
ILLINOIS COMMERCE COMMISSION



**ANNUAL
REPORT
ON ELECTRICITY, GAS,
WATER AND SEWER
UTILITIES
2015**

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COMMERCE COMMISSION**

**ANNUAL REPORT
ON ELECTRICITY, GAS, WATER
AND SEWER UTILITIES**

2015

ICC Annual Reports

This report is one of four annual reports issued by the Illinois Commerce Commission.

Annual Report on Electricity, Gas, Water and Sewer Utilities

(issued 1985—1995 as Annual Report on Public Utilities)

This report may be obtained from:
Illinois Commerce Commission
Chief Clerk's Office
527 E. Capitol Avenue
Springfield, Illinois 62701
217/782-7434

Also on: www.icc.illinois.gov

Annual Report on Telecommunications

This report may be obtained from:
Illinois Commerce Commission
Chief Clerk's Office
527 E. Capitol Avenue
Springfield, Illinois 62701
217/782-7434

Also on: www.icc.illinois.gov

Annual Report on the Transportation Regulatory Fund

This report may be obtained from:
Illinois Commerce Commission
Transportation Division
Walk-In Center
527 E. Capitol Avenue
Springfield, Illinois 62701
217/782-4654

Annual Report on the Use of the Grade Crossing Protection Fund

This report may be obtained from:
Illinois Commerce Commission
Transportation Division
Walk-In Center
527 E. Capitol Avenue
Springfield, Illinois 62701
217/782-4654

The ICC Online

Agendas for Commission meetings, selected Commission orders, annual reports, and other information are available online from the Commission's web site: www.icc.illinois.gov

ICC's Electronic Docketing System
<http://eweb.icc.illinois.gov/e-docket>

Plug In Illinois—Choosing an Electric Supplier
<http://www.pluginillinois.org/>

Contacting the ICC

Springfield and Chicago Offices

Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, Illinois 62701

Illinois Commerce Commission
160 N. LaSalle, Suite C-800
Chicago, Illinois 60601

For any public utility service issue, for assistance, or information, or to file an informal complaint, please contact the ICC's Consumer Services Division.

Toll-free: 800/524-0795 (In Illinois only)
800/858-9277 (TTY)

Chicago:

Illinois Commerce Commission
Consumer Services Division
160 N. LaSalle Street
Suite C-800
Chicago, Illinois 60601

Springfield:

Illinois Commerce Commission
Consumer Services Division
527 E. Capitol Avenue
Springfield, Illinois 62701

On matters pertaining to trucking, and household goods moving, which are under the Commission's jurisdiction, please contact the Transportation Division Walk-In Center in Springfield.

217/782-4654?
217/782-4915 (TTY)

For railroad safety issues, please contact:
217/782-7660

For relocation towing issues, please contact:
Illinois Commerce Commission
Des Plaines Compliance Office
847/294-4326

For collateral recovery issues, please contact:
217/782-6447?

January 31, 2016

The Honorable Bruce Rauner
Governor, State of Illinois
State Capitol, Springfield, Illinois

Chairman and Members, Joint Committee on Legislative Support Service

313 State Capitol

Springfield, Illinois

Dear Governor, Chairman and Members of the Joint Committee:

We are pleased to submit to you the Commission's 2015 Annual Report on Electricity, Gas, Water, and Sewer Utilities. This Report covers the period of January 1, 2015 through December 31, 2015.

The Annual Report is submitted in compliance with the Public Utilities Act and specifically addresses the items cited in Section 4-304 of that Act, which requires the Commission to report on the following subjects: a general review of agency activities; a discussion of the utility industry in Illinois; a discussion of energy planning; the availability of utility services to all persons; implementation of the Commission's statutory responsibilities; appeals from Commission orders; studies and investigations required by state statutes; impacts of federal activity on state utility service; and recommendations for proposed legislation.

Among other Commission reports provided to the Governor and General Assembly each year are the following:

- Annual Report on Telecommunications
- Annual Report on the Transportation Regulatory Fund
- Annual Report on the Use of the Grade Crossing Protection Fund

Additional information about the Commission and its activities is available from the Commission's web site listed on the previous page.

Sincerely,



Brien J. Sheahan
Chairman

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ILLINOIS COMMERCE COMMISSION

YEAR IN REVIEW

2015

JANUARY

Governor Bruce Rauner appoints Brien Sheahan as ICC Chairman

Sheahan appointed to five year term.

ICC Approves New Rates for Peoples Gas, North Shore Gas by a 3 to 1 vote

MARCH

ICC Orders Investigation into Peoples Gas Main Replacement Program

The ICC ordered an investigation into allegations of mismanagement by Peoples Gas Light and Coke Company employees of the company's accelerated main replacement program (AMRP).

Two anonymous letters delivered to ICC attorneys in February and March included charges that the ongoing management audit of the program, being conducted by Liberty Consulting Group, had been undermined by Peoples Gas' management, and that the safety of the natural gas system may be compromised because of insufficient staffing on the program. ICC staff recommended the Commission conduct a thorough and immediate investigation of matters related to Peoples Gas' work on the AMRP.

Governor Bruce Rauner appoints John Rosales to the ICC

Rosales appointed to four year term.

APRIL

Cholly Smith named ICC Executive Director

Smith began his ICC tenure on April 27.

Ameren Illinois Company and Commonwealth Edison Company Spring 2015 Procurement of Standard Energy Products

The Illinois Power Agency's procurement administrator, NERA Economic Consulting, received bids for the sale of standard energy products to Ameren Illinois and ComEd, respectively, in requests for proposals held pursuant to the procurement plan approved by the Commission. The Commission approved the procurement administrator's selection of winning bids.

In accordance with Section 16-111.5(h) of the Public Utilities Act, the Commission announced the names of the successful bidders and the average winning bid price for each contract type and for each contract term. Quantity information is also provided where the number of successful bidders is greater than two.

Illinois Utilities File Annual Supplier Diversity Reports

Five of Illinois' largest utilities--Illinois American Water, Ameren Illinois, Commonwealth Edison, Peoples Gas and Nicor Gas--filed their annual Supplier Diversity Reports for 2014 with the Illinois Commerce Commission.

Section 5-117 of the Public Utilities Act, which became effective August 26, 2014, requires regulated gas, electric, and water utilities that have 100,000 customers or more to submit annual reports "on all procurement goals and actual spending for minority-owned, women-owned, veteran-owned, and small business enterprises in the previous calendar year," and the utilities' plan for implementing and realizing their goals for the following year.

ICC Approves Ameren Illinois Company and Commonwealth Edison Spring 2015 Procurement of Solar Renewable Energy Credits (SRECs)

The Commission approved prices for solar renewable energy credits for Ameren Illinois and Commonwealth Edison.

The credits satisfy the solar photovoltaic requirements specified in the Illinois Power Agency Act (IPA Act) for the June 2015 through May 2016 delivery year. The IPA Act requires SRECs to be purchased from resources located within Illinois and adjoining states, provided that those SRECs can be acquired within certain spending limits. Otherwise, SRECs may be acquired from resources located in other states. The IPA Act also requires all SRECs acquired to be priced below certain benchmarks.

MAY

ICC Approves Settlement with Major Energy Electric Services

The Commission approved a settlement with New York-based Major Energy Electric Services, an alternative retail electric supplier, that created a \$262,500 fund for customer refunds and requires additional consumer protections governing Major Energy's sales practices to residential and small commercial customers in Illinois.

The ICC launched an investigation into Major Energy's sales tactics in 2014 and the company halted its sales in Illinois until a settlement could be reached.

The settlement requires Major Energy to do the following:

- Establish a customer payment fund of \$262,500 to refund all potentially affected current and former customers of the company in Illinois, including notification to affected customers that they may be eligible for a refund.
- Make its sales offers to Spanish-speaking customers in Spanish and provide those customers

with documents in Spanish to sign if they want to become customers.

- Provide additional consumer protections that apply to its residential and small commercial door-to-door marketing and telemarketing sales activity in Illinois, including a stricter, multi-step door-to-door sales verification process and the recording and retention of telemarketing calls.

ICC Hosts Summer Preparedness Policy Session

ICC Chairman Brien Sheahan and Commissioner Ann McCabe led a policy forum to ensure that utilities, generators and regional transmission organizations (RTOs) would continue to provide safe, reliable and affordable energy in the coming summer months.

Panelists discussed factors such as infrastructure investments and extreme weather patterns and events and their impact on the ability to provide service during the summer months when demand is high. The panelists communicated their readiness to meet the forecasted electrical load and their ability to respond to threats to the grid during the summer months. The utilities also presented their communication strategy to ensure that customers have access to real-time information about any disruptions in service.

The Utility Summer Preparedness presenters were Commonwealth Edison, Ameren Illinois Company and Mid American Energy Company. The RTO Summer Preparedness presenters were Midcontinent Independent System Operator and PJM Interconnection.

ICC Releases Final Investigation Report of Peoples Gas Accelerated Main Replacement Program

The ICC published the Liberty Consulting Group's investigation report of the AMRP along with requirements that Peoples Gas present its plan to implement the report's recommendations, including a scheduling master plan and cost plan model.

The ICC investigation included 33 areas for review; the final report provided by The Liberty Consulting Group lists the 33 investigation issues and provides 95 recommendations.

Completion of the final report concluded the first phase of the investigation. The second phase included implementation of the report's 95 recommendations and a two-year verification phase during which Liberty will check Peoples' work and progress and report quarterly to the Commission. Liberty will produce a final report at the end of two years, in June 2017.

JUNE

ICC Hosts Second Annual Supplier Diversity Policy Session

Commissioners Miguel del Valle and Sherina Edwards hosted the ICC's second annual supplier diversity policy session to discuss Illinois utilities' efforts and results in creating a more diverse base of businesses from which to procure goods and services.

Under state law, in addition to filing an annual report on the amount of funds spent with diverse businesses, each utility must present to the Commission the goals and results of its programs designed to encourage greater participation by women-owned, minority-owned and veteran-owned businesses in the utilities' procurement opportunities.

Presenters included State Representative Will Davis (D-30); O. Kate Tregasser, Partner at Krieg DeVault; Ron Pate, Senior Vice President of Operations and Technical Services at Ameren Illinois Company; Anne Pramaggiore, President and Chief Executive Officer of Commonwealth Edison Company; Polly Eldringhoff, Chief of Staff and Director of Strategy and Performance for Peoples Gas and North Shore Gas; Bruce Hauk, President of Illinois American Water; and Beth Reese, Chief Financial Officer and former President of Nicor Gas Company.

The policy session culminated in a Commission-led roundtable discussion in which utility presenters were

joined by representatives of certified diverse businesses Drexel Hamilton, MZI Construction, and United Building Maintenance. The dialogue, which embraced a collaborative spirit, focused on common trends in supplier diversity, procurement challenges and triumphs, and solutions for sustaining and improving the pool of qualified vendors.

ICC Approves Settlement with Nordic Energy Services, LLC

The ICC approved a settlement with Illinois-based alternative retail electric supplier Nordic Energy Services, LLC. The settlement established an amount of \$310,800 that must be refunded to eligible customers and required additional consumer protections governing Nordic Energy's sales practices to residential and small commercial customers in Illinois.

The ICC launched a formal investigation into Nordic Energy's sales tactics in February 2015. The settlement approved by the Commission required Nordic Energy to take several steps, including the following:

- Create a settlement amount of \$310,800 from which to refund all potentially affected current and former customers of the company in Illinois. Customers will be notified by Nordic that they may be eligible for a refund.
- Provide additional consumer protections that apply to its residential and small commercial telemarketing and door-to-door sales activity in Illinois, including recording and retention of telemarketing calls and multi-step door-to-door sales verification process.

ICC Approves Merger of Wisconsin Energy Corporation and Integrys Energy Group, Parent Company of Peoples Gas and North Shore Gas, with 47 Conditions

The ICC approved the merger, by a 4 to 1 vote, of Wisconsin Energy Corporation (WEC) and Integrys Energy Group, the parent company of Peoples Gas

and North Shore Gas, with 47 required conditions of approval. Among the conditions was the requirement that WEC/Peoples Gas implement all of the Liberty Audit recommendations for the AMRP and produce an AMRP transition plan to the ICC. The gas companies must also maintain current Illinois employment levels and institute a two-year rate freeze post-merger.

Other key conditions of the merger included:

- Accelerated Main Replacement Program:

As a result of the Liberty Audit findings, WEC/Peoples Gas is required to provide an implementation plan for each of the Liberty Audit's recommendations, an AMRP master scheduling plan, and its cost plan model.

The Commission included as a condition of approval the Attorney General's recommendation that WEC/Peoples Gas be required to submit a transition plan that provides detailed changes to the AMRP needed as a result of the merger.

These four plans detailing the size, scope, schedule and cost for the AMRP were to be provided to the Commission and its Staff within 75 days of the merger approval.

WEC/Peoples Gas will be required to implement each of the Liberty Audit recommendations for the AMRP. If WEC/Peoples Gas determines that it cannot fulfill a recommendation, it must propose an alternative to ICC Staff and if WEC/Peoples Gas and Staff cannot agree on the implementation, then WEC/Peoples Gas must file a petition with the Commission, or Staff will file a report with the Commission, and the Commission will determine how the recommendation will be implemented.

- Rates:

The gas companies will not seek increases in their base rates already set by previous Commission order, for at least two years after the merger closes.

Transaction costs incurred during the merger will not be recoverable from customers.

- Employment Requirements:

The Commission required that the gas companies retain 2,026 full-time equivalent (FTE) employees, as recommended by Staff and approved in Peoples Gas' last rate case, for at least two years.

WEC/Peoples Gas must report to the Commission any additional positions hired related to the AMRP; these positions cannot be included in the 2,026 FTE total.

- Labor Agreements:

The gas companies' existing labor agreements must be honored.

- Community Involvement:

The gas companies have agreed to extend for five years from April 2015 Peoples Gas' funding of technical training for future gas utility workers at Dawson Technical Institute at a satellite location of the City Colleges of Chicago's Kennedy King College.

The gas companies will contribute \$5 million of shareholder money over the next five years to the Peoples Gas Share the Warmth program, with \$1 million being contributed in 2015.

Post-merger, the ICC retains its statutory authority to oversee and approve rates for the gas companies' Illinois customers and to closely monitor WEC/Peoples Gas' implementation of the Liberty Audit's AMRP recommendations.

Commissioner McCabe Keynotes Smart Grid Customer Education Symposium

At the June 11 symposium in Chicago, Commissioner Ann McCabe discussed Illinois' progress in implementing advanced (smart) meters, how technology and customer expectations are changing, how advanced metering can enable additional efficiency and savings and the importance of sharing best practices and experiences across states.

JULY

ICC Establishes Office of Diversity and Community Affairs

The Commission announced the establishment of a new Office of Diversity and Community Affairs, with Danisha Hall as director. The initiative complements Governor Bruce Rauner's commitment to diversity and community outreach.

The Office of Diversity and Community Affairs is charged with assisting the ICC in its commitment to greater access to utility procurement contracts for women-owned, minority-owned, veteran-owned and small businesses under state law. The office will develop and maintain internal and external diversity and inclusion initiatives, including working to improve the ICC's own culture of diversity. The office will lead efforts to partner with utilities, consumer advocates, and other stakeholders in consumer education and community outreach efforts with the goal of making the work of the ICC more visible and accessible to Illinois consumers and stakeholders.

ICC Holds Public Forums on Grain Belt Express Proposed Transmission Line

The Commission held three public forums on Clean Line Energy's proposed Grain Belt Express transmission line.

The hearings were set in communities in the western, central and eastern portions of the state in order to reach out to Illinoisans who would be directly affected by the proposed transmission line. The line would run through Pike, Scott, Greene, Macoupin, Montgomery, Christian, Shelby, Cumberland and Clark counties.

Clean Line Energy asked the ICC to grant a "certificate of public convenience and necessity" for the 780-mile long overhead line that would begin in Kansas and tap into a power grid in Indiana. The development schedule calls for construction to begin in 2017 and be completed and transmitting electricity in 2019.

ICC Administrative Law Judge Jan Von Qualen presided over the forums and ICC Chairman Brien

Sheahan and Commissioner John Rosales attended. About 150 people attended the forum in Pittsfield, 500 attended the forum in Pana and 200 attended the forum in Marshall.

Kim Castro named ICC Police Chief

Castro was formerly with the Illinois State Police.

Illinois Commerce Commission Launches Investigation of Sperian Energy Corporation

The ICC launched an investigation into the marketing practices of Sperian Energy Corporation, a certified alternative retail electric supplier in Illinois.

In its order initiating the investigation, the Commission summarized a report from ICC staff alleging misleading and deceptive telemarketing practices; failure to adhere to solicitation and verification disclosure requirements; failure to adhere to necessary minimum contract terms and conditions; and inadequate training of retail electric supplier agents.

The ICC keeps a Complaint Scorecard to show retail electric suppliers' rate of complaints filed by customers. Sperian has ranked in the lowest category, one star, for customer complaints throughout 2015.

AUGUST

ICC Commissioner Ann McCabe Begins her Term as Chair of the Nuclear Subcommittee of NARUC

SEPTEMBER

ICC Commissioner Hosts Women's Energy Summit

Approximately 200 participants, including regulators, industry leaders, political officials and consumer representatives attended the Women's Energy

Summit in Chicago. Commissioner Sherina Edwards hosted the second annual day-long event.

Women leaders discussed key issues in the energy industry. The Summit focused on pertinent topics including the outlook of women in C-suite level positions and how they rose to the top, the consumer perspective and changing energy consumption, and investing in the future of the energy industry. In addition to the day-long Summit, the main event was preceded by a half-day Rising Star Forum to recognize and uplift over 25 stellar, up and coming women energy professionals.

Speakers included Colette Honorable, Commissioner, Federal Energy Regulatory Commission; Illinois Lieutenant Governor Evelyn Sanguinetti; and Brenda Mallory, General Counsel of the White House Council on Environmental Quality.

ICC Initiates Rulemaking for Retail Electric Suppliers

The ICC took action to initiate a rulemaking proceeding to consider changes to the marketing rules applicable to retail electric suppliers in Illinois.

In 2014, the Commission issued a Notice of Inquiry (NOI) in an attempt to address a range of topics and concerns pertaining to consumer electric choice, marketing practices and the retail electric market as a whole. The NOI sought comment from interested parties on 24 specific proposals related to variable rate offers, renewable energy offers, the utilities' price-to-compare information, consumer education, as well as cancellation and rescission procedures. The ICC also commissioned three workshops on the subject and received three rounds of written comments in which several parties responded.

The rulemaking addresses several areas of concern involving the marketing practices of retail electric suppliers, including:

*Establishing standard terms and greater uniformity for the different types of offers.

*Controlling the use of terms like "green energy" on the list of residential offers posted by suppliers on www.pluginillinois.org.

*Requiring comparisons between the rate offered by the new supplier and the regulated utility's supply rate.

*Broadening the definition of "door-to-door" sales to include all in-person sales, providing for verification and additional guidelines for in-person sales, requiring that all sales over the telephone be recorded and those records retained, clarifying that the sales person may not be present for third-party verification of in-person sales.

*Requiring disclosure of a supplier's past variable residential rates and requiring that retail electric suppliers post their residential offers on PlugInIllinois.org.

*Restricting the use of utility names and logos and incorporating termination fee limits as imposed by recent legislation.

