the reroutes. So this  
22 is also maybe why you can't get on a particular

1 street in your construction project is because it's  
2 going to be around -- Michigan Avenue is being  
3 rerouted to Randolph on Thursday when they close off  
4 and people are actually crossing. So these are the  
5 things that are taken into consideration when  
6 reviewing permit requests and then the timeline on  
7 when people have the ability to do work in the  
8 street.

9                   And then we have also some different  
10 views so you can look at that on a day-to-day basis.  
11 You can also look at a map view. I'm only interested  
12 in seeing the street corridors so I can isolate.  
13 These are all the street corridors citywide on  
14 April 24, and I can click on one of those. Click on  
15 the details, takes you right to the detail level, and  
16 should be a start and end date along with contact  
17 information.

18                   So here's the event start and ending.  
19 This is where the actual corridor is. And we have  
20 the ability to draw using Google's turn by turn to  
21 see the actual reroute. So I could change it by mode  
22 type. So vehicles, people in buses, so I can isolate

1 detours based on the different types of votes.

2                   So like on Randolph, if there was a  
3 bike lane, I would reroute the bike lane and see all  
4 the potential impacts on that bike route. And then  
5 also it gives you notifications and turn by turn of  
6 all the impacts of each of those routes.

7           MR. SHEAHAN: Any questions?

8           MR. ROSALES: I appreciate the presentation,  
9 but I want to get back to Peoples Gas. I'm going to  
10 put you on record. Is the communication clearer and  
11 more effective with Peoples Gas since we voted on the  
12 merger?

13           MR. CHEAKS: So the answer to that is yes.

14                   There is a new team. They have proved  
15 to be more accessible, and I actually had to tell  
16 this. It is better, and the program before was a  
17 disaster. There was a lack of coordination, but  
18 again, we have new team now. I am kind of -- it's  
19 April, so the jury is still out.

20                   I won't be able to evaluate until July  
21 or August to actually see how things -- because once  
22 like the permits are up, they'll be digging -- you

1 know, 60 days, that already puts me in May, June. So  
2 to see how the restoration goes and everything, so  
3 I'm still of the wait and see, but the communication  
4 is definitely better.

5 MR. DEL VALLE: I think in the Liberty report  
6 there were issues that were raised regarding -- early  
7 on in the report Liberty report there were issues  
8 raised regarding Peoples Gas's participation. Have  
9 all those issues been resolved? Have they fully?

10 MR. CHEAKS: Yes. Currently Peoples Gas, I  
11 believe, 75 or 80 users in the map. So the  
12 coordination level is better. We're stilling getting  
13 submittals and data for people using the tool, but  
14 they do appear to be using the tool, so yes. Baby  
15 steps.

16 MR. BEYER: So are these people out in the  
17 street that are using it or in the home office or who  
18 uses it?

19 MR. HESSELBACH: Home office and in the  
20 different shops where there's different individuals  
21 who coordinate local activity. It's a mix.

22 MR. DEL VALLE: So it's too early to assess how

1 well that is going.

2 MR. KECK: Correct.

3 MS. EDWARDS: So it's optional the dotMaps  
4 system for this -- how much do they use it, or is  
5 it ...

6 MR. CHEAKS: Yes. But as an member they are  
7 paying for it. So anyone who is a member of the OUC  
8 is definitely to their benefit to use the map.  
9 Because what happens is when we sit in those Thursday  
10 meetings, the two-hour, if you don't have the answers  
11 then it's a good possibility that I will deny the  
12 permit for any work that you requested.

13 What happens is there's a lot of  
14 conflicts. We ask all the members to review those  
15 conflicts off line and only come to the meetings on  
16 Thursday with the ones that are problematic that  
17 can't be resolved.

18 If you don't do your homework, there's  
19 a good possibility you'll get locked out.

20 MS. EDWARDS: Andy, what would be the reason  
21 why some that they wouldn't be using it?

22 MR. HESSELBACH: I don't know of any -- I think

1 previously there were some restoration permits, but I  
2 think everything is in there correct, so I'd be  
3 pleased to know who those are. I'm not aware, but I  
4 may be wrong. I'm not aware of anyone who isn't  
5 using it.

6 MS. EDWARDS: Are you as the person who  
7 oversees this, do you mandate it or no?

8 MR. HESSELBACH: That's the tool to use. So it  
9 should all be going through dotMaps. If it's not,  
10 then I'm not aware of it not going through there.  
11 That's the tool we're using.

12 MS. EDWARDS: Okay. Okay.

13 MR. SHEAHAN: Any other questions?

14 Thank you. George, we appreciate it.  
15 That concludes our workshop unless we have any other  
16 questions from the Commission. I want to thank all  
17 the participants in the workshop process. I know  
18 there were skeptics as we got started, but my  
19 understanding is it was very productive.

20 It is not lost on us that it requires  
21 a significant investment of time and effort from  
22 everyone who participated, so we appreciate that.

1 We're looking forward to receiving Staff's  
2 recommendations. I would echo Commissioner Edwards  
3 expectation that we have something done this year.  
4 It's important that we get this done right, but also  
5 in a timely way. I don't see any reason why we  
6 shouldn't be able to do that. So with that, we stand  
7 adjourned.

8 (Whereupon, the proceedings  
9 adjourned at 3:19 p.m.)

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