The ICC's official electric choice website, www.PlugInIllinois.org, may be enhanced and promoted to make consumers better aware of their rights and options as they shop the market.

ICC Recognizes Rail Safety Week

The State of Illinois declared the week of September 13-19, 2015, as Illinois Rail Safety Week to promote vehicle and pedestrian safety around railroad tracks and trains.

The ICC has the statutory responsibility to improve safety at public highway-rail crossings in the state.

Nationally, Illinois is second only to Texas in the total number of highway-rail crossings with over 7,600 highway-rail grade crossings, over 750 of which are on state roads, and more than 6,900 of which are on local roads. More than 3,740 grade crossings are on private property and not subject to the State's jurisdiction

Chip Pew, ICC state coordinator for Illinois Operation Lifesaver, and other ICC staff participated in outreach

and educational activities throughout the week including a railroad detail activity of CSX rail in Fayette County which involved grade crossing, pedestrian crossing, and trespassing enforcement.

Pew and ICC Police Chief Kim Castro also distributed educational materials at the James R. Thompson Center.

ICC Hosts Policy Session on Business and IT Investments in Cloud Computing Arrangements

The Commission hosted a Policy Session on Business and IT Investments in Cloud Computing Arrangements.

The purpose of the session was to discuss technology advancements in energy and analytics and Cloud Computing Arrangements, including the regulatory treatment of such arrangements as capital expenses versus operating expenses under current guidelines. Given that the topic has manifested itself in updated Financial Accounting Standards Board (FASB) rules and a U.S. House energy bill, ICC Chairman Brien J. Sheahan determined the time was ripe for the Commission to host a strategic conversation.

Industry panelists noted that in the energy sector, which lags behind other sectors, current state regulations and accounting rules impede the ability of utilities to benefit from new IT models by classifying investments in legacy hardware and supporting on premise software as a "capital expense," while classifying investments in cloud-based technologies as an "operating expense," for which a rate of return is not earned.

During the daylong session, participants from business, government, and advocacy organizations applauded the Commission for being one of the first in the nation to tackle the issue. While panelists seemed to agree that a state regulatory solution – which could take the form of a Commission initiated rulemaking or workshop – would be welcomed and ease much of the current confusion, a key message remained: the consumer must be considered a key priority in any decision going forward.

OCTOBER

ICC Chairman Appointed to NARUC Board of Directors

ICC Chairman Brien J. Sheahan was appointed to the National Association of Regulatory Utility Commissioners (NARUC) Board of Directors for a term ending October 31, 2016.

NARUC is a non-profit organization whose members include the governmental agencies that are engaged in the regulation of utilities and carriers in the fifty States, the District of Columbia, Puerto Rico and the Virgin Islands. NARUC's member agencies regulate telecommunications, energy, and water utilities. NARUC represents the interests of State public utility commissions before the three branches of the Federal government.

ICC Supports New Smart Thermostat Initiative

Homeowners across Northern Illinois are eligible for rebates on smart thermostats that can cut the cost of the devices in half, making the convenience and increased control of energy use more affordable.

The smart thermostat initiative, a partnership between the Environmental Law & Policy Center, ComEd, Nicor Gas, Peoples Gas, North Shore Gas, and CUB, with the support of the Illinois Commerce Commission, is the largest effort of its kind in the nation. The goal is installation of one million smart thermostats in five years.

The program makes the new generation Ecobee3, Nest and Honeywell thermostats, which retail for around \$249, eligible for between \$100 and \$125 in rebates for customers with Wi-Fi, central air, and a furnace. Given the average customer savings estimate of \$130 per year, the rebates provide a total estimated annual savings of \$80-120 billion dollars for Northern Illinois consumers.

Smart thermostats are Wi-Fi-enabled devices that allow residents to easily control the heating and air conditioning settings in a home through their smartphones, tablets, and computers. The technology is "smart" because it learns or adapts to user behavior

over time and can generate energy savings automatically. Residents remain comfortable when home and can reduce heating and cooling costs while away.

ICC Recognizes Careers in Energy Week

At its meeting on October 14, the Commission voiced its support of Governor Bruce Rauner's proclamation of the week of October 12 – 18 as Careers in Energy Week.

Careers in energy are on the rise and the Illinois Department of Employment Security predicts that there will be a growth of more than 50,000 energy-related jobs in Illinois by 2022.

The Illinois Energy Workforce Consortium, a non-profit collaboration of industry employers, cooperatives, educators, and government agents from across the state, coordinates Careers in Energy Week events in Illinois as part of the nationwide effort by the Center for Energy Workforce Development, who created the celebration to increase public awareness of the many careers in the energy industry.

Members of the Consortium leading activities throughout Illinois during the week included the Energy Learning Exchange, Illinois State University, Nicor Gas, AGL Resources, Ameren Illinois, Association of Illinois Electric Cooperatives, ComEd, Exelon Corporation, Mt. Carmel Public Utility Company, Peoples Gas, North Shore Gas, and Illinois Energy Association.

ICC Recognizes Global Diversity Awareness Month and National Hispanic Heritage Month

During the October 14 ICC meeting, Commissioner Sherina Edwards announced the month of October as Global Diversity Awareness Month. Edwards also commended Commissioners John Rosales and Miguel del Valle for their participation in several Hispanic Heritage activities during the months of September and October.

ICC Debuts New Web Site

The ICC debuted a new web site, giving its former web presence a fresh look. The site is more user friendly and contains a plethora of consumer and business resources.

Commissioner John Rosales Participates in the Energizing Student Potential Event Designed to Lay the Foundation for Careers in STEM

Commissioner John Rosales gave remarks in support of STEM Education at the kickoff event for Energizing Student Potential (ESP).

The Exelon Foundation, ComEd, Nicor Gas, Peoples Gas, North Shore Gas, and BP America, in partnership with the National Energy Education Development (NEED) Project, launched ESP, a STEM-focused energy program for grades 5 - 8 in their respective customer regions in Illinois and Indiana.

The program brings together Illinois and Indiana standards-based curriculum and the resources of the region's largest energy companies for use in the classroom or in afterschool programs in public and private schools. The program will help schools meet Next Generation Science Standards goals and more.

Energizing Student Potential is designed to help educators bring energy into the classroom and to provide all the tools and resources necessary for students and teachers to learn together, explore energy together, and teach their local communities about energy. The program begins with a two-day workshop in October and culminates with a Celebration of Energy at which participating schools share the community education programs and the STEM projects they have completed throughout the year.

This three year program will accept 40 schools per year and provide the schools with the following:

- A \$750 cash grant to be used to support the STEM Project.

- \$3,000 of hands-on kits and curriculum
- An Energizing Student Potential Energy Fair Kit to host an Energy Fair and Carnival at your school
- Access to Educational Energy Audits, Field Trips and Classroom Visits
- Two-Day Professional Development for a team of 2 teachers per school
- Celebration of Energy hosted as a culminating event at the end of the school year
- Connections to STEM professionals to help students see all the possibilities of STEM and Energy Careers

NOVEMBER

Future of the Energy Industry at Penton's Empowering Customers & Cities Conference

Chairman Brien Sheahan joined industry leaders at Penton's Empowering Customers and Cities Conference, a three-day landmark event developed to change the energy conversation and chart a course for the future of energy usage and delivery.

The purpose of the event was to develop scalable energy solutions and infrastructure that will empower customers and cities in the transforming energy landscape. Focused on addressing critical issues facing the electricity utility industry in the coming decade, the conference highlighted energy customers' demands for more reliable service and sustainable solutions to the delivery of power, as well as the need for regulators to reexamine the traditional utility model construct.

Chairman Sheahan participated in a session entitled "Setting the Policy – Electrifying Tomorrow" to weigh in on whether the role of regulators should be responding to or driving change. Speaking specifically to Illinois policy, Chairman Sheahan emphasized the State should embrace its historical role of energy innovator and national leader by crafting solutions to minimize energy costs to consumers, maximize beneficial deployment of new technologies, reduce environmental externalities, improve the competitive electricity market, and enhance utilities' ability to

ensure adequate, efficient, reliable, safe, and least-cost public utility services.

ICC Approves Grain Belt Express Transmission Line

The Commission approved, by a 3-2 vote, Grain Belt Express Clean Line LLC's application for a certificate of public convenience and necessity to construct, operate and maintain a 600 kV, 4,000 MW capacity, high voltage electric transmission line.

The 780-mile long overhead line would begin in Kansas and end in Indiana. Approximately 206.3 miles of the line would be located in Illinois. The line is expected to run across the Mississippi River just south of Quincy, Illinois, from Palmyra, Missouri, to the Illinois/Indiana line and across the Wabash River to Sullivan, Indiana. The line would traverse Illinois through Pike, Scott, Greene, Macoupin, Montgomery, Christian, Shelby, Cumberland, and Clark counties.

The project will provide direct access for high capacity wind generation to the electricity markets in the Midcontinent Independent System Operator (MISO) and PJM Regional Transmission Organization regions, which both serve Illinois. The project will be capable of delivering up to 500 MW of power (approximately 2.6 million MWh per year) into the MISO grid and up to 3,500 MW (approximately 18 million MWh per year) into the PJM grid.

ICC Initiates Formal Investigation of Whether Gas Company Executives Knowingly Misrepresented Facts as to the Cost of AMRP

The Commission initiated a formal investigation into whether Peoples Gas, Integrys Energy Group (Integrys) or Wisconsin Energy Company (WEC), or representatives of the companies knowingly misrepresented facts or withheld information from the Commission concerning the estimated long-term cost of the AMRP.

Begun in 2011, the AMRP consists of replacing aging gas infrastructure in the City of Chicago. The project primarily involves replacing cast iron gas pipes and

facilities in the natural gas delivery system with modern polyethylene pipes to reinforce the long term safety and reliability of the Peoples Gas system.

ICC Hosts Policy Session on Resource Adequacy in the Ameren Illinois Footprint

The ICC hosted a "Planning for the Future" Policy Session on Resource Adequacy in the Ameren Illinois Footprint.

Organized by Commissioner Sherina Edwards, the Session brought together subject-matter experts, consumer advocates, utility representatives, RTOs, and Illinois-based generators.

ICC Gives Thanks to Ashley Aldridge

ICC Police Chief Kim Castro and ICC Railroad Safety Specialist and State Coordinator for the Operation Lifesaver Education and Outreach Program Chip Pew presented a plaque to Ashley Aldridge, the young woman who saved the life of an Auburn man whose wheelchair was stuck on a set of railroad tracks.

On September 15, Ashley Aldridge was making lunch for her children when she heard Earl Moorman cry for help as one of the wheels of his chair was caught between the rails at the Washington Street crossing (DOT#294343T).

She bravely ran to the tracks and pulled him free from his chair only moments before the Amtrak train struck and destroyed it.

ICC Commissioner Miguel del Valle Helps Distribute Super Saver Kits to Chicago Students as Part of Super Savers Program

Commissioner del Valle spoke with fifth grade students at Jose de Diego Academy about the importance energy savings at the launch of Super Savers, a partnership between ComEd, Nicor Gas and Peoples and North Shore Gas that helps teachers, students and parents learn how to use energy wisely.

Through the program, students learn about valuable ways to save energy and money through in-class education and receive take-home kits with energy-saving products to install at home with their families.

DECEMBER

ICC Approves New Electric Distribution Rates for Ameren Illinois

The new rates were calculated from an overall increase in annual revenue of approximately \$106 million, which resulted in an increase in electric delivery rates of 11.44 percent. Ameren initially proposed an increase of more than \$110 million, but adjustments were made by the Commission to the company's advertising expense, employee recognition expense, and cash working capital.

The Commission decision involved a thorough review of Ameren Illinois' expenditures on capital projects completed in 2015. Electric distribution rates, for companies like Ameren Illinois, are set annually according to the Energy Infrastructure Modernization Act (EIMA). In 2011, EIMA provided a formula rate procedure for Ameren Illinois to recover actual, prudently incurred costs for the delivery of electricity to customers.

ICC Approves New Gas Delivery Rates for Ameren Illinois Customers

The Commission, in a 4-1 decision, voted to allow Ameren Illinois to increase rates that are expected to generate approximately \$45 million in new annual revenue, a 12.44 percent increase over current revenue. The company initially requested an annual increase of approximately \$55 million. The order reflects changes or reductions to Ameren's initial request in the areas of uncollectible expense, asset retirement obligations, gasoline and diesel fuel cost, lobbying expense, payroll tax, customer advances, gas in storage, rate case expense, cost of short-term and long-term debt, return on equity, charitable contributions, cash working capital, and billing determinants.

The Commission approved an overall rate of return for each rate zone at 7.65 percent and return on equity at 9.14 percent.

ICC Approves New Delivery Rates for ComEd Customers

The Commission issued an Order reducing ComEd's rates by \$67 million, or approximately 3 percent total.

ComEd initially proposed a decrease of approximately \$50.4 million, but the Commission made further adjustments to the Company's industry association dues, employee savings program, merger costs, outside services, and cash working capital.

Electric distribution rates for companies like ComEd are set annually according to EIMA. In 2011, EIMA established a prescribed formula rate procedure for ComEd to recover actual, prudently incurred costs for the delivery of electricity to customers.

ICC Hosts Second Policy Session on MISO Zone 4 Resource Adequacy

The Commission hosted its second Policy Session on resource adequacy in Zone 4 of the MISO market construct, with the meeting focused on discussing potential solutions.

Resource Adequacy requires load-serving entities to demonstrate they have purchased capacity commitments sufficient to handle peak loads to ensure system reliability. Currently, Zone 4 of MISO, the Ameren Illinois territory, constitutes the only portion of the MISO market that is restructured, meaning that competing sellers supply electricity in the open market. Other MISO member states are mostly vertically integrated where the utility owns its own generation. This mix of market and monopoly can cause price-signals and long-term planning to be less predictable, the goal was to hear stakeholders' perspectives on potential solutions.

Organized by Chairman Brien Sheahan, the Session brought together subject-matter experts, consumer advocates, utility representatives, RTOs, Illinois-

based generators, and demand response and energy efficiency representatives.

In an attempt to provide a platform to propose and analyze potential solutions, the discussion kicked off with an explanation of the current state of Resource Adequacy in Zone 4 and led into a focus on identifying potential solutions including new build, redesigning the market, demand response, and energy efficiency. The day wrapped up with a discussion of the potential ramifications of proposed solutions on constituents including residential, industrial and manufacturing consumers.

Participants mostly agreed that while Resource Adequacy is not a short-term problem, the issue potentially presents long-term concerns that should be addressed. Panelists stressed that the ideal solution would ensure reliability and least-cost service to Illinois ratepayers.

ICC Takes Action to Suspend AMRP, Calls for a Fresh Start

The Commission suspended the Peoples Gas (Peoples) AMRP during which time it will reevaluate the regulatory treatment of the program through an open stakeholder process.

The Company's gas system modernization program focuses on replacing aging natural gas infrastructure in the City of Chicago. The project primarily involves replacing cast and ductile iron gas pipes and facilities in the natural gas delivery system with modern polyethylene pipes to reinforce the long-term safety and reliability of the Peoples Gas system.

The Commission called for Staff to lead a series of workshops to address stakeholders' near-term and long-term recommendations for a new Peoples Gas system modernization program. The six workshops began the week of January 11, 2016. Workshop topics will include the scope, pace and cost of a new Peoples' gas modernization program, as well as safety, affordability and other customer considerations.

The workshop process will culminate in a Commission-led policy session, followed by a new Staff Report to be issued on or before May 31, 2016, recommending that the Commission initiate a new proceeding and ultimately issue a Final Order to implement binding requirements.

ICC Reminds Utility Customers to Beware of Scam Artists Posing as Utility Company Reps, Demanding Payment

The Commission reminded utility customers in Illinois to beware of a scam in which someone claiming to be a utility employee asks for immediate payment of a bill either at a customer's door, over the telephone or by email.

The ICC received complaints from utility customers about scam artists claiming to be utility representatives, telling customers that their service will be disconnected unless payment is immediately made directly to the scammers. The scam artist may direct the consumer to purchase a prepaid credit card, a "Cash Card," and to call them back with the personal identification number (PIN). The stories can vary, for example, with the scammer saying that the customer's billing cycle has changed and payment must be made immediately, that the account is past due and payment can be made to them directly to avoid disconnection of the utility service, or the customer's previous payment was rejected or never received.

Scam artists have also used a tactic called "spoofing" to manipulate the Caller ID displayed phone number so that it appears as a the utility's number.

Chairman Brien Sheahan noted the significant increase in customer complaints about the illegal scams and urged consumers to protect themselves by contacting their utility or the ICC.

"Any consumer or business who feels they are being pressured or scammed should immediately end the conversation and call their utility service provider or the ICC Consumer Services Division," Sheahan said. "Do not sign anything or give personal information to anyone calling you on the phone, sending you an e-mail or showing up at your door. If you feel something's not quite right about the situation, reach out for help."

ICC Strengthens Rules Governing the Recoverability of Charitable Contributions

The Commission, by a 4-1 vote, issued a First Notice Order in which it strengthened the rules governing the recoverability of charitable contributions made by Illinois public utilities.

Section 9-227 of the Public Utilities Act, allows public utilities to recover the cost of charitable contributions as an operating expense. Recoverability of the amount, ultimately collected through customers' rates, requires that the donation be (1) for the public welfare or for charitable scientific, religious or educational purposes, and (2) reasonable in amount.

Chapter 83, Part 325 of the Illinois Administrative Code provides supplemental information that a utility must report to assist the Commission in evaluating whether a charitable contribution is made for purposes consistent with Section 9-227, as well as determining whether the donation is reasonable in amount. The reporting requirements include information like the date and amount of each contribution, the name of the entity or organization receiving the contribution, and a description of the purpose of each charitable contribution.

The Commission action additionally requires that a utility provide a description of why the donation is reasonable in amount.

"The intent of this Section 9-227 rulemaking is to ensure the Commission is provided with sufficient information to evaluate the propriety of utility charitable contributions as permitted under Illinois law," said Commissioner Sherina Maye Edwards. "The rule is now stronger in that it provides the Commission with more of the reporting details it needs to determine the two elements delegated by law – the purpose and reasonableness of the amount of the contribution."

INTRODUCTION

The following report for calendar year 2015 was prepared to meet the requirements of the Public Utilities Act (PA-84-617). Section 4-304 of this Act instructs the Illinois Commerce Commission to prepare an annual report and provide copies to the Joint Committee on Legislative Support Services of the General Assembly, the Public Counsel, and the Governor.

Nine specific sections on which the Commission is asked to report are cited in the Act. The report is therefore divided into nine main parts, as follows:

- A general review of agency activities;
- A discussion of the utility industry in Illinois;
- A discussion of energy planning;
- The availability of utility services to all persons;
- Implementation of the Commission's statutory responsibilities;
- Appeals from Commission orders;
- Studies and investigations required by state statutes;
- Impacts of federal activity on state utility service; and
- Recommendations for proposed legislation.

For the convenience of the reader, each part is given the same number designation as the corresponding subsection of the Public Utilities Act that it addresses.

Other information about the Commission and its activities is available from the Commission's web site, www.icc.illinois.gov.

During 2015, the following persons (listed alphabetically) served as members of the Illinois Commerce Commission.

John T. Colgan

Miguel del Valle

Sherina Maye Edwards

Ann McCabe

John R. Rosales

Douglas P. Scott

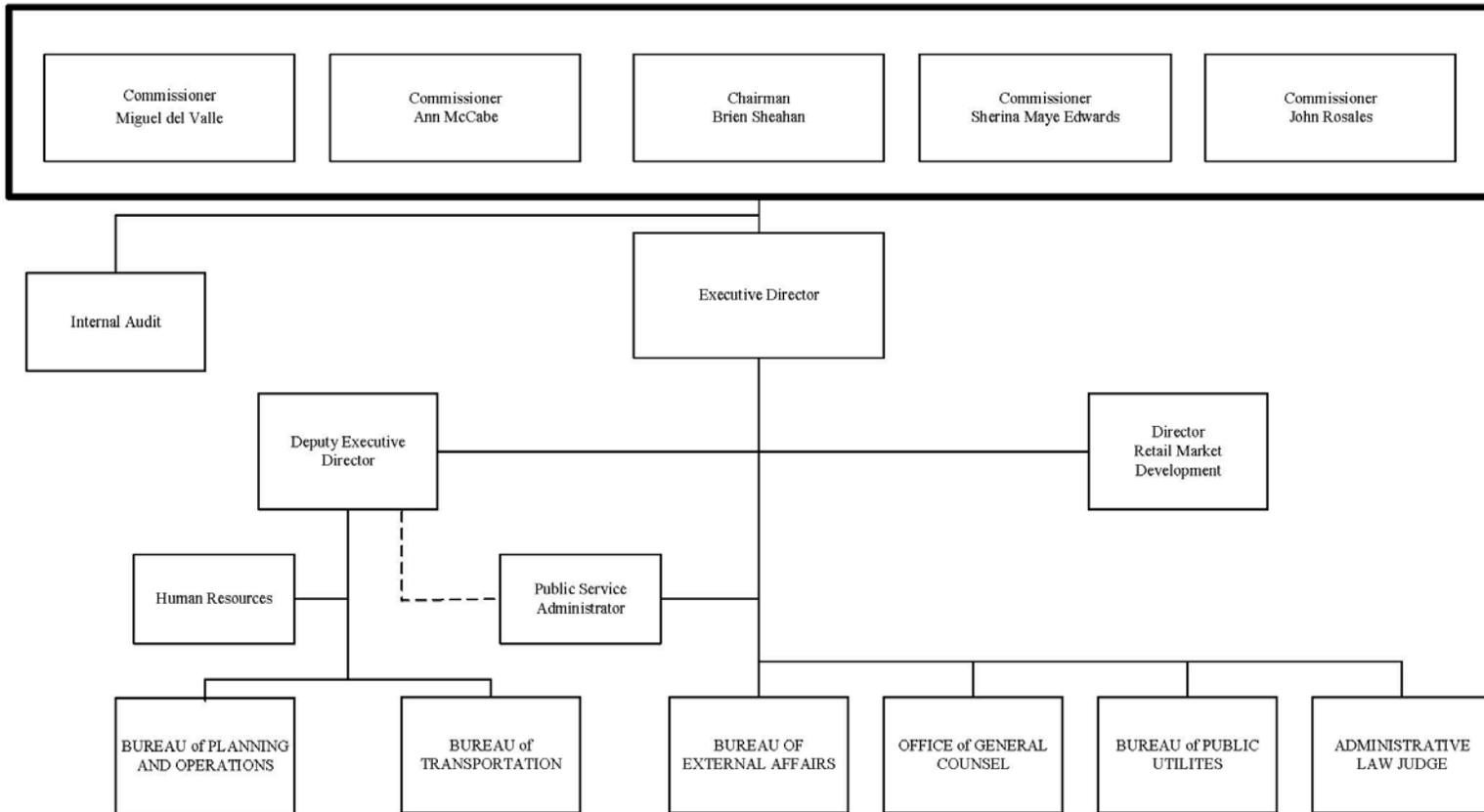
Brien J. Sheahan

ILLINOIS COMMERCE COMMISSION

STATEMENT OF MISSION

The Illinois Commerce Commission, in a period of emerging reliance on the marketplace to ensure fairly-priced, reliable, and adequate utility services, will protect consumer interests and manage the transition of network industries from regulation to efficient competition through the use of innovative regulatory practices. Through its actions, the ICC shall generally promote effective competition in utility and transportation industries, enhanced consumer choice, efficient and effective dispute resolution, and the sharing of impartial and comprehensive information within its jurisdiction as provided by law.

Illinois Commerce Commission



SECTION 1

General Review of Agency Activities

Public Utilities Act Section 4-304 requires:

(1) A general review of agency activities and changes, including:

(a) a review of significant decisions and other regulatory actions for the preceding year, and pending cases, and an analysis of the impact of such decisions and actions, and potential impact of any significant pending cases;

(b) for each significant decision, regulatory action and pending case, a description of positions advocated by major parties, including Commission staff, and for each such decision rendered or action taken, the position adopted by the Commission and reason therefore;

REVIEW OF SIGNIFICANT COMMISSION DECISIONS

Appendix A of this report contains summaries of significant Commission decisions made and other regulatory actions taken in 2015. These summaries are by no means exhaustive, but they do provide a representative sampling of Commission actions. If the reader would like to know more about any of the cases discussed in this report, both the Commission's order and the record for decision are available for examination in the Commission's Springfield office. In any proceeding in which the Commission has entered an order on the merits, the best summary of positions advocated and reasons for the Commission's adoption of a position is contained in the order itself.

Copies of these documents are available free of charge to public officers; others may obtain copies upon payment of the fee established in Section 2-201 of The Public Utilities Act. Selected orders and other Commission documents may be found on the Commission's web site (www.icc.illinois.gov) or in the Commission's electronic docketing system (<http://eweb.icc.illinois.gov/e-docket>).

PENDING CASES

As noted above, Section 4-304 of the Public Utilities Act also requires a review of pending cases, including an analysis of the potential impact and a description of positions advocated by staff and major parties. The Commission feels that it is precluded from entering into discussions of pending issues or characterizing positions advocated by staff and parties in pending cases. The dangers of acting otherwise include the possibility of violating restrictions on ex parte communications (see Section 10-103 of the Public Utilities Act and 83 Ill. Adm. Code 200.710) and the possibility of later being held to have prejudged issues pending before the Commission as of the date of this report. The Commission's record in pending cases is available for examination through the Chief Clerk's Springfield office.

SIGNIFICANT REGULATORY ACTIONS

Significant actions taken by the Commission during 2015 are described in the summary statement, "The Year in Review," immediately preceding this section.

(1-c) a description of the Commission's budget, caseload, and staff levels, including specifically:

(i) a breakdown of type of case by the cases resolved and filed during the year and of pending cases;

CASES FILED DURING 2015

Table 1-1, Utility Cases Monthly Report, on the following page shows the cases and filings for each month for the years 2011, 2012, 2013, 2014 and 2015. This table also shows the totals by type for the year.

e-DOCKET: ICC's ELECTRONIC DOCKET FILING SYSTEM

To aid both the Commission Staff and the public at large, the Illinois Commerce Commission has developed an electronic filing, reporting, and case management system called e-Docket that is accessible on the Commission web site.

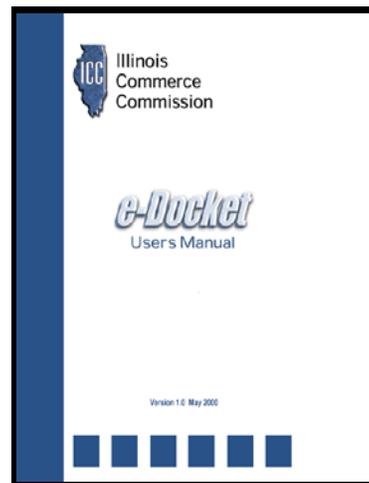
e-Docket is a Web-based, automated information and records-keeping system. It was developed to process and manage public information about the Commission's official cases and rulemaking proceedings. A person using e-Docket may conduct searches in two ways:

- **Search for cases:** permits searches by case types, service types, companies, and/or a date range as parameters.
- **Search for documents:** permits searches by document types, docket numbers, and/or a date range.

e-Docket has a variety of practical uses. Anyone interested in case proceedings conducted by the ICC may visit the e-Docket web site at <http://eweb.icc.illinois.gov/e-docket> and view a wealth of information about active and closed cases initiated on or after January 1, 2000.

e-DOCKET USERS MANUAL PROVIDES INSTRUCTIONS FOR SEARCHING FOR DOCUMENTS

A twenty-four-page e-Docket user's manual is available on the e-Docket web site to assist viewers in finding information about cases. It is important to remember, however, that e-Docket was first used as a way to store electronic documents in January 2000. Documents created prior to January 1, 2000, were filed with the Commission in paper format only. These are available for viewing in the Commission's Chief Clerk's Office.



**Table 1-1
Utility Cases Monthly Report**

MONTHLY TOTALS	Current Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Calander Year To Date
Filings:														
New Cases	2015	79	77	95	74	47	33	36	63	44	38	33	31	650
	2014	99	79	91	89	41	44	46	47	56	64	46	65	767
	2013	103	71	82	77	34	44	39	43	45	55	52	58	703
	2012	82	72	101	61	53	41	51	45	38	46	53	56	699
	2011	91	100	127	63	76	51	49	53	58	36	42	64	810
Filings/Reports (SPI)	2015	456	402	471	486	441	369	480	461	428	405	317	263	4,979
	2014	784	650	837	849	577	395	407	431	547	523	406	445	6,851
	2013	894	659	753	795	445	487	494	502	485	836	555	501	7,406
	2012	740	757	970	771	797	575	730	653	494	773	563	587	8,410
	2011	797	522	625	706	515	553	494	614	644	745	460	652	7,327
Filings/Reports (CHI)	2015	-	-	-	-	-	-	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-	-	-	-	-	-	-
	2013	-	-	-	-	-	-	-	-	-	-	-	-	-
	2012	-	-	-	-	-	-	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-	-	-	-	-	-	-
Hearing & Commission Action Notices	2015	156	137	175	181	171	196	167	163	191	143	129	119	1,928
	2014	172	180	196	182	139	134	98	140	167	153	130	116	1,807
	2013	186	125	162	182	189	140	121	169	156	176	129	113	1,848
	2012	181	203	213	208	185	88	171	182	138	200	173	137	2,079
	2011	143	142	237	209	176	151	142	177	179	156	156	160	2,028
Supplemental/Reopen Petitions	2015	1	-	-	-	-	-	-	-	-	1	-	-	2
	2014	-	-	-	-	-	1	-	1	1	1	1	-	5
	2013	1	-	-	-	-	-	-	-	1	1	-	-	3
	2012	-	-	3	-	-	-	2	-	-	-	-	-	5
	2011	-	1	-	-	-	-	-	-	1	1	-	-	3
Petitions for Rehearing	2015	8	3	-	1	2	4	2	3	1	2	-	8	34
	2014	13	7	8	2	4	1	2	-	3	2	3	4	49
	2013	7	2	-	6	-	4	16	2	4	-	1	3	45
	2012	2	14	3	-	3	10	2	2	1	5	2	4	48
	2011	8	-	4	1	1	11	1	1	1	1	-	-	29
Notice of Appeals	2015	3	6	2	1	-	-	5	-	-	1	1	4	23
	2014	5	4	10	1	1	2	1	1	-	1	-	-	26
	2013	1	3	-	-	1	6	-	2	1	2	-	-	16
	2012	-	-	3	-	-	-	2	1	1	3	-	2	12
	2011	6	-	1	-	-	1	2	6	2	-	-	-	18
Cases Closed (Orders/Commission Actions)	2015	57	48	106	131	62	38	55	34	83	40	39	51	744
	2014	36	86	94	110	84	73	52	54	64	47	80	43	823
	2013	64	47	44	64	60	110	58	57	43	37	52	47	683
	2012	56	55	63	61	91	88	45	55	59	70	71	57	771
	2011	33	84	77	77	107	73	72	48	49	49	41	51	761
Tariff Filings	2015	64	54	89	61	158	102	99	60	63	50	63	92	955
	2014	73	68	95	74	165	94	88	64	119	64	56	67	1,027
	2013	86	89	98	98	235	133	111	108	141	94	83	79	1,355
	2012	154	102	165	170	245	252	130	158	157	114	85	108	1,840
	2011	142	148	99	106	137	114	102	105	101	104	93	163	1,414

(ii) a description of the allocation of the Commission's budget, identifying amounts budgeted for each significant regulatory division, or office of the Commission and its employees.

(iii) a description of current employee levels, identifying any change occurring during the year in the number of employees, personnel policies, and practices or compensation levels; and identifying the number and type of employees assigned to each Commission regulatory function and to each department, bureau, section, division, or office of the Commission.

The following table shows the Commission's budget and authorized headcount by divisions and funding source.

TABLE 1-3
Budget and Headcount by Division
For Fiscal Year 2015

	Chairman & Commissioners		Public Utility Division		Transportation Division		Totals	
	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$
Public Utility Fund	11	1,623,100	185	31,823,100	0	0	196	33,446,200
Transportation Fund	1	138,900	0	0	78	17,901,200	79	18,040,100
Underground Utilities Damage Prevention Fund	0	0	0	351,000	0	0	0	351,000
Wireless Carrier Reimbursement Fund	0	0	0	5,689,800	0	0	0	5,689,800
Wireless Services Emergency Fund	0	0	0	77,130,000	0	0	0	77,130,000
Totals	12	1,762,000	185	114,993,900	78	17,901,200	275	134,657,100
Headcount is shown at the authorized level for FY15								
Budget \$ shown represents the FY15 appropriation.								
From Forms 150A								

(1-d) a description of any significant changes in Commission policies, programs or practices with respect to agency organization and administration, hearings and procedures or substantive regulatory activity.

AGENCY ORGANIZATION AND ADMINISTRATION

The ICC's organizational structure was reorganized to promote and achieve increased operational efficiency. The reorganization, which increased the ICC's flexibility in responding to current mandates, resulted in the following changes: (1) the creation of a Deputy Executive Director position; and (2) a change in reporting structure as it concerns Human Resources, the Bureau of Planning and Operations, and the Bureau of Transportation.

In July 2015, the ICC created an Office of Diversity and Community Affairs. The initiative complements the Governor's commitment to diversity and community outreach. Among other tasks, the Office is charged with assisting the ICC in its commitment to greater access to utility procurement contracts for women-owned, minority-owned, veteran-owned and small businesses under state law.

Effective January 1, 2016, pursuant to legislative changes to the Wireless Emergency Telephone Safety Act (WETSA), the regulation and oversight of 9-1-1 authorities has moved from the ICC to the Illinois State Police. The ICC retains oversight and regulation of the telecommunication carriers' delivery of 9-1-1 calls to 9-1-1 authorities.

SECTION 2

A Discussion of
the Utility
Industry in
Illinois

2. A discussion and analysis of the state of each utility industry regulated by the Commission and significant changes, trends and developments therein, including the number of types of firms offering each utility service, existing, new and prospective technologies, variations in the quality, availability and price for utility services in different geographic areas of the State, and any other industry factors or circumstances which may affect the public interest or the regulation of such industries.

SIGNIFICANT DEVELOPMENTS IN THE ILLINOIS REGULATORY ENVIRONMENT

Many of the developments in the electric industry came in the aftermath of the end of the rate reductions and freeze originally set forth in the Electric Service Customer Choice and Rate Relief Law of 1997 (the 1997 Law). Concern over higher rates subsequent to the end of the rate freeze culminated in the Illinois Power Agency Act, P.A. 095-0481 (the IPAA). The IPAA created a state agency, the Illinois Power Agency, to procure power and renewable energy resources for Commonwealth Edison Company ("ComEd") and the three Illinois Ameren Companies (AmerenCILCO, AmerenCIPS, and AmerenIP). In addition, the IPAA required that major utilities meet goals for energy efficiency and demand response programs.

Public Act 96-0033 (Senate Bill 1918), which became effective in 2009, produced significant changes for Illinois electric and gas public utilities, their customers, and the Commission. This Act directed electric and gas utilities serving more than 100,000 customers to offer percentage of income payment plans to their customers; these plans would provide assistance to customers paying more than 6% of their income for electric and gas utility bills combined. The Act also directs the same electric and gas utilities to offer their customers on-bill financing for the purchase of cost-effective energy efficiency measures. It allows all electric and gas utilities to recover excess bad debt expenses through an automatic rate adjustment mechanism generally known as a "rider." The Act clarified the deadline for the electric utilities to file plans outlining energy efficiency and demand response measures, and required gas utilities with more than 100,000 customers to implement energy efficiency measures. The Act also added restrictions on the employment of former Commissioners and Commission employees, required the Commission to address specifically utility rate case expenditures for attorneys and experts in each general rate case, required transcripts of all Commission meetings to be a part of the record in each case, and expanded the scope of prohibited communications pertaining to rate matters. Finally, the Act imposed renewable portfolio standards on alternative retail electric suppliers and utilities operating outside their service territories.

ELECTRIC POWER PROCUREMENT OBLIGATIONS

Wholesale electricity purchased by ComEd and Ameren Illinois Companies is subject to Section 1-75 of the IPAA¹ and Section 16-111.5 of the PUA². These laws include the following major features:

- An annual procurement plan is prepared by the IPA.
 - A draft plan is first submitted (by August 15) and subject to a 30-day public comment period.
 - At the end of the 30-days, the revised plan is filed with the Commission.
 - Parties have five days to raise objections with the filed plan.
 - The Commission has another five days to determine if hearings should be held.
 - A Commission order approving or modifying the plan must be entered within 90 days of the plan filing.³
- Procurement of "standard products" must be made through sealed-bid, pay-as-bid RFP processes.
- Procurement of "renewable energy resources" is also required according to the States' renewable portfolio standard ("RPS"), consisting of a schedule and a set of restrictions and preferences detailed in Section 1-75(c) of the IPAA⁴.
- The RFP process is conducted by an IPA-hired and Commission-approved "procurement administrator."
- The RFP process is monitored by a Commission-hired "procurement monitor." At present, the Commission's procurement monitor is the consulting firm of Boston Pacific Company.
- The procurement administrator and monitor independently submit to the Commission confidential reports within two business days after the receipt of bids.

¹ 20 ILCS 3855/1-75

² 220 ILCS 5/16-111.5

³ There is currently a procurement plan proceeding before the Commission (Docket 09-0373), and Ex Parte laws prevent any discussion of that case within this briefing.

⁴ 20 ILCS 3855/1-75(c)

- The Commission reviews the confidential reports and either accepts or rejects the recommendations of the procurement administrator within two business days after receipt of the reports.
- If, by the above action, the Commission approves of utilities entering into contracts, then contracts with winning bidders are executed within three business days.

To date, the implementation of plans subject to the above-cited portions of the IPAA and the PUA has concluded with a series of five separate bidding events in the spring for five types of contracts:

1. Financial energy swaps entered into by Ameren to establish fixed-quantity price hedges vis-à-vis MISO⁵ day-ahead and real-time spot prices over portions of a one to three-year period.
2. Analogous physical energy contracts entered into by ComEd, to establish fixed-quantity price hedges vis-à-vis PJM⁶ day-ahead and real-time spot prices over portions of a one to three-year period.
3. Contracts for a fixed quantity of renewable energy certificate ("REC") generated during the upcoming 12-month plan year, in order to enable Ameren to satisfy the State's RPS.
4. Analogous REC contracts to enable ComEd to satisfy the State's RPS.
5. Capacity contracts to enable Ameren to satisfy resource adequacy requirements of MISO over portions of a one to three-year period.⁷

The results of previous procurements can be found on the Commission's web site at <http://www.icc.illinois.gov/electricity/ElectricityProcurement.aspx>.

Shortly after the conclusion of the spring procurement events, Ameren and ComEd revise the base level of retail charges through which the costs of electricity and RECs are recovered from customers. Actual revenues and actual costs are monitored on a monthly basis, and rates are adjusted, as necessary, to minimize the accumulation of a revenue-cost imbalance. An annual audit and reconciliation proceeding is also held.

RETAIL ELECTRIC CHOICE

The Electric Service Customer Choice and Rate Relief Law of 1997 restructured the state's electric service industry to allow for competition among suppliers. The 1997 Law established a fixed timetable for the introduction of electric retail choice in Illinois, beginning with approximately 64,000 non-residential electric customers, or about one-seventh of all non-residential customers, on October 1, 1999. An additional 609,000 non-residential customers became eligible for retail choice on January 1, 2001. An estimated 4.4 million Illinois residential customers became eligible for the retail choice program in May 2002. All customer classes are now eligible to choose alternative suppliers. At the end of December 2014, 86 suppliers were certified to serve nonresidential customers, although 10 of those sought Commission authority to only serve themselves or affiliates. Sixty-four suppliers were certified to serve residential customers. As of November 30, 2015, over 2 million residential customers were purchasing power and energy from a Retail Electric Supplier (RES) and approximately 279,000 non-residential customers in Illinois were purchasing power and energy from a RES. The percentage of RES usage among non-residential customers with a peak demand above one megawatt in the service territories of Ameren Illinois and Commonwealth Edison remains around 90 percent. Detailed electric customer switching statistics can be viewed on the Commission's web site at <http://www.icc.illinois.gov/electricity/switchingstatistics.aspx>.

Since electric competition was beneficial to larger commercial customers but little competitive activity occurred in the residential and smaller commercial customer classes, the Illinois General Assembly passed Public Act 94-1095 (the "Retail Electric Competition Act") in 2007 reiterating "its findings from the Electric Service Customer Choice and Rate Relief Law of 1997 that the Illinois Commerce Commission should promote the development of an effectively competitive retail electricity market that operates efficiently and benefits all consumers." Public Act 94-1095 created the Office of Retail Market Development to actively

5 MISO is the Midcontinent Independent Transmission System Operator, Inc. It is the regional transmission organization ("RTO") to which Ameren and MidAmerican belong. MISO coordinates the movement of power in 15 U.S. states and the Canadian province of Manitoba. <https://www.misoenergy.org/Pages/Home.aspx>

6 PJM is the PJM Interconnection, which is the RTO to which ComEd belongs. PJM coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia. Originally, it operated within Pennsylvania, New Jersey, and Maryland; hence the name, PJM. <http://www.pjm.com/>

7 ComEd has been authorized by previous approved procurement plans to satisfy resource adequacy requirements through payments directly to PJM, derived through PJM's Reliability Pricing Model ("RPM").

seek out ways to promote retail competition in Illinois to benefit all consumers. The Office of Retail Market Development has spent much of its time with the implementation of Public Act 95-0700 (which became effective November 2007) requiring ComEd and Ameren Illinois to provide utility consolidated billing and the purchase of RES receivables. The requirements of Public Act 95-0700 were designed to remove some barriers to competition for residential and small commercial customers in Illinois. Ameren implemented a utility consolidated billing and purchase of receivables program on October 17, 2009. ComEd's consolidated billing and purchase of receivables program was implemented its program on December 21, 2010. Public Act 95-0700 also requires Ameren Illinois and ComEd to implement a purchase of uncollectibles or POU program. The Commission approved the Ameren Illinois program on November 8, 2011 and the program has since been implemented. ComEd filed its POU tariffs on May 15, 2011 and the Commission entered an order approving the program in March 2012.

In the Commission's Order approving the Ameren Illinois Utilities' consolidated billing and purchase of receivables program, the Commission concluded that, "consumer education and protection are both very important to any program implementing customer choice, particularly for smaller customers." Staff was ordered to submit a proposed First Notice Rule of consumer protections and education measures by the end of 2009. In December 2009, the Commission entered a First Notice Rule and in December 2012, the Commission entered a final order adopting Illinois Administrative Code Part 412 Obligations of Retail Electric Suppliers, with the rules becoming effective January 1, 2013.

On September 30, 2014, the Commission initiated a Notice of Inquiry ("NOI") as a vehicle for gathering information and opinions on retail market issues that have been experienced thus far including proposals to create definitions for "fixed" and "variable" rate offers as well as additional ways to enhance consumer education. Following several rounds of written comments by numerous parties, in July 2015, the Commission adopted Staff's recommendation to initiate a rulemaking proceeding to consider changes to the marketing rules applicable to retail electric suppliers in Illinois. The rulemaking addresses several areas of concern involving the marketing practices of retail electric suppliers and the Commission will receive a Proposed First Notice Order on or before March 1, 2016.

In July 2012, the Commission entered an order initiating a proceeding to develop rules regarding municipal aggregation to implement the appropriate provisions of the IPAA and the PUA. On November 6, 2013, the Commission entered a First Notice Order and the final rules became effective on April 1, 2015.

DISCUSSION OF THE QUALITY, AVAILABILITY, AND PRICE OF UTILITY SERVICES BY GEOGRAPHIC AREA

ELECTRICITY

Four investor-owned public utilities provide electric service to retail customers in the State of Illinois:⁸

Ameren Illinois Company
Commonwealth Edison Company
MidAmerican Energy Company
Mt. Carmel Public Utility Company

Municipal systems and electric cooperatives also provide electric service in Illinois; these municipal systems and electric cooperatives are not subject to regulation by the Commission.⁹

A detailed presentation of the 2014 sales statistics presented below can be found in the Commission's "Comparison of Electric Sales Statistics for Calendar Years 2014 and 2013" at <http://www.icc.illinois.gov/publicutility/salesstatistics.aspx>.

Northern Illinois

Two investor-owned public utilities provide electric service in northern Illinois: Commonwealth Edison Company, and MidAmerican Energy Company. Commonwealth Edison Company serves 3,489,576 customers in the northern Illinois, including the Chicago metropolitan area. MidAmerican Energy Company serves 75,826 customers in northwestern Illinois.

⁸ On October 1, 2010, AmerenCILCO, AmerenCIPS, and AmerenIP merged into one operating company based in Peoria, called Ameren Illinois Company.

⁹ Data concerning quality, availability, and price for these municipal electric systems and electric cooperatives are not reported to the Commission and are not included in this report.

For 2010 through 2014, these two utilities charged the following average prices, shown in cents per kWh, for bundled service and full requirements service customers:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Commonwealth Edison	11.44	11.77	11.56	10.27	10.55
MidAmerican Energy	6.19	6.21	6.50	6.83	7.13

Central Illinois and Southern Illinois

Two investor-owned public utilities provide electric service to central and southern Illinois: Ameren Illinois Company (AIC) and Mt. Carmel Public Utility Company. AIC serves 1,062,627 customers in central and southern Illinois. Mt. Carmel Public Utility Company serves 5,360 customers in southeastern Illinois.

For 2010 through 2014, these utilities charged the following average prices, shown in cents per kWh, for bundled service and full requirements service customers:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
AIC	9.69	9.46	8.94	8.06	8.86
Mt. Carmel	12.45	12.53	13.07	12.36	11.70

The bundled service price of electricity sold by these electric utilities varied between utilities and within utilities depending upon the class of customer served.

Electric Reliability

Pursuant to Section 16-125 of the PUA and the Commission's electric reliability rules found in 83 Ill. Adm. Code 411, each of the electric utilities under the Commission's jurisdiction files an annual electric reliability report summarizing the utility's reliability performance, its actions to maintain or improve its reliability, and other electric system reliability issues that may be specific to the utility. Ameren Illinois Company (AIC), Commonwealth Edison Company (ComEd), MidAmerican Energy Company (MEC), and Mount Carmel Public Utility Company (MCPU) filed annual electric reliability reports in 2015 for the calendar year 2014. The annual electric reliability reports can be found on the Commission's web site at: <http://www.icc.illinois.gov/electricity/utilityreporting/ElectricReliability.aspx>.

The following table presents the annual CAIDI each utility reported for the years 2010 through 2014. CAIDI, expressed in minutes, provides the average duration of interruptions that customers of each of the reporting electric utilities experienced. CAIDI is calculated by dividing the annual sum of all customer interruption durations by the total number of customer interruptions.

CAIDI					
	2010	2011	2012	2013	2014
Ameren Illinois Company	152	234	136	199	130
Commonwealth Edison Company	181	366	196	143	196
MidAmerican Energy Company	172	87	84	211	164
Mt. Carmel Public Utility Company	121	154	93	105	74

The following table presents the annual SAIFI each utility reported for the years 2010 through 2014. SAIFI provides the average number of electric service interruptions that customers of each of the reporting electric utilities experienced. SAIFI is calculated by dividing the total number of customer interruptions that occurred on the utility's system by the total number of customers that the utility served (as with CAIDI, a lower value means better reliability).

SAIFI					
	2010	2011	2012	2013	2014
Ameren Illinois Company	1.14	1.35	1.05	1.44	1.36
Commonwealth Edison Company	1.35	1.57	1.16	0.99	1.01
MidAmerican Energy Company	2.99	2.04	2.36	2.24	1.46
Mt. Carmel Public Utility Company	4.89	6.26	3.57	4.01	4.16

NATURAL GAS

Nine (9) investor-owned gas public utilities currently provide natural gas service in the State of Illinois:

- Ameren Illinois
- Consumers Gas Company
- Illinois Gas Company
- Liberty Utilities
- MidAmerican Energy Company
- Mt. Carmel Public Utility Company
- Nicor Gas Company
- North Shore Gas Company
- Peoples Gas Light and Coke Company

Municipal gas systems and gas cooperatives also provide natural gas service in Illinois; these municipal gas systems and gas cooperatives are not subject to regulation by the Commission.¹¹

During 2015, natural gas service was available without major interruption to all firm customers served by these nine Illinois gas utilities. A considerable number of commercial and industrial customers chose to purchase gas directly from wholesale suppliers and use the local gas utility as a transporter. Additionally, residential customers served by Nicor Gas Company, North Shore Gas Company, and Peoples Gas Light and Coke Company are allowed to purchase gas directly from wholesale suppliers. During 2016, sufficient supplies of natural gas are expected to be available to all customers.

A detailed presentation of the 2014 sales statistics presented below can be found in the Commission's "Comparison of Gas Sales Statistics for Calendar Years 2014 and 2013" at <http://www.icc.illinois.gov/publicutility/salesstatistics.aspx?type=g>.

Northern Illinois

Four public utilities distribute and sell natural gas in northern Illinois: MidAmerican Energy Company, Nicor Gas Company, North Shore Gas Company, and Peoples Gas Light and Coke Company.

Nicor Gas Company is the largest gas distribution company in the State and provides service to 1,912,341 customers in northern Illinois. Peoples Gas Light and Coke Company, which serves the City of Chicago, has 765,381 customers. North Shore Gas Company serves 146,148 customers in communities north of the Chicago area. Finally, MidAmerican Energy Company serves 65,274 customers in northwestern Illinois.

¹¹ Data concerning quality, availability, and price for these municipal gas systems and gas cooperatives are not reported to the Commission and are not included in this report.

As with the price of electricity, the price of gas varies among utilities and is generally determined by the suppliers of natural gas that serve the local distribution company.

For 2010 through 2014, these four utilities charged the following average prices shown in cents per therm:

	2010	2011	2012	2013	2014
MidAmerican	84.11¢	82.47¢	78.36¢	77.81¢	82.81¢
Nicor Gas	75.65	68.50	58.26	58.44	69.54¢
North Shore	89.86	82.56	75.88	78.63	101.39¢
Peoples Gas	96.54	87.85	86.25	91.71	112.72¢

Central and Southern Illinois

Only one public utility distributes and sells natural gas in central Illinois – Ameren Illinois. Ameren Illinois provides gas service to 810,058 customers, making it the second largest gas utility in the state. Gas distribution and sale of natural gas is provided in southern Illinois by Ameren Illinois and the following four smaller distribution companies: Consumers Gas Company, Illinois Gas Company, Liberty Utilities, and Mt. Carmel Public Utility Company. Liberty Utilities provides service to 21,772 customers in a number of distinct service areas in southern Illinois. Illinois Gas Company serves 9,571 customers in the Lawrenceville-Olney area. Consumers Gas Company serves 5,392 customers in the Carmi area. Finally, Mt. Carmel Public Utility Company serves 3,481 customers in the Mt. Carmel area.

For 2010 through 2014, these five utilities charged the following average prices shown in cents per therm:

	2009	2010	2011	2012	2013	2014
Ameren Illinois	101.90¢	101.23¢	99.82¢	105.08¢	92.52¢	97.80¢
Consumers Gas	102.27	90.97	81.48	81.70	72.27	72.96¢
Illinois Gas	91.05	89.15	84.04	78.84	80.79	79.91¢
Liberty Utilities	91.08	88.26	91.53	84.81	81.42	73.90¢
Mt. Carmel	131.74	119.80	98.28	88.94	91.61	114.47¢

Table 2-2

The price of gas sold by the gas utilities varied between utilities and within utilities depending upon the class of customer served. A major portion of the price per therm of gas is determined by the suppliers of natural gas that serve the local distribution company. Table 2-2 shows detailed 2014 price per therm information for all gas utilities under the Commission's jurisdiction.

Table 2-2
Illinois Gas Utilities
Revenue in Cents per Therm by Class of Service and by Company
2014

	<u>Ameren Illinois</u>	<u>Consumers Gas</u>	<u>Illinois Gas</u>	<u>Liberty Utilities</u>	
Residential Sales	101.61	74.10	88.04	79.00	
Small (or Commercial) Sales	90.63	78.48	77.15	67.11	
Large (or Industrial) Sales	73.13	59.97	64.54	51.76	
Other Sales To Public Authorities	55.83		-	-	
Total Sales To Ultimate Customers	97.80	72.96	79.91	73.90	
	<u>Mid- American</u>	<u>Mt. Carmel</u>	<u>Nicor Gas</u>	<u>North Shore Gas</u>	<u>Peoples Gas</u>
Residential Sales	96.88	117.48	70.23	103.04	115.33
Small (or Commercial) Sales	82.37	108.01	67.75	94.71	101.37
Large (or Industrial) Sales	64.20	-	63.53	87.99	94.56
Other Sales To Public Authorities	-	-	-	-	-
Total Sales To Ultimate Customers	90.74	114.47	69.54	101.39	112.72

WATER AND SEWER UTILITIES

Overview

The Commission currently regulates 6 water, 1 sewer, and 6 combined water and sewer investor-owned utilities. While the number of investor-owned utilities is a small percentage of the 1,750 community public water suppliers and 850 public sanitary sewage systems with treatment facilities in the state, these investor-owned utilities provide water service to approximately 357,000 customers and sewer service to approximately 44,000 customers. Investor-owned water utilities serve 7.8% of all persons in Illinois receiving water service from community public water supplies. These investor-owned water and sewer utilities serve customers in 39 counties and are primarily concentrated in the Chicago metropolitan area. The number of water and sewer customers served by each investor-owned utility ranges from 24 to 312,016. Only three investor-owned water utilities and four investor-owned sewer utilities serve more than 1,000 customers. See Table 2-3 for a comparison of bills for investor-owned water utilities providing service to 1,000 customers or more.

The Commission has continued its efforts to reduce the number of small utilities. Small utilities, due to their limited number of customers, typically have difficulties generating sufficient revenues to maintain the system and to hire employees with the necessary expertise to function efficiently as an investor-owned utility. The Commission has found that, in most cases, customers receive better service from larger utilities due to the economies of scale. The Commission has promoted acquisitions or mergers of small systems by larger municipal and investor-owned utilities to take advantage of these economies of scale. Larger investor-owned utilities may also acquire utility systems of small municipalities for the same purpose. When acquisitions and mergers are not practical, the possibility exists of operating a small system as a mutual operation by a homeowners association. Mutual operations, which are exempt from Commission jurisdiction, often result in lower costs to customers for small systems. This type of activity was evident during 2015:

- In April, the Commission approved the acquisition by Aqua Illinois, Inc. of North Maine Utilities, the water system of the Village of Glenview in Cook County (Docket No. 14-0396).
- In May, Aqua Illinois, Inc., filed an application to acquire the water systems of a water district in LaSalle and Livingston Counties (Docket No. 15-0374).
- In September, Illinois-American Water Company filed an application to acquire the water systems of the Village of Ransom in LaSalle County (Docket No. 15-0544).
- In November, the Commission approved the acquisition by Aqua Illinois, Inc. of Eastwood Manor Water Company and Nunda Utility Company, two small investor-owned water utilities in McHenry County (Docket No. 15-0384).
- Also in November, Aqua Illinois, Inc., filed an application to acquire the water systems of Crystal Clear Water Company, a small investor-owned utility in McHenry County (Docket No. 15-0596).

Regulatory Activities

The Commission issued Orders and approvals in the following rate cases:

- In March, an Order approving a general increase in water and sewer rates for Aqua Illinois' Kankakee Division (Docket No. 14-0419)
- In September, an Order approving a general increase in water and sewer rates for all divisions of Utility Services of Illinois (Docket No. 14-0741)

Some investor-owned utilities continue to use purchased water and sewage treatment surcharges and qualifying infrastructure plant surcharges. Purchased water and sewage treatment surcharges allow utilities to pass their cost of purchasing water or sewage treatment directly to the end-use customers. Qualifying infrastructure plant surcharges allow utilities to recover the cost of replacement mains, services, meters, and hydrants until such time that those investments are placed into rate base through the rate setting process. Currently, Illinois-American Water Company has purchased sewage treatment surcharges; Aqua Illinois, Inc. and Illinois-American Water Company have purchased water surcharges; and Aqua Illinois, Inc. and Illinois-American Water Company have qualifying infrastructure plant surcharges.

Discussion of Water and Sewer Utilities

Water supplies for investor-owned water utilities were generally adequate in 2015.

Three of the larger investor-owned water utilities serve municipalities adjacent to the state's major rivers; these utilities use the rivers as their source of water supply. River supplies are generally adequate. When treated, the river water meets the standards established by the Illinois EPA.

Most of the smaller investor-owned water utilities serve unincorporated residential developments, often a single subdivision, and are typically located in the northern half of the state. Wells serve as the source of water supply for all small systems. Well water quality varies considerably, and well water can contain undesirable minerals such as iron, manganese, and calcium; these minerals, while not unsafe to health, do cause aesthetic problems. Aesthetic problems have caused several well systems located in the Chicago metropolitan area to obtain Lake Michigan water.

Bills for water service typically reflect a flat meter charge and a volumetric charge. Utilities that incorporate multiple volumetric charges use a declining block rate structure. Two of the large investor-owned water utilities also charge for providing fire protection service. The water rates vary considerably and depend on many factors, including the age of the water treatment plant and treatment process, the source of the water supply, and the need for infrastructure improvements. Overall, water bills for residential customers average \$40 to \$45 per month.

Of the seven investor-owned utilities that provide sewer service, four utilities provide service to more than 1,000 customers. Due to the prohibitive cost of constructing new sewage treatment plants for a limited number of customers, the smallest sewer systems have, where possible, sought treatment from nearby regional plants. For example, sewer utilities located within the boundaries of the Metropolitan Water Reclamation District of Greater Chicago ("MWRD") discharge their wastewater to the MWRD for treatment. The investor-owned sewer utilities provide sewer service primarily to residential customers and serve a very limited number of commercial and industrial customers.

Bills for sewer service typically reflect flat rate charges or volumetric charges based on water usage, since metering of sewage flow is uneconomical and impractical for residential customers. The sewer rates vary considerably and depend on many factors, including the age of the sewage treatment plant and treatment criteria for the receiving stream. Overall, sewer bills for residential customers average \$35 to \$40 per month.

Table 2-3

Table 2-3 presents a comparison of monthly bills for residential customers of investor-owned water utilities providing service to 1,000 customers or more.

Table 2-3
Illinois Water Utility Rate Areas Serving 1,000 or More Customers
Comparison of Monthly Bills — Residential Customers with 5/8 Inch Meters
Based upon Rates in Effect on November 30, 2015

Area of State/ Utilities/ Service Areas	Total Number of Customers	Bill Comparison Based upon Water Usage		
		1,000 Gallons	5,000 Gallons	10,000 Gallons
NORTHERN				
Aqua Illinois				
Candlewick	1,809	\$ 21.75	\$ 41.57	\$ 66.35
Kankakee	29,156	26.89	51.14	81.46
University Park	2,443	20.88	34.64	51.83
Willowbrook	1,032	30.23	57.69	92.03
Galena Territory	2,254	19.59	46.47	80.07
Illinois-American				
Chicago Metro				
Well Water	1,569	29.58	51.07	77.93
Lake Water				
Chicago Suburban	4,346	37.63	62.82	94.31
DuPage County	6,237	39.17	78.92	128.61
Fernway	2,019	34.40	74.87	125.46
Sante Fe/SW & W Suburban	30,430	35.67	81.54	138.88
South Beloit	2,860	26.42	47.41	73.66
Sterling	6,523	26.39	47.91	74.80
Streator	7,400	26.99	48.50	75.40
Utility Services of Illinois				
Apple Canyon	2,639	30.44	53.28	81.83
Galena Territory	2,266	30.44	53.28	81.83
Lake Holiday	2,045	30.44	53.28	81.83
Whispering Hills	2,333	30.44	53.28	81.83
CENTRAL				
Aqua Illinois				
Vermilion	20,161	28.92	56.38	90.71
Illinois-American				
Champaign	53,914	26.42	47.94	74.83
Lincoln	5,838	26.33	45.52	69.51
Pekin	14,065	27.23	38.91	53.51
Peoria	52,843	27.18	48.69	75.59
Pontiac	4,308	26.49	48.00	74.89
Utility Services of Illinois				
Lake Wildwood	1,399	30.44	53.28	81.83
SOUTHERN				
Illinois-American				
Alton	17,994	26.24	47.76	74.65
Interurban	67,808	26.12	47.63	74.53

FINANCIAL HEALTH OF THE UTILITY INDUSTRY IN ILLINOIS

Credit ratings are the single most comprehensive and widely accepted measure of the financial condition of a business enterprise. Several independent financial research firms provide rating services, which categorize corporate debt issues based on default risk. All of the major electric and natural gas utilities serving Illinois have ratings assigned to their debt issues.

There is no formula for determining credit ratings. In assigning ratings to a firm's debt, rating agencies consider both qualitative and quantitative factors. For a public utility, rating agencies review financial information, which can be separated into six categories: debt leverage, construction and asset concentration risks, earnings protection, financial flexibility and capital attraction, cash flow adequacy, and accounting quality. Non-financial rating criteria include service territory characteristics, fuel supply and generating capacity, operating efficiency, regulatory treatment, and management.

Standard and Poor's defines its highest issuer credit ratings as follows:

AAA

An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

AA

An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

A

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. (Source: Standard & Poor's, RatingsDirect on the Global Credit Portal, August 20, 2010, pp. 3-4)

The following table shows the average nationwide electric utility industry credit rating, as well as the ratings for the three major electric utilities serving the State of Illinois. The majority of the operations of MidAmerican Energy Company are in other states.

**Standard and Poor's Electric Utility Credit Ratings
November 2011 through November 2015**

	2011	2012	2013	2014	2015
Electric Utility Industry Average	BBB	BBB	BBB	BBB+	BBB+
Ameren Illinois	BBB-	BBB-	BBB+	BBB+	BBB+
Commonwealth Edison	BBB	BBB	BBB	BBB	BBB
MidAmerican	A-	A-	A-	A-	A-

The next table below presents credit ratings for the three major natural gas distribution utilities serving the State of Illinois and the average credit rating for the nationwide natural gas distribution industry.

**Standard and Poor's Gas Utility Credit Ratings
November 2011 through November 2015**

	2011	2012	2013	2014	2015
Gas Distribution Industry Average	A-	A-	A-	A-	A-
Nicor Gas	AA	BBB+	BBB+	BBB+	BBB+
North Shore	BBB+	A-	A-	A-	A-
Peoples Gas	BBB+	A-	A-	A-	A-

Standard & Poor's downgraded Nicor Gas' credit rating from AA to BBB+ following AGL Resources' acquisition of Nicor Gas in December 2011.

Illinois-American Water, the largest water utility serving the State of Illinois, raises debt through a financing affiliate, American Water Capital. None of the water utilities serving Illinois has its own credit ratings. The next table presents credit ratings for American Water Capital and the average credit rating for the nationwide water utility industry.

**Standard and Poor's Gas Utility Credit Ratings
November 2011 through November 2015**

	2011	2011	2013	2014	2015
Water Industry Average	A-	A-	A-	A-	A
American Water Capital	A-	A-	A-	A-	A

SECTION 3

A Discussion
of Energy
Planning

(3) A Specific Discussion of the Energy Planning Responsibilities and Activities of the Commission and Energy Utilities Including:

(a) The extent to which conservation, cogeneration, renewable energy technologies and improvements in energy efficiency are being utilized by energy consumers, the extent to which additional potential exists for the economical utilization of such supplies, and a description of existing and proposed programs and policies designed to promote and encourage such utilization;

(b) A Description of each Energy Plan filed with the Commission pursuant to the Provisions of this Act and a copy or detailed summary of the most recent energy plans adopted by the Commission."

(c) a discussion of the powers by which the Commission is implementing the planning responsibilities of Article VIII, including a description of the staff and budget assigned to such function, the procedures by which Commission staff reviews and analyzes energy plans submitted by the utilities, the Department of Natural Resources, and any other person or party; and

(d) a summary of the adoption of solar photovoltaic systems by residential and small business consumers in Illinois and a description of any and all barriers to residential and small business consumers' financing, installation, and valuation of energy produced by solar photovoltaic systems; electric utilities, alternative retail electric suppliers, and installers of distributed generation shall provide all information requested by the Commission or its staff necessary to complete the analysis required by this paragraph (d).

Section 8-402 of the PUA, which set forth the Commission's resource planning responsibilities, was repealed by P.A. 90-561, effective December 16, 1997. The Commission disbanded the Energy Programs Division immediately thereafter. Since 2007, however, the General Assembly has enacted several laws concerning electricity planning and procurement, renewable energy, distributed generation, and energy efficiency. The Commission's activities related to these topics is discussed, below.

ELECTRICITY PLANNING AND PROCUREMENT

Since 2008, the IPA annually prepares a plan for the acquisition of electricity needed to serve retail customers supplied by ComEd and AIC. Other utilities may request inclusion in the IPA's electric procurement plans; and, in 2015, MEC requested that the IPA develop plans to acquire a portion of MEC's total supply. The IPA includes in these plans not only standard wholesale electricity products, but also renewable energy resource contracts, energy efficiency and demand response programs, and special "clean coal" sourcing agreements, to the extent necessary to comply with statutory provisions. These plans are subject to the approval of the Commission.

Approved procurement plans may call for the IPA to conduct procurement events on behalf of a utility, which are generally in the form of requests for proposal, where sealed bids from potential suppliers are solicited and evaluated by an IPA-hired procurement administrator. Such events are also overseen by a Commission-hired procurement monitor, and the selection of winning bids by the procurement administrator is subject to the approval of the Commission. Each winning bidder then enters into a paid-as-bid contract with the utility company. In 2015, the IPA conducted the following procurement events on behalf of AIC and ComEd:

IPA Procurement Events Conducted in 2015 on Behalf of the Electric Utilities as Buyers

Bid Day	ICC Approval	Product Type	Delivery Period	Buyer	Quantity
3/30/2015	4/1/2015	Standard Energy Blocks	2015-2018	AIC	5,526,000 MWH
				ComEd	10,045,200 MWH
4/16/2015	4/22/2015	Solar Renewable Energy Credits	2015	AIC	30,212 MWH
				ComEd	49,770 MWH
9/11/2015	9/17/2015	Planning Resource Credits	2016	AIC	1,033 MW-Days
9/14/2015	9/17/2015	Standard Energy Blocks	2015-2018	AIC	2,594,200 MWH

				ComEd	10,160,200 MWH
10/8/2015	10/14/2015	Distributed Generation Renewable Energy Credits	2015-2020	AIC	4,076 MWH
				ComEd	8,691 MWH

Note: More information concerning Commission-approved IPA procurement events can be found on the Commission's web site (<http://www.icc.illinois.gov/electricity/workshops/>) and the IPA's RFPs website (<https://www.ipa-energyrfp.com/>). The IPA does not necessarily conduct procurement events for all elements of its procurement plans. For example, the utilities manage the hourly balancing of energy supply and load through direct sales and purchases with RTOs. The utilities also directly procure energy efficiency and demand response programs without the aid of the IPA.

RENEWABLE ENERGY AND CLEAN COAL PORTFOLIO STANDARDS

The IPAA and the PUA include special requirements for the acquisition by the State, electric utilities, and ARES of electricity from "clean coal facilities" and "renewable energy resources." To date, there have been no successful acquisitions of electricity from "clean coal" facilities. However, there have been significant purchases of renewable energy resources, since 2008.

In 2015, as noted in the table above, the IPA conducted procurement events for the acquisition by AIC and ComEd of Solar Renewable Energy Credits and Distributed Generation Renewable Energy Credits. Additionally, the IPA conducted the following procurements events, on behalf of the State, pursuant to a "supplemental" solar photovoltaic procurement plan:

IPA Procurement Events Conducted in 2015 on Behalf of the State of Illinois as Buyer

Bid Day	ICC Approval	Product Type	Delivery Period	Buyer	MWH
6/22/2015	6/24/2015	Solar Renewable Energy Credits	2015-2022	State of Illinois	37,082
11/12/2015	11/18/2015	Solar Renewable Energy Credits	2015-2022	State of Illinois	70,096

Finally, ARES must comply with a separate renewable portfolio standard by making payments to the State, which are deposited into the Illinois Power Agency Renewable Energy Resources Fund ("IPARERF"), ultimately for the IPA to purchase renewable energy credits on behalf of the State. The level of such payments are determined by the ARES' retail energy sales in each utility service territory, multiplied by a factor that directly reflects the cost of renewable energy resources embedded in the rates of retail customers supplied by that utility. However, ARES have the option of directly purchasing renewable energy resources, in lieu of making such payments to the State, for up to one-half of their retail energy sales multiplied by a percentage set forth in the IPAA. In 2015, most ARES made payments for the minimum one-half of their retail sales, and acquired renewable energy credits for the other half. The quantities of renewable energy credits "retired" by ARES for each compliance period, along with payments by ARES to the IPARERF, are shown in the following table:

ARES Compliance with Renewable Portfolio Standard

Compliance period June 1 - May 31	REC Retirements (MWH)	Payments to IPARERF
2014-2015	4,222,218	\$86,278,411
2013-2014	3,949,264	\$77,172,263
2012-2013	2,990,584	\$38,382,345
2011-2012	1,624,264	\$2,118,687
2010-2011	1,159,196	\$5,606,245
2009-2010	393,718	\$7,148,252

DISTRIBUTED GENERATION

Distributed generation refers to electric generating resources owned or operated by or for retail customers, primarily to meet some or all of their own energy needs. It may include cogeneration, roof-top solar, or other renewable or non-renewable technologies.

With respect to solar-powered generation, Public Act 99-107, effective July 22, 2015, directs the Commission to provide a summary of the adoption of solar photovoltaic (PV) systems in Illinois among residential and small business customers (customers with an annual kilowatt-hour usage of less than 15,000 kWh). The summary is provided in the following table.

As of the end of 2015, 841 residential customers had installed PV systems in the service territories of the four electric utilities regulated by the Commission. The total capacity of residential PV systems is about 5 Megawatts (MW). About 100 small business

customers (including customers with a demand level of up to 0.1 MW in the ComEd service territory) had installed PV systems; the total capacity of these systems is about 3.5 MW.

ADOPTION OF PV SYSTEMS BY RESIDENTIAL AND SMALL BUSINESS CUSTOMERS IN ILLINOIS, BY ELECTRIC UTILITY SERVICE TERRITORY, 2015
(NUMBER OF CUSTOMERS AND MEGAWATT CAPACITY OF PV SYSTEMS)

	RESIDENTIAL CUSTOMERS		SMALL BUSINESS CUSTOMERS	
	NUMBER OF CUSTOMERS	CAPACITY OF PV SYSTEM (MW)	NUMBER OF CUSTOMERS	CAPACITY OF PV SYSTEM (MW)
Ameren	332	1.8	36	1.8
ComEd	494	2.7	61	1.7
MidAmerican Energy	13	0.1	0	0
Mt. Carmel	2	0.1	0	0
TOTAL	841	4.7	97	3.5

The adoption rate of solar photovoltaic systems may be affected by a prospective customer's estimate of the economic cost of installing and operating a PV system. The cost estimate may be influenced by a number of factors, including Federal and State tax credits and rebates. Currently, residential customers who install PV systems are eligible for a 30% Federal tax credit. Additionally, the Illinois Power Agency administers a bidding process for the procurement of Renewable Energy Credits from PV systems. Another economic factor that may influence the adoption rate of PV systems is the level of compensation available through participation in the net metering programs offered by Illinois electric utilities.

COGENERATION

Commission Rule

The rules for the transfer of electric power between independent generating facilities and regulated electric utilities in Illinois are established by 83 Ill. Adm. Code 430. All utilities operating in Illinois must abide by these rules except for cooperatives and municipal utilities, both of which are not regulated by the Commission.

The most important portion of the rules is the requirement that a utility must purchase cogenerated power at a price commensurate with the utility's avoided cost. Table 3-1 lists the 2015 avoided costs as filed annually by Illinois electric utilities.

Special Rates

Cogeneration/self-generation displacement and deferral rates can be in the form of special contracts or designed as tariffs. In each case, the Commission's position has been to promote economic cogeneration or self-generation, while avoiding uneconomic bypass of a utility's system. When the cogeneration or self-generation discount rate brings a customer's individual rate closer to the utility's marginal cost of providing service, uneconomic bypass is less likely to occur.

ENERGY EFFICIENCY PROGRAMS

Sections 8-103 and 8-104 of the PUA respectively require electric and gas utilities and the Department of Commerce and Economic Opportunity to submit three-year energy efficiency plans for Commission approval.

The most recent electric plans were filed on August 30, 2013: ComEd (Docket No. 13-0495); AIC (Docket No. 13-0498); and the Department of Commerce and Economic Opportunity (Docket No. 13-0499). The Commission issued Final Orders approving these plans on January 28, 2014. Various parties in each proceeding filed motions for rehearing and/or motions for clarification. The Commission granted certain applications for rehearing and motions for clarification and subsequently issued Orders on Rehearing in Docket Nos. 13-0495 and 13-0498 on, respectively, May 5, 2014 and May 13, 2014.

The most recent natural gas plans were filed on September 30, 2014: Nicor Gas Company (Docket No. 13-0549) and Peoples Gas Light and Coke and North Shore Gas Companies (Docket No. 13-0550). The Commission issued Final Orders in these proceedings on May 20, 2014. On July 1, 2013, MidAmerican Energy Company filed a five-year energy efficiency plan assigned as Docket No. 13-0423, which the Commission approved on December 18, 2013.

Section 8-103(i) of the PUA requires determinations to be made concerning energy savings goal compliance. The status of Commission proceedings initiated to make these determinations is summarized in the table, below.

Docket	Utility	12-Mo Compliance Periods Ending May 31,	Initiated	Status
10-0519	AIC	2009, 2010	8/30/2010	Closed
10-0520	ComEd / DCEO	2009, 2010	8/30/2010	Closed
11-0592	AIC	2011	8/23/2011	Closed
11-0593	ComEd / DCEO	2011	8/23/2011	Closed
13-0078	ComEd / DCEO	2012	1/24/2013	Open
14-0075	ComEd / DCEO	2013	1/23/2014	Open
14-0594	AIC	2012	9/30/2014	Open
14-0595	AIC	2013	9/30/2014	Open
15-0297	Nicor	2012, 2013, 2014	4/22/2015	Open
15-0298	N.Shore / Peoples	2012, 2013, 2014	4/22/2015	Open

Section 16-111.5B of the PUA outlines the requirements for the consideration of energy efficiency in the Illinois Procurement Plan. The 2013 Procurement Plan in Docket No. 12-0544, was the first plan to include consideration of incremental energy efficiency programs pursuant to Section 16-111.5B. Approved programs started implementation on June 1, 2013. The Commission approved additional energy efficiency programs in Docket Nos. 13-0546 and 14-0588, and 15-0541 for implementation beginning June 1, 2014, 2015, and 2016, respectively.

**Table 3-1
Illinois Electric Utilities
Avoided Cost Rate Structure
2015**

<u>Electric Utility</u>	<u>Summer Rates</u>	<u>Winter Rates</u>
Ameren IL		
On-Peak	4.237¢/kWh	3.817¢/kWh
Off-Peak	2.742¢/kWh	3.212¢/kWh
Commonwealth Edison		
On-Peak	3.942¢/kWh	3.718¢/kWh
Off-Peak	2.576¢/kWh	2.768¢/kWh
MidAmerican Energy		
On-Peak	3.18¢/kWh	2.39¢/kWh
Off-Peak	2.10¢/kWh	1.92¢/kWh
Mt. Carmel Public Utility		
On-Peak	4.053¢/kWh	4.053¢/kWh
Off-Peak	4.053¢/kWh	4.053¢/kWh

Source: Annual filings of Illinois electric utilities pursuant to 83 Ill. Adm. Code 430.110.

Please note: Time differentiated rate pricing is shown at transmission or subtransmission levels where possible; additional credits are available at lower voltages, loads, and times (except for Mt. Carmel). See each utility filing for exact avoided energy costs under specific conditions

SECTION 4

Availability of
Utility Services to
All Persons

(4) A discussion of the extent to which utility services are available to all Illinois citizens including:

(a) Percentage and number of persons or households requiring each such service who are not receiving such service, and the reasons therefore, including specifically the number of such persons or households who are unable to afford such service.

(4-b) a critical analysis of existing programs designed to promote and preserve the availability and affordability of utility services.

The information necessary to determine the number of persons lacking utility service within the state is difficult to obtain. Part of the difficulty is that all utility companies within the state track accounts by residence and not by customer name. Thus, a utility could determine if a particular residence was disconnected and therefore no longer receiving service, but the utility would have no way of knowing whether that household regained service under another name in its own service territory or perhaps under the same name in a different service territory. In addition, persons disconnected might also move in with an acquaintance already receiving service or they might acquire service supplied by an electric co-operative or municipality over which the Commission has no jurisdiction. Further, if the intent of the question is to ascertain the number of persons without access to a source of heat, the existence of non-utility sources such as wood stoves and kerosene heaters would further complicate the answer, thus the myriad of possibilities makes a truly accurate figure very elusive.

Although the Commission has limited resources available to determine the number of persons within the state lacking some type of utility service, and granting the uncertainty in accuracy of such a statistic, an estimate may be obtained by analyzing the disconnection and reconnection data provided to the Commission by all utilities.

To determine a rough estimate of the number of persons lacking utility service, one can look at the aggregate disconnection/reconnection figures for a 12-month period. The results for the period of December 2014 through November 2015 are as follows:

The average heat related residential class customer base equaled 7,891,795 households. In this class, 274,763 accounts were disconnected and 184,775 were reconnected. This yields a 67.25 percent reconnection rate leaving 89,988 accounts not reconnected. The disconnected accounts represent 3.48 percent of the average residential customer base, while those accounts not reconnected represent a rate of 2.34 percent.

The Commission is aware of its obligations to minimize the dangers arising from unnecessary termination of gas and/or electric space heating service during the winter months. To minimize these dangers and be responsive to the needs of both Illinois consumers and the utilities that serve those consumers, the Commission has developed rules and regulations concerning the termination and reconnection of space heating service during the winter months. Many of these rules have since been enacted into law. In addition, the Commission has continued to refine its other rules regarding utility credit and collection activities to help Illinois utility consumers make timely payments on their obligations to utility companies and thus avoid termination of utility service. The following discussion is a synopsis of current regulations designed to promote and preserve the availability and affordability of residential utility services.

Temperature-based Termination

If gas or electric service is the only source of space heating or if electricity is used to control the only space heating equipment, such as an electric blower fan on a gas furnace, these services may not be disconnected on any day when the National Weather Service forecasts that the temperature for the next 24 hours will be 32 degrees or below, or on a day before a holiday or weekend when the weather is forecasted to be 32 degrees or below any time before the next business day.

If gas or electricity is used as the only source of space cooling or to control or operate the only space cooling equipment at a residence or master-metered apartment building, then a utility with over 100,000 residential customers may not terminate gas or electric utility service to the residential user, including all tenants of master-metered apartment buildings on a day when the National

Weather Service forecasts that the temperature for the next 24 hours will be 95 degree or above, or on a day before a holiday or weekend when the weather is forecasted to be 95 degrees or above any time during the holiday weekend.

Disconnection of Military Personnel on Active Duty

Utilities are prohibited from disconnecting gas and electric service to military personnel in military service for non-payment.

Disconnection of Certain Customers during the Winter Heating Season

Initial Credit and Deposit Requirements

Utilities defer initial credit and deposit requirements for 60 days for a residential customer who is a victim of domestic violence.

Customers Receiving LIHEAP funds

During the winter heating season (December 1 through March 31) residential customers who receive Low Income Home Energy Assistance Program (LIHEAP) funds may not be disconnected if the services are used as the primary source of heating or to control or operate the primary source of heating.

Certain Electric Space-Heating Customers

During the winter heating season (December 1 through March 31) a public utility serving more than 100,000 electric customers may not be disconnect electric service to a residential space heating customer for non-payment.

Preferred Payment Date

Current residential customers who receive certain types of benefit checks out of cycle with their utility bills are allowed up to ten days subsequent to the customer's regular due date to make payment without penalty. This has benefited the low-income, elderly, and unemployed customers since they are able to avoid late payment charges and, in many cases, avoid paying a deposit to the utility.

Deferred Payment Agreement

This agreement allows a customer who owes the utility for a past due bill to maintain utility service by paying the past due amount in installments over a period of four to twelve months while continuing to pay current bills as they become due. Of the customers whose service was reconnected during the winter of 2013-2014 and who were given a payment plan, 50.05 percent were allowed six months or longer to pay the past due amount. Depending on the outstanding amount, the amount of the current bills, and the customer's income, this rule helps many customers, but it falls short of assisting those customers who simply have utility bills that are greater than their income can afford. Commission rules do allow for reinstatement after default and renegotiation of the payment agreement if the customer's financial circumstances change for the worse.

Reconnection

This rule provides that residential customers disconnected prior to the winter heating season and those customers disconnected during the winter heating season (December 1 through March 31) may be reconnected upon the payment of one-third of the amount due to the company. If financial inability to pay this amount is shown, one-fifth of the amount owed may be paid. The customer then must enter into a payment plan to pay the balance of the outstanding amount owed to the utility. It should be noted that in many cases the amounts paid to have service restored are obtained through grants from community organizations or through the Low Income Home Energy Assistance Program (LIHEAP) administered by Department of Commerce and Economic Opportunity.

The reconnection rule further states that this provision is available between November 1 and April 1 of the current heating season; that reconnection under this provision cannot be used in two consecutive years; that the former customer must have paid at least one-third of the amount billed subsequent to December 1 of the prior year; and that the program is not available if any evidence of tampering with the meter is discovered.

As required in the "winter reconnection" rule, on or about October 1, 2014, letters were sent to 39,226 former customers statewide who, according to utility records, were not then receiving heat related utility service. A total of 10,848 former customers requested that their service be reconnected. Of these, 3,127 customers were reconnected upon payment of the total bill and 6,248 were reconnected upon payment of a portion of the past due utility bill. Reconnection requests of 1,473 customers were denied. The reasons for denial are categorized as follows:

39 former customers failed to make a required down payment;

0 former customers failed to pay one-third of the amounts billed since December 1, 2013;
1,367 former customers had been reconnected under this rule last year; and
67 former customers resided where equipment tampering or diverted utility service was detected.

The above information indicates that 28,378 former customers did not respond to the inquiries posed by the utilities. It is impossible to determine whether these households are truly without utility service and, if so, why they do not have service.

Financial Assistance

ICC-regulated utilities participate in the LIHEAP, administered by the Department of Commerce and Economic Opportunity (DCEO). LIHEAP provides a one-time grant to eligible low-income customers.

The Percentage of Income Payment Plan (PIPP) was implemented effective September 2011 and became available for LIHEAP eligible households who are customers of one of the following utilities: Ameren Illinois, ComEd, Nicor Gas and Peoples Gas/North Shore Gas. Under PIPP, a customer pays a percentage of income, receives a monthly benefit towards his or her utility bill and arrearage reduction for every on-time payment the customer makes. DCEO administers this program. The PIPP program was suspended July 1, 2015.

(4-c) an analysis of the financial impact on utilities and other ratepayers of the inability of some customers or potential customers to afford utility service, including the number of service disconnections and reconnections, and cost thereof and the dollar amount of uncollectible accounts recovered through rates.

THE FINANCIAL IMPACT OF UNCOLLECTIBLE EXPENSES

Uncollectible expense for utilities represents revenue billed but not received for services rendered. Efforts are made to recover such revenue, but, after a certain period of time and effort, unpaid amounts are charged as an expense and recovered in the regular rates charged to all customers.

Public Act 96-0033 (SB 1918), signed into law on July 10, 2009, added Sections 16-111.8 (concerning electric utilities) and 19-145 (concerning gas utilities) to the PUA. These sections provide that an electric or gas utility shall be permitted to recover through an automatic adjustment clause the incremental difference between its actual uncollectible amount and the uncollectible amount included in rates. Ameren, ComEd, Peoples Gas, North Shore Gas, and Nicor Gas have tariffs on file with the Commission to enact the uncollectibles automatic adjustment clauses.

CONSUMER EDUCATION ACTIVITIES

Electric Customer Choice—“Plug In Illinois”

The Illinois Electric Service Customer Choice and Rate Relief Law of 1997 restructured the state's electric utility industry. Section 16-117 of the Public Utilities Act requires the Illinois Commerce Commission to maintain a consumer education program to provide residential and small commercial retail customers with information to help them understand their service options, rights, and responsibilities.

The ICC Plug In Illinois web site, located at www.pluginillinois.org, is updated as information changes and contains an overview of customer choice, guidelines for choosing an electric supplier including residential prices to compare for Ameren Illinois and Commonwealth Edison customers, a listing of RES offers for comparison and a list of municipalities pursuing aggregation programs.

Natural Gas Choice

In some parts of Illinois, natural gas utilities voluntarily offer their residential and small retail commercial customers the opportunity to choose their supplier of natural gas. Alternative Gas Suppliers offering service to these customers must be certified by the ICC. In accordance with Section 19-125 of the Public Utilities Act, the Commission web site includes consumer

education information to help residential and small commercial customers understand their gas supply options and their rights and responsibilities. The educational information includes choices available, guidance for selecting an alternative gas supplier, comparisons of the prices and terms of products offered by alternative suppliers and procedures for consumers to address complaints.

SECTION 5

Implementation of
The Commission's
Statutory
Responsibilities

(5) A detailed description of the means by which the Commission is implementing its new statutory responsibilities under this Act, and the status of such implementation, including specifically:

(5-a) Commission reorganization resulting from the addition of an Executive Director and hearing examiner qualifications and review.

COMMISSION REORGANIZATION

During 2015, there were no organizational changes resulting from statutory responsibilities. Various changes made since the passage of the new Public Utilities Act have been reported in previous Commission annual reports.

(5-b) Commission responsibilities for construction and rate supervision, including construction cost audits, management audits, excess capacity adjustment, phase-ins of new plant and the means and capability for monitoring and reevaluating existing or future construction projects.

CONSTRUCTION AUDITS

Statutory Requirements

Section 8-407(b) and 9-213 of the 1986 PUA grants the Commission the authority to conduct construction audits. Pursuant to Section 8-407(b), the Commission, after granting a certificate of public convenience and necessity for the construction of a new electric generating facility, is granted the authority to perform construction cost audits at any time during construction whenever the Commission has cause to believe that such an audit is necessary or beneficial to the efficiency or economy of construction.

Section 9-213 requires the Commission to perform an audit of the cost of new electric utility generating plants and significant additions to electric utility generating plants to determine if the cost is reasonable prior to including such construction costs in rate base.

Sections 8-407 (b) and 9-213 both grant the Commission the authority to engage independent consultants to perform these audits. If an independent consultant performs a construction audit, the cost will be borne initially by the utility, but shall be recoverable as an expense through normal ratemaking procedures.

Commission Responsibilities

In order to comply with the PUA, the Commission must monitor the major construction activities of all electric utilities within the state to assure that such construction is efficient and economical. The Commission is also required (Sec. 8-407(a)) to reevaluate the propriety and necessity at least every two years of each certificate of necessity issued for the construction of a new electric generating facility. In order to comply with the above responsibilities, the Commission has the authority to conduct construction cost audits.

Section 8-407 (b) Activities

No activities were required during 2015.

Section 9-213 Activities

No activities were required during 2015.

MANAGEMENT AUDITS

Statutory Requirements

The Commission has authority under Section 8-102 of the PUA to conduct management audits of public utilities. The Commission may choose to conduct the audits with its own staff or it may contract with independent consultants to perform the management audits. Prior to initiating an audit of a utility, the Commission must determine that reasonable grounds exist to believe an audit is necessary or cost-beneficial.

The statute allows for the costs associated with the use of independent consultants to be borne by the utilities with recovery provided through the normal ratemaking process.

Commission Responsibilities

Prior to initiating a management audit or investigation of a utility, the Commission must have "reasonable grounds to believe that such audit or investigation is necessary to assure that the utility is providing adequate, efficient, reliable, safe, and least-cost service and charging only just and reasonable rates therefore, or that such audit or investigation is likely to be cost beneficial in enhancing the quality of such service or the reasonableness of rates therefore." The Commission shall "issue an order describing the grounds for such audit or investigation and the appropriate scope and nature of such audit or investigation."

In Docket Nos. 12-0511/0512 (Cons.) the Commission adopted a two-phase investigation of Peoples Gas Light and Coke Company' Accelerated Main Replacement Program (AMRP) under Section 8-102 of the Act (220 ILCS 5/8-102). The Commission engaged Liberty Consulting Group (Liberty) to conduct this investigation on May 5, 2014. Liberty's investigation involved two phases. The first phase involved Liberty's investigation of AMRP planning and execution. Specifically, Liberty investigated Peoples Gas' management, control, and oversight of the AMRP and how these key obligations affect cost and schedule. Phase 2 involves Liberty overseeing Peoples Gas' implementation of the recommendations from the Phase 1 report. The Commission received Liberty's Final Report for phase one of the investigation on May 5, 2015, which contained 95 recommendations for improvement of the AMRP. The second phase of the investigation ends in May 2017, and Liberty is to provide the Final Report at that time. The Second Phase also requires Liberty to provide quarterly reports. The Commission received the first quarterly report on Sept. 30, 2015.

EXCESS CAPACITY, USED, AND USEFUL

Section 9-215 of the PUA gives the Commission the "power to consider, on a case by case basis, the status of a utility's capacity and to determine whether or not such utility's capacity is in excess of that reasonably necessary to provide adequate and reliable electric service". The Commission is also authorized to make adjustments to rates if a finding of excess capacity is made. This section conditions this authority for generating units whose construction programs started prior to the effective date of the current Act, January 1, 1986. That is, for generating units whose construction started prior to the effective date of the current Act, the Act requires that a determination of excess capacity or utility plant used and useful will be made from that which is appropriate under prior law.

No activities were required during 2015.

RATE MODERATION PLAN

The PUA authorizes the Commission to consider the adoption of a rate moderation plan that would lessen rate impacts associated with new power plants coming into service. During 2015, no new power plants were placed in service in Illinois that fall under the Commission's jurisdiction. As a result, the Commission did not use its authority to adopt a rate moderation plan.

COST-BASED RATES

The PUA considers cost-based rates an important component of equity for ratepayers. Specifically, the Act states that the cost of supplying public utility services should be allocated to those who cause the costs to be incurred [Section 1-102(d)(iii)]. The need to base rates on costs has increased as the utility environment becomes more competitive. A close relationship between rates and costs will discourage uneconomic bypass of the utility system by ratepayers. Uneconomic bypass is costly to the utility, ratepayers, and society as a whole.

The Commission made consistent progress towards the establishment of cost-based rates in utility rate cases that were handled in 2015. The following is a list of the gas and electric rate cases handled by the Commission in 2015 (See Section 2 for list of water and sewer rate cases handled in this period).

Gas

In March 2014, North Shore Gas Company and The Peoples Gas Light and Coke Company filed a gas rate case (Docket Nos. 14-0224 and 14-0225 Consolidated). The proposed tariffs were suspended. The Commission entered an order on January 21, 2015.

In May 2014, Liberty Energy Corp. (Midstates Natural Gas) d/b/a Liberty Utilities filed a gas rate case (Docket No. 14-0371). The proposed tariffs were suspended by the Commission. The Commission entered an order on February 11, 2015.

In January 2015, Ameren Illinois Company filed a gas rate case (Docket No. 15-0142). The proposed tariffs were suspended. The Commission entered an order on December 16, 2015.

Electricity

In May 2014, the Commission initiated an investigation of Commonwealth Edison Company's cost of service for low-use customers in each residential class (Docket No. 14-0384). The Commission entered an order on September 16, 2015.

In May 2014, the Commission initiated an investigation of Commonwealth Edison Company's supply rate subsidies for non-residential space heat customers and lighting customers (Docket No. 14-0385). The Commission entered an order on July 28, 2015.

SEC. 16-108.5 ELECTRIC FORMULA RATE CASES & RECONCILIATIONS

The PUA was amended in 2011 by Public Act 97-0616 to include a new provision under Sec. 16-108.5 that provides for participating electric utilities to file performance-based formula rates, allows for annual updates to those formula rates, and annual reconciliations of those rates.

In April 2015 2015 ComEd) filed its formula rate tariff (Docket No. 15-0287) for its distribution delivery services. The Commission entered an order on December 9, 2015.

In April 2015, Ameren Illinois filed its formula rate tariff (Docket No.15-0305) for its distribution delivery services. The Commission entered an order on December 16, 2015

MERGERS

On August 6, 2014, Wisconsin Energy Corporation, Integrys Energy Group, Inc, Peoples Energy, LLC, Peoples Gas, North Shore Gas, and American Transmission Company filed for approval of a reorganization under Section 7-204. The matter was docketed as Docket No. 14-0496. An order approving the reorganization with conditions was entered June 24, 2015. The transaction was effective June 29, 2015.

On October 8, 2015, the Southern Company, AGL Resources Inc., and Northern Illinois Gas Company d/b/a Nicor Gas filed for an approval of a reorganization pursuant to Section 7-204. The matter was docketed as Docket No. 15-0558. Staff and Intervenor direct testimony is scheduled to be filed February 3, 2016.

ASSET TRANSFERS OR SALES

On September 19, 2014, Ameren Illinois Company and MidAmerican Energy Company filed for approval pursuant to Section 7-102 for the purchase by Ameren Illinois Company of certain Illinois-based transmission assets of MidAmerican Energy Company. The matter was docketed as Docket No. 14-0572. The Commission approved the transaction on July 8, 2015.

On June 10, 2015, MidAmerican Energy Company filed for approval to transfer the assets of its unregulated retail services division into a separate business entity inside Berkshire Hathaway Energy Company pursuant to Section 7-102. The matter was docketed as Docket No. 15-0386 and an order approving the transaction was entered October 21, 2015.

INFORMATIONAL FILINGS

There were no informational notices filed with the Commission during 2015.

DECOMMISSIONING

During 2015, no Illinois electric utility billed its customers any charges for decommissioning. The last billing of decommissioning charges by any Illinois electric utility ceased on December 31, 2006.

(5-c) Promulgation and application of rules concerning ex parte communications, circulation of recommended orders and transcription of closed meetings.

The Commission's rules concerning ex parte communications (83 Ill. Adm. Code 200.710) and the circulation of recommended orders (83 Ill. Adm. Code 200.820) remained in effect in 2015 and were applied throughout the year. Closed meetings were transcribed verbatim as required by Section 10-102 of the Public Utilities Act.

SECTION 6

Appeals from
Commission
Orders

(6) A description of all appeals taken from Commission orders, findings or decisions and the status and outcome of such appeals.

This section includes appeals filed in 2015, decided appeals which were pending further action as of December 31, 2014, or appeals upon which judicial decisions were received in 2015. Excluded are appeals involving motor carriers, rail carriers, or other regulated transportation and all non-appeal judicial actions, such as enforcement and collection actions, employment suits, or federal administrative and judicial actions, in which the Commission may have participated as plaintiff, defendant, intervenor, or *amicus*. However, this section includes federal lawsuits filed under 47 USC 252(e)(6), which provides for review of Commission decisions involving interconnection agreements between telecommunications carriers.

I. APPEALS INVOLVING PUBLIC UTILITIES FILED IN 2015

A. Under the Public Utilities Act, 220 ILCS 5

1. *Amtcor Flexibles, Inc., vs. Illinois Commerce Commission and Commonwealth Edison Company*
Illinois Appellate Court No 1-15-2985
Ill.C.C. Docket No. 11-0033

Appeal from grant or denial of a consumer complaint brought under Section 10-108 of the Public Utilities Act

Status: This is an administrative review of the Order on Remand entered pursuant to the Court Order in Appeal No. 1-14-1964. See *Item II.C.1.c. below*. Cause is being briefed.

2. *City of Elgin vs. Illinois Commerce Commission, Commonwealth Edison Co., et al.*
Illinois Appellate Court No. 2-15-0047
Ill.C.C. Docket No. 13-0657

Appeal from grant or denial of a Certificate of Public Convenience and Necessity, pursuant to 220 ILCS 5/8-406.1, and of an Order pursuant to 220 ILCS 5/8-503, to construct, operate and maintain a new 345 kilovolt transmission line in the Ogle, DeKalb, Kane and DuPage Counties, Illinois

Status: Briefing has been completed. Awaiting oral argument and/or judicial decision.

At one point, cause was consolidated with Appeal No. 2-15-0065, *Robert and Diane Mason, et al. v. Illinois Commerce Commission, et al.* See *Item I.A.16 below*.

3. *Citizens Utility Board vs. Illinois Commerce Commission, Commonwealth Edison Company ("ComEd"), et al.*
Illinois Appellate Court No. 1-15-0632
Ill.C.C. Docket No. 14-0312

Appeal from 2014 annual formula rate update and revenue reconciliation of ComEd's formula rate plan pursuant to Section 16-108.5 of the Public Utilities Act

Status: Citizens Utility Board voluntarily withdrew its administrative review. Cause was dismissed on September 30, 2015.

See *Item II. A. 1. b. below*

4. *Citizens Utility Board vs. Illinois Commerce Commission, Ameren Illinois Company d/b/a Ameren Illinois ("Ameren"), et al.*
Illinois Appellate Court No. 4-15-0167
Ill.C.C. Docket No. 14-0317

Appeal from 2014 annual formula rate update and revenue reconciliation of Ameren's formula rate plan pursuant to Section 16-108.5 of the Public Utilities Act

Status: Citizens Utility Board voluntarily withdrew its administrative review. Cause was dismissed on September 30, 2015.

See Item II. A. 1. c. below

5. *Citizens Utility Board vs. Illinois Commerce Commission and Commonwealth Edison Company*
Illinois Appellate Court No. 1-15-1911
Ill.C.C. Docket No. 15-0284

Appeal from dismissal of complaint filed pursuant to Subsection 16-108.6(e) of the Public Utilities Act

Status: On December 31, 2015, the Appellate Court reversed the Commission's dismissal order and remanded for further proceedings in a Rule 23 Order. (A Rule 23 order decides a case on its merits, but has limited effect as precedent on other cases.)

See Item II. C. 1. g. below

6. *Citizens Utility Board vs. Illinois Commerce Commission and Ameren Illinois Company*
Illinois Appellate Court No. 4-15-0562
Ill.C.C. Docket No. 15-0283

Appeal from dismissal of complaint filed pursuant to Subsection 16-108.6(e) of the Public Utilities Act

Status: On December 30, 2015, the Appellate Court affirmed the Commission's dismissal order.

See Item II. C. 1. f. below

7. *Citizens Utility Board and Environmental Defense Fund vs. Illinois Commerce Commission, Commonwealth Edison Company, et al.*
Illinois Appellate Court No. 1-15-2936
Ill.C.C. Docket No. 15-0156

Appeal from grant or denial of a complaint brought under Section 10-108 of the Public Utilities Act

Status: Cause is being briefed.

8. *Commonwealth Edison Company vs. Illinois Commerce Commission, et al.*
Illinois Appellate Court No. 1-15-0425
Ill.C.C. Docket No. 14-0316

Appeal from the grant or denial of housekeeping revisions and a compliance change to the filed rate formula pursuant to Sections 16-108.5(c) and 9-201 of the Illinois Public Utilities Act

Status: Briefing has been completed. Awaiting oral argument and/or judicial decision.

9. *Commonwealth Edison Company vs. Illinois Commerce Commission, Rock Island Clean Line LLC, et al.*
Illinois Appellate Court No. 3-15-0104
Ill.C.C. Docket No. 12-0560

Appeal from an Order granting a Certificate of Public Convenience and Necessity as a Transmission Public Utility, pursuant to Section 8-406 of the Public Utilities Act, and to Construct, Operate and Maintain an Electric Transmission Line, pursuant to Section 8-503 of the Public Utilities Act in Whiteside, Henry, Bureau, LaSalle and Grundy Counties

Status: This administrative review was consolidated with administrative reviews brought by the Illinois Landowners Alliance NFP (Appeal No. 3-15-0099) and by the Illinois Agricultural Assn. a/k/a Illinois Farm Bureau (Appeal No. 3-15-0103). Briefing has been completed and oral argument has been held. Awaiting judicial decision.

10. *Concerned Citizens and Property Owners vs. Illinois Commerce Commission, Grain Belt Express Clean Line LLC, et al.*, Illinois Appellate Court No. 5-15-0551
Ill.C.C. Docket No. 15-0277

Appeal from grant or denial of a Certificate of Public Convenience and Necessity to Construct, Operate and Maintain a High Voltage Electric Service Transmission Line and to Conduct a Transmission Public Utility Business, pursuant to Section 8-406.1 of the Public Utilities Act, and Authorizing the Construction of the High Voltage Electric Transmission Line, pursuant to Sections 8-503 and 8-406.1(j) of the Public Utilities Act in Pike, Scott, Greene, Macoupin, Montgomery, Christian, Shelby, Cumberland, and Clark Counties

Status: Administrative record is being prepared.

11. *Consumer Gas Company vs. Illinois Commerce Commission, et al.*
Illinois Appellate Court No. 5-15-0041
Ill.C.C. Docket No. 07-0570

Appeal from reconciliation of revenues collected under purchased gas adjustment charges, pursuant to Section 9-220 of the Public Utilities Act

Status: Consumer Gas Company voluntarily withdrew its administrative review. Cause was dismissed on February 26, 2015.

See Item II. A. 1. d. below

12. *Gabriel Farms, Inc., et al. vs. Illinois Commerce Commission, Ameren Transmission Co. of Illinois, et al.*
Illinois Appellate Court No. 4-15-0747
Ill.C.C. Docket No. 15-0237

Appeal from grant or denial of an order authorizing the right to bring eminent domain actions in the circuit court, pursuant to Section 8-509 of the Public Utilities Act

Status: This cause was the second administrative review taken from Ill.C.C. Docket No. 15-0237, which involved approval of the bringing of eminent domain actions related to the Illinois Rivers Project. This cause was originally brought in the Illinois Appellate Court for the Fifth District (Appeal No. 5-15-0292). On September 16, 2015, the Court transferred the case to the Fourth District, thus renumbering the appeal. On December 1, 2015, the Appellate Court granted Petitioners' Motion to Dismiss.

See Item II. A. 1. e. below

13. *Illinois Agricultural Assn. a/k/a Illinois Farm Bureau vs. Illinois Commerce Commission, Rock Island Clean Line LLC, et al.*
Illinois Appellate Court No. 3-15-0103
Ill.C.C. Docket No. 12-0560

Appeal from an Order granting a Certificate of Public Convenience and Necessity as a Transmission Public Utility, pursuant to Section 8-406 of the Public Utilities Act, and to Construct, Operate and Maintain an Electric Transmission Line, pursuant to Section 8-503 of the Public Utilities Act in Whiteside, Henry, Bureau, LaSalle and Grundy Counties

Status: This administrative review was consolidated with administrative reviews brought by the Illinois Landowners Alliance NFP (Appeal No. 3-15-0099) and brought by Commonwealth Edison Co. (Appeal No. 3-15-0104). Briefing has been completed and oral argument has been held. Awaiting judicial decision.

14. *Illinois Agricultural Association a/k/a Illinois Farm Bureau vs. Illinois Commerce Commission, Grain Belt Express Clean Line LLC, et al.*
Illinois Appellate Court No. 5-15-0552
Ill.C.C. Docket No. 15-0277

Appeal from grant or denial of a Certificate of Public Convenience and Necessity to Construct, Operate and Maintain a High Voltage Electric Service Transmission Line and to Conduct a Transmission Public Utility Business, pursuant to Section 8-406.1 of the Public Utilities Act, and Authorizing the Construction of the High Voltage Electric Transmission Line, pursuant to Sections 8-503 and 8-406.1(j) of the Public Utilities Act in Pike, Scott, Greene, Macoupin, Montgomery, Christian, Shelby, Cumberland, and Clark Counties

Status: Administrative record is being prepared.

15. *Illinois Extension Pipeline Co., L.L.C. vs. Illinois Commerce Commission, et al.*
Illinois Appellate Court No. 4-15-0101
Ill.C.C. Docket No. 07-0446 (Reopened)

Appeal from reopening of proceeding that had granted a certificate to operate as a common carrier by pipeline under Section 15-401 of the Public Utilities Act and authorizing the construction of a new petroleum pipeline from Livingston to Marion Counties, Illinois

Status: This administrative review was consolidated with the administrative review brought by Pliura Intervenors and Turner Intervenors (Appeal No. 4-15-0084). Briefing has been completed and oral argument has been set for January 26, 2016.

16. *Illinois Landowners Alliance NFP vs. Illinois Commerce Commission, Rock Island Clean Line LLC, et al.*
Illinois Appellate Court No. 3-15-0099
Ill.C.C. Docket No. 12-0560

Appeal an Order granting a Certificate of Public Convenience and Necessity as a Transmission Public Utility, pursuant to Section 8-406 of the Public Utilities Act, and to Construct, Operate and Maintain an Electric Transmission Line, pursuant to Section 8-503 of the Public Utilities Act in Whiteside, Henry, Bureau, LaSalle and Grundy Counties

Status: This administrative review was consolidated with administrative reviews brought by the Illinois Agricultural Assn. a/k/a Illinois Farm Bureau (Appeal No. 3-15-0103) and by Commonwealth Edison Co. (Appeal No. 3-15-0104). Briefing has been completed and oral argument has been held. Awaiting judicial decision.

17. *Lake Holiday Property Owners Assn., Inc. v. Illinois Commerce Commission, Utility Services of Illinois, Inc., et al.*
Illinois Appellate Court No. 3-15-0816
Ill.C.C. Docket No. 14-0741

Appeal from grant or denial of rate increase of water and sewer service rates under Section 9-201 of the Public Utilities Act

Status: Cause is being briefed.

18. *Landowners Alliance of Central Illinois, NFP vs. Illinois Commerce Commission, Grain Belt Express Clean Line LLC, et al.*
Illinois Appellate Court No. 5-15-0554
Ill.C.C. Docket No. 15-0277

Appeal from grant or denial of a Certificate of Public Convenience and Necessity to Construct, Operate and Maintain a High Voltage Electric Service Transmission Line and to Conduct a Transmission Public Utility Business, pursuant to Section 8-406.1 of the Public Utilities Act, and Authorizing the Construction of the High Voltage Electric

Transmission Line, pursuant to Sections 8-503 and 8-406.1(i) of the Public Utilities Act in Pike, Scott, Greene, Macoupin, Montgomery, Christian, Shelby, Cumberland, and Clark Counties

Status: Administrative record is being prepared.

19. *Robert and Diane Mason, et al. vs. Illinois Commerce Commission, Commonwealth Edison Co., et al.*

Illinois Appellate Court No. 2-15-0065

Ill.C.C. Docket No. 13-0657

Appeal from grant or denial of a Certificate of Public Convenience and Necessity, pursuant to Section 8-406.1 of the Public Utilities Act, and of an Order pursuant to Section 8-503 of the Act, to construct, operate and maintain a new 345 kilovolt transmission line in the Ogle, DeKalb, Kane and DuPage Counties, Illinois

Status: This administrative review at one time was consolidated with *City of Elgin v. Illinois Commerce Commission, et al.*, Appeal No. 2-15-0047. On September 23, 2015, this administrative review action was dismissed on the Petitioners' motion, and the cause was unconsolidated from Appeal No. 2-15-0047.

See *Item II. A. 1. h. below.*

20. *Pliura Intervenors and Turner Intervenors vs. Illinois Commerce Commission, Illinois Extension Pipeline Co., L.L.C, et al.*

Illinois Appellate Court No. 4-15-0084

Ill.C.C. Docket No. 07-0446 (Reopened)

Appeal from reopening of proceeding that had granted a certificate to operate as a common carrier by pipeline under Section 15-401 of the Public Utilities Act and authorizing the construction of a new petroleum pipeline from Livingston to Marion Counties, Illinois

Status: This administrative review was consolidated with the administrative review brought by Illinois Extension Pipeline Co., L.L.C. (Appeal No. 4-15-0101). Briefing has been completed and oral argument has been set for January 26, 2016.

21. *Dr. Terry Traster vs. Illinois Commerce Commission, Ameren Transmission Co. of Illinois, et al.*

Illinois Appellate Court No. 4-15-0570

Ill.C.C. Docket No. 15-0237

Appeal from grant or denial of an order authorizing the right to bring eminent domain actions in the circuit court, pursuant to Section 8-509 of the Public Utilities Act

Status: This cause was the first administrative review action taken from Ill.C.C. Docket No. 15-0237, which involved approval of the bringing of eminent domain actions related to the Illinois Rivers Project. On September 8, 2015, the Court granted Dr. Traster's voluntary motion to dismiss.

See *Item II. A. 1. i. below*

22. *Mary Weathersby v. Illinois Commerce Commission and Illinois Bell Telephone Co.*

Illinois Appellate Court No. 1-15-1021

Ill.C.C. Docket No. 14-0129

Appeal from grant or denial of a consumer complaint brought under Section 10-108 of the Public Utilities Act

Status: Briefing has been completed in this administrative review. Awaiting oral argument and/or judicial decision.

23. *Kermit Williams v. Illinois Commerce Commission and Peoples Gas Light & Coke Co.*

Illinois Appellate Court No. 1-15-???? (not filed)

Ill.C.C. Docket No. 14-0429

Appeal from grant or denial of a consumer complaint brought under Section 10-108 of the Public Utilities Act

Status: An administrative review case was never filed with the Appellate Court. File was closed.

See Item II. A. 1. j. below.

24. *Mary Ellen Zotos vs. Illinois Commerce Commission, Grain Belt Express Clean Line LLC, et al.*
Illinois Appellate Court No. 5-15-0553
Ill.C.C. Docket No. 15-0277

Appeal from grant or denial of a Certificate of Public Convenience and Necessity to Construct, Operate and Maintain a High Voltage Electric Service Transmission Line and to Conduct a Transmission Public Utility Business, pursuant to Section 8-406.1 of the Public Utilities Act, and Authorizing the Construction of the High Voltage Electric Transmission Line, pursuant to Sections 8-503 and 8-406.1(i) of the Public Utilities Act in Pike, Scott, Greene, Macoupin, Montgomery, Christian, Shelby, Cumberland, and Clark Counties

Status: Administrative record is being prepared.

B. Under Other Utility-Related Acts

None

II. APPEALS AND OTHER JUDICIAL REVIEW PROCEEDINGS INVOLVING PUBLIC UTILITIES OR TELECOMMUNICATIONS CARRIERS DECIDED IN 2015

A. Cases dismissed without decision on the merits and with no further action expected

1. Under the Public Utilities Act, 220 ILCS 5

- a. *Ameren Illinois Company d/b/a Ameren Illinois ("Ameren") vs. Illinois Commerce Commission, et al.*
Illinois Appellate Court No. 4-14-0128
Ill.C.C. Docket No. 13-0301

Appeal from 2013 annual formula rate update and revenue reconciliation of Ameren's formula rate plan pursuant to Section 16-108.5 of the Public Utilities Act

Status: After briefing, cause was voluntarily dismissed by Ameren which dismissal was allowed on February 23, 2015. Mandate was issued on July 8, 2015.

- b. *Citizens Utility Board vs. Illinois Commerce Commission, Commonwealth Edison Company ("ComEd"), et al.*
Illinois Appellate Court No. 1-15-0632
Ill.C.C. Docket No. 14-0312

Appeal from 2014 annual formula rate update and revenue reconciliation of ComEd's formula rate plan pursuant to Section 16-108.5 of the Public Utilities Act

Status: Citizens Utility Board voluntarily withdrew its administrative review. Cause dismissed on September 30, 2015. Mandate was issued on November 16, 2015.

- c. *Citizens Utility Board vs. Illinois Commerce Commission, Ameren Illinois Company d/b/a Ameren Illinois ("Ameren"), et al.*
Illinois Appellate Court No. 4-15-0167
Ill.C.C. Docket No. 14-0317

Appeal from 2014 annual formula rate update and revenue reconciliation of Ameren's formula rate plan pursuant to Section 16-108.5 of the Public Utilities Act

Status: Citizens Utility Board voluntarily withdrew its administrative review. Cause dismissed and mandate issued on September 30, 2015.

- d. *Consumer Gas Co. vs. Illinois Commerce Commission, et al.*
Illinois Appellate Court No. 5-15-0041
Ill.C.C. Docket No. 07-0570

Appeal from reconciliation of revenues collected under purchased gas adjustment charges, pursuant to 220 ILCS 5/9-220

Status: Consumer Gas Co. voluntarily withdrew its administrative review. Cause dismissed on February 26, 2015. Mandate was issued on April 9, 2015.

- e. *Gabriel Farms, Inc., et al. vs. Illinois Commerce Commission, Ameren Transmission Co. of Illinois, et al.*
Illinois Appellate Court No. 4-15-0747
Ill.C.C. Docket No. 15-0237

Appeal from grant or denial of an order authorizing the right to bring eminent domain actions in the circuit court, pursuant to Section 8-509 of the Public Utilities Act

Status: On December 1, 2015, the Appellate Court granted Petitioners' motion to dismiss and issued its mandate.

- f. *The People of the State of Illinois, ex rel. Lisa Madigan, Attorney General of the State of Illinois ("People") and Citizens Utility Board ("CUB") vs. Illinois Commerce Commission, North Shore Gas Co. and Peoples Gas Light & Coke Co., et al.*
Illinois Appellate Court Nos. 1-14-0145 & 1-14-0150 (cons.)
Ill.C.C. Docket Nos. 12-0511 and 12-0512 (cons)

Appeals from grant or denial of general increase of natural gas rates under Section 9-201 of the Public Utilities Act

Status: On February 5, 2015, CUB's motion to voluntarily dismiss its administrative review was granted. On May 19, 2015, the Appellate Court granted the Commission's motion to dismiss the People's administrative review as moot. Mandate was issued on July 17, 2015.

- g. *The People of the State of Illinois, ex rel. Lisa Madigan, Attorney General of the State of Illinois ("People") vs. Illinois Commerce Commission, Ameren Illinois Company d/b/a Ameren Illinois ("Ameren"), et al.*
Illinois Appellate Court No. 4-14-0950
Ill.C.C. Docket Nos. 13-0501 & 13-0517 (cons.)

Appeal from revisions to Ameren's performance-based formula rate structure and protocols pursuant to Section 16-108.5 of the Public Utilities Act

Status: On September 23, 2015, the People's motion to voluntarily dismiss this administrative review was allowed, and the court's mandate was issued.

- h. *Robert and Diane Mason, et al. vs. Illinois Commerce Commission, Commonwealth Edison Co., et al.*
Illinois Appellate Court No. 2-15-0065
Ill.C.C. Docket No. 13-0657

Appeal from grant or denial of a Certificate of Public Convenience and Necessity, pursuant to Section 8-406.1 of the Public Utilities Act, and of an Order pursuant to Section 8-503 of the Act, to construct, operate and maintain a new 345 kilovolt transmission line in the Ogle, DeKalb, Kane and DuPage Counties, Illinois

Status: Cause at one time was consolidated with *City of Elgin v. Illinois Commerce Commission, et al.*, Appeal No. 2-15-0047. On September 23, 2015, this administrative review was dismissed on motion of the Petitioners, the cause was unconsolidated from Appeal No. 2-15-0047, and the mandate for this case was issued.

- i. *Dr. Terry Traster vs. Illinois Commerce Commission, Ameren Transmission Co. of Illinois, et al.*
Illinois Appellate Court No. 4-15-0570
Ill.C.C. Docket No. 15-0237

Appeal from grant or denial of an order authorizing the right to bring eminent domain actions in the circuit court, pursuant to Section 8-509 of the Public Utilities Act

Status: This cause was the first administrative review taken from Ill.C.C. Docket No. 15-0237, which involves approval of the bringing of eminent domain actions related to the Illinois Rivers Project. On September 8, 2015, the Court granted Dr. Traster's voluntary motion to dismiss and issued its mandate.

- j. *Kermit Williams v. Illinois Commerce Commission and Peoples Gas Light & Coke Co.*
Illinois Appellate Court No. 1-15-???? (not filed)
Ill.C.C. Docket No. 14-0429

Appeal from grant or denial of a consumer complaint brought under Section 10-108 of the Public Utilities Act

Status: Appeal was never filed with the Appellate Court. File was closed.

2. Under Other Utility-Related Acts

None

B. Cases in which decisions were rendered in 2014 but were pending rehearing or petitions for leave to appeal to the Illinois Supreme Court at the time of the annual report

1. Under the Public Utilities Act, 220 ILCS 5

None

2. Under Other Utility-Related Acts

None

C. Cases in which decisions were rendered either by opinion of the court or by an order issued under Supreme Court Rule 23 in 2015. (A Rule 23 order decides a case on its merits, but has limited effect as precedent on other cases.)

1. Under the Public Utilities Act, 220 ILCS 5

- a. *The People of the State of Illinois, ex rel. Lisa Madigan, Attorney General of the State of Illinois ("People") and Citizens Utility Board ("CUB") vs. Illinois Commerce Commission, North Shore Gas Co., Peoples Gas Light & Coke Co., et al.*
Illinois Supreme Court No. 116005
Illinois Supreme Court Opinion 2015 IL 116005
Illinois Appellate Court Nos. 2-12-0243 and 2-12-0349 (cons.)
Appellate Court Opinion 2013 IL App (2d) 120243.
Ill.C.C. Docket Nos. 11-0280 and 11-0281 (cons)

Appeals from grant or denial of general increase of natural gas rates under Section 9-201 of the Public Utilities Act

In March 2007, North Shore Gas Co. and Peoples Gas Light & Coke Co. ("the Utilities") petitioned the Commission to approve a new tracker rider, the volume-balancing-adjustment rider ("Rider VBA"). Rider VBA is a formula for collecting the approved distribution revenue requirement, reducing reliance on forecasting predictions, and making underrecovery of the utilities' revenue requirements less likely.

In the 2011 rate case, the Commission approved Rider VBA on a permanent basis. The People and CUB challenged the Commission's authority to allow Rider VBA, claiming that Rider VBA constitutes prohibited retroactive ratemaking and single-issue ratemaking.

On March 29, 2013, the Illinois Appellate Court affirmed the Commission's decision adopting Rider VBA, on both issues. On January 23, 2015, the Illinois Supreme Court affirmed the Commission's Order, holding that Rider VBA did not violate the rule against single-issue ratemaking. The Supreme Court also ruled that the issue of retroactive ratemaking had not been properly preserved and therefore the Appellate Court's consideration of this issue exceeded its jurisdiction.

The Supreme Court issued its mandate on February 27, 2015, and the final Appellate Court mandate was issued on May 11, 2015.

- b. *Adams County Property Owners and Tenant Farmers, et al. v. Illinois Commerce Commission, Ameren Transmission Company of Illinois, et al.*
Illinois Appellate Court Nos. 4-13-0907, 4-13-0917, 4-14-0218, & 4-14-0249 (cons.)
Supreme Court Docket No. 119720
Appellate Court Opinion 2015 IL App (4th) 130907
Ill.C.C. Docket No. 12-0598

Appeal from grant or denial of a Certificate of Public Convenience and Necessity, pursuant to Section 8-406.1 of the Public Utilities Act, and of an Order pursuant to Section 8-503 of the Act, to construct, operate and maintain a new high voltage electric service line and related facilities in the Counties of Adams, Brown, Cass, Champaign, Christian, Clark, Coles, Edgar, Fulton, Macon, Montgomery, Morgan, Moultrie, Pike, Sangamon, Schuyler, Scott and Shelby, Illinois

On July 20, 2015, the Illinois Appellate Court affirmed the Commission's grant to Ameren Transmission Company of Illinois ("ATXI") of a certificate under Sections 8-406.1 and 8-503 of the Illinois Public Utilities Act ("Act"), 220 ILCS 5/8-406.1 and 8-503, to construct an electric line across the State of Illinois in Ill.C.C. Docket No. 12-0598. This is the first Section 8-406.1 decision of the Commission to be reviewed by the courts. The Court considered four administrative reviews of the ten cases that had been filed originally. (The other six cases had been dismissed or nonsuited.)

The Court rejected the claims of Adams County Property Owners and Tenant Farmers ("ACPO") related to the Quincy-Meredosia segment of the ATXI line. ACPO had challenged the use of Section 8-406.1 by ATXI, had claimed a denial of due process as affected landowners, and had asserted that the Commission decision on the least cost means for this segment was contrary to the manifest weight of the evidence.

The Court rejected the claims of Edgar County Citizens Are Entitled to Due Process ("ECCDP") concerning the denial of its intervention, which was filed after the issuance of the final order and which the Court held was not properly before it, and concerning ECCDP's claimed constitutional due process right to additional notice beyond that required by Section 8-406.1 of the Act, 220 ILCS 5/8-406.1.

The Court affirmed the Commission's choice for the Meredosia-Pawnee segment of the ATXI line over the contentions of the Morgan, Sangamon, and Scott Counties Land Preservation Group ("MSSCLPG"). The Court rejected ATXI's claim that MSSCLPG had failed to preserve its issue concerning least cost of the Meredosia-Pawnee segment. The Court found that the Commission's decision was supported by the manifest weight of the evidence in the record.

On the issue of the "least cost" location of the Mt. Zion substation, the Appellate Court found that the Macon County Property Owners had forfeited their issues through insufficient reference to the administrative record in their appellate brief.

On August 21, 2015, the Appellate Court denied rehearing on Macon County Property Owners' petition. On November 25, 2015, the Illinois Supreme Court denied Adams County Property Owners and Tenant Farmers leave to appeal.

The mandate of the Illinois Supreme Court was issued on December 30, 2015.

- c. *Ancor Flexibles, Inc. vs. Illinois Commerce Commission and Commonwealth Edison Company*
Illinois Appellate Court No. 1-14-1964
Appellate Court Order 2015 IL App (1st) 141964-U
Ill.C.C. Docket No. 11-0033

Appeal from grant or denial of a consumer complaint case under Section 10-108 of the Public Utilities Act

On January 29, 2015, the Illinois Appellate Court reversed the Commission's decision of April 2, 2014, and remanded the case to the Commission for further proceedings consistent with the Court's order in a Rule 23 Order. (A Rule 23 order decides a case on its merits, but has limited effect as precedent on other cases.)

The underlying case is a consumer complaint case brought by a commercial delivery services customer ("Ancor Flexibles, Inc." or "Ancor") of Commonwealth Edison Co. ("ComEd"). During the proceeding, ComEd sought to submit its testing of the meter to justify its backbill. Ancor sought to have the evidence excluded through a motion in *limine*. The ALJ denied the motion *in limine* without comment. Although the Commission's final order endorses the denial of the motion *in limine*, nothing in the record explains how the Commission reached its decision.

The Appellate Court found that the Commission did not rule on the motion in *limine* issue as required and remanded the proceeding back to the Commission.

The mandate was issued on March 25, 2015.

Administrative review of the Commission's subsequent Order on Remand is pending. *See Item I. A. 1. above.*

- d. *Ameren Illinois Company d/b/a Ameren Illinois, Dominion Retail Inc. and Interstate Gas Supply of Illinois, Inc., vs. Illinois Commerce Commission, Ameren Illinois Company d/b/a Ameren Illinois, et al.*
Illinois Appellate Court Nos. 4-14-0173 & 4-14-0182 (cons.)
Appellate Court Opinion 2015 IL App (4th) 140173
Ill.C.C. Docket No. 13-0192

Appeal from grant or denial of rate increase of natural gas rates under Section 9-201 of the Public Utilities Act

On June 2, 2015, the Illinois Appellate Court affirmed the Commission's orders concerning the natural gas rates for Ameren Illinois Company ("Ameren"). The Court affirmed the Commission's factual determination to reject certain testimony offered by Ameren concerning the calculation of the return on common equity. The Court found that the Commission had not departed from past practices in its determination of the return on common equity. The Court also found that the Commission's findings of the calculation of the return on common equity were sufficient for judicial review.

Certain alternative retail gas suppliers challenged the three consumer protections adopted by the Commission for Ameren's small volume transportation ("SVT") program. The Court concluded that the Commission had statutory authority to require the inclusion of the new consumer protections as just and reasonable conditions in Ameren's SVT tariffs. The Court also concluded that the evidence admitted without objection was sufficient to justify the three consumer protections.

The mandate was issued July 8, 2015

- e. *Citizens Utility Board vs. Illinois Commerce Commission, Northern Illinois Gas Co., et al.*
Illinois Appellate Court No. 2-13-0817
Appellate Court Opinion 2015 IL App (2d) 130817

Ill.C.C. Docket Nos. 01-0705, 02-0067 & 02-0725 (cons.)

Appeal from reconciliation of revenues collected under gas adjustment charges and Rider 4, pursuant to Sections 9-220 and 9-244(c) of the Public Utilities Act

On May 14, 2015, the Illinois Appellate Court affirmed the Commission's decision related to reconciliation of revenues under Northern Illinois Gas Co.'s discontinued Gas Cost Performance Program. The Appellate Court found that the Commission decision was based on substantial evidence and that there was no substantial evidence supporting the claim of improper storage manipulation in 2001 through which the Citizens Utility Board sought additional refunds related to the operation of the Rider.

The mandate was issued June 26, 2015.

- f. *Citizens Utility Board ("CUB") vs. Illinois Commerce Commission and Ameren Illinois Company*
Illinois Appellate Court No. 4-15-0562
Appellate Court Opinion 2015 IL App (4th) 150562
Ill.C.C. Docket No. 15-0283

Appeal from dismissal of complaint filed pursuant to Subsection 16-108.6(e) of the Public Utilities Act

On December 30, 2015, the Appellate Court affirmed the dismissal order of the Commission. The Appellate Court found that the statute (220 ILCS 5/16-108.6(e)) does not require an investigation by the Commission, that CUB's complaint, if not granted, is denied by operation of the statute, and that the Commission was not required to provide written findings or a legal analysis in its order of dismissal.

CUB has until January 20, 2016, to seek rehearing and until February 3, 2016, to petition for leave to appeal to the Illinois Supreme Court.

- g. *Citizens Utility Board ("CUB") vs. Illinois Commerce Commission and Commonwealth Edison Company*
Illinois Appellate Court No. 1-15-1911
Appellate Court Opinion 2015 IL App (1st) 151911-U
Ill.C.C. Docket No. 15-0284

Appeal from dismissal of complaint filed pursuant to Subsection 16-108.6(e) of the Public Utilities Act

On December 31, 2015, the Appellate Court reversed the Commission's dismissal order and remanded for further proceedings in a Rule 23 Order. (A Rule 23 order decides a case on its merits, but has limited effect as precedent on other cases.) The court held that the Commission must issue findings in all cases.

The parties have until January 21, 2016, to seek rehearing and until February 4, 2016, to petition for leave to appeal to the Illinois Supreme Court.

- h. *The Coalition to Request Equitable Allocation of Costs Together ("REACT") vs. Illinois Commerce Commission, Commonwealth Edison Company, et al.*
Illinois Appellate Court No. 2-14-0202
Appellate Court Opinion 2015 IL App (2d) 140202
Ill.C.C. Docket No. 13-0387

Appeal from grant or denial of revenue-neutral tariff changes related to the rate design of the performance-based rate formula of Commonwealth Edison Company under Section 16-108.5 of the Public Utilities Act

On March 6, 2015, the Illinois Appellate Court issued an Opinion affirming the Commission's order approving the performance-based formula rate that Commonwealth Edison ("ComEd") proposed to apply to its various customer classes.

This case arises out of a 2013 rate design, or cost allocation, proceeding before the Illinois Commerce Commission, in which the Commission evaluated ComEd's proposed performance-based formula rate to be applied to its various customer classes. Section 16-108.5(c) of the Public Utilities Act, 220 ILCS 5/16-108.5(c), is part of what is commonly referred to as the 2011 Energy Infrastructure Modernization Act, which requires the Commission to periodically consider revenue-neutral tariff changes related to the rate design of a participating utility's performance-based formula rate. REACT claimed that the proposed rate design is unfair to the two customer classes that comprise its membership, the "Extra Large Load" class and the "High Voltage (Over 10 MW)" class.

The mandate was issued April 17, 2015.

- i. *The People of the State of Illinois, ex rel. Lisa Madigan, Attorney General of the State of Illinois ("People") vs. Illinois Commerce Commission, Illinois-American Water Company, et al.*
Illinois Supreme Court Docket Nos. 116642 and 116696 (cons.)
Illinois Supreme Court Opinion 2014 IL 116642
Illinois Appellate Court No. 1-12-2981
Appellate Court Order 2015 IL App (1st) 122981-U
Ill.C.C. Docket No. 09-0151

Appeal from annual reconciliation of Purchased Water and Purchased Sewage Treatment Surcharges, pursuant to Section 9-220.2 of the Public Utilities Act

On March 2, 2015, the Illinois Appellate Court affirmed the Commission's order of July 31, 2012, in Ill.C.C. Docket No. 09-0151 by a Rule 23 Order. (A Rule 23 order decides a case on its merits, but has limited effect as precedent on other cases.) The People raised two issues.

On the first issue, the Appellate Court agreed with the Commission that Subsection 8-306(h) of the Act, *supra*, does not apply to surcharges filed pursuant to Section 9-220.2 of the Act, 220 ILCS 5/9-220.2, and that the Commission's construction of 220 ILCS 5/8-306(h) was reasonable.

On the second issue, which concerns the allowance of a 1.25% adjustment in the purchased water rider to account for authorized unbilled water consumption, the Appellate Court rejected the People's claims related to 220 ILCS 5/8-306(m); to Illinois-American Water Company's tariffs; and to 83 Ill. Adm. Code 655.30(d).

The mandate was issued on May 1, 2015.

- j. *The People of the State of Illinois, ex rel. Lisa Madigan, Attorney General of the State of Illinois ("People") and Citizens Utility Board ("CUB") vs. Illinois Commerce Commission, Commonwealth Edison Company ("ComEd"), et al.*
Illinois Appellate Court Nos. 1-14-0275 and 1-14-0403 (cons.)
Appellate Court Opinion 2015 IL App (1st) 140275
Ill.C.C. Docket No. 13-0553

Appeals from Investigation of tariffs approved in Docket No. 13-0386.

On July 29, 2015, the Illinois Appellate Court affirmed the underlying Commission decision. The Appellate Court found persuasive the absence of an adjustment of the reconciliation balance in 220 ILCS 5/16-108.5(d)(1), in contrast to other provisions within the performance-based formula rate provisions in Section 16-108.5 of the Public Utilities Act, 220 ILCS 5/16-108.5, in which the General Assembly specifically required an adjustment to a particular amount or balance. Despite the People's and CUB's' evidence, there was no substantial proof that the use of an unadjusted reconciliation balance violated standard regulatory practice or accounting principles, or allowed the recovery of unjust or unreasonable rates.

The mandate was issued on November 11, 2015.

- k. *Pliura Intervenors v. Illinois Commerce Commission, Illinois Extension Pipeline Company, LLC, f/n/a Enbridge Pipeline (Illinois) L.L.C., et al.*

Illinois Appellate Court Docket No. 4-14-0592
Appellate Court Order 2015 IL App (4th) 140592-U
Ill.C.C. Docket No. 13-0446

Appeal from grant or denial of an order authorizing the right to bring eminent domain actions in the circuit court, pursuant to Section 8-509 of the Public Utilities Act

On May 19, 2015, the Illinois Appellate Court affirmed, in a Rule 23 Order, the Illinois Commerce Commission's ruling granting Illinois Extension Pipeline Company, LLC authority to bring eminent-domain actions to acquire easements from specific landowners to construct and operate a petroleum pipeline. (A Rule 23 order decides a case on its merits, but has limited effect as precedent on other cases.)

The Court rejected three issues raised by Pliura Intervenors because the issues involved a different Commission docket and thus were outside the judicial review of the Commission's eminent domain approval order. On the sole remaining issue, the Court found that the Commission's factual determination that the Pipeline had negotiated in good faith was supported by the substantial evidence. The Court specifically disagreed with the Pliura Intervenors' characterization of the evidence presented and criticism of the Commission's impartiality in these proceedings.

The mandate was issued on June 24, 2015.

2. Under Other Utility-Related Acts

Complaints for declaratory and other relief challenging an arbitration decision of the Commission under 47 USC 252.

- a. *SprintCom, Inc., et al. (collectively "Sprint") vs. Doug Scott, et al.*
US Court of Appeals, Seventh Circuit No. 14-3807
US District Court for Northern Illinois, Eastern Division, Docket No. 1:13-cv-06565
Ill.C.C. Docket Nos. 12-0550 and 13-0443

Complaint for declaratory and other relief challenging an arbitration decision of the Commission under 47 USC 252

On June 23, 2015, the United States Court of Appeals for the Seventh Circuit affirmed the district court's decision upholding the underlying arbitration decision of the Commission. Specifically, the Court affirmed the district court's judgment affirming the Commission's ruling that interconnection facilities are only available at TELRIC prices when they are used exclusively for Section 251(c)(2) interconnection traffic. The Court determined that Sprint's argument that Sprint was entitled to TELRIC prices for interconnection facilities when not used exclusively for interconnection is in tension with the Federal Communication Commission's ("FCC's") interpretation of "interconnection" as a mutual exchange of traffic between entrant and established carrier and does not comport with the concern that motivated the FCC's imposition of TELRIC pricing—the belief that incumbent local exchange carriers have monopoly power that impairs a competitor's ability to compete. The Court also rejected Sprint's argument that, because some of its traffic carried by Illinois Bell Telephone Company qualifies for TELRIC pricing, Sprint is entitled under 47 C.F.R. § 51.305(b) to TELRIC pricing for non-qualifying traffic. The Court held that there was no basis for such an interpretation of this FCC rule. Finally, the Court rejected Sprint's contention that the Federal Communications Act requires only that "toll" InterMTA traffic is subject to access charges.

On July 7, 2015, Sprint filed petition for panel rehearing and rehearing *en banc*. On July 31, 2015, Court denied the petition and issued its mandate.

SECTION 7

**Studies and
Investigations
Required by
State Statutes**

(7) A description of the status of all studies and investigations required by this Act, including those ordered pursuant to Sections 4-305, 8-304, 9-242, 9-244, and 13-301 and all such subsequently ordered studies or investigations.

Section 4-304: ADOPTION OF SOLAR PHOTOVOLTAIC SYSTEMS

Section 4-304(3)(d) reads as follows:

(d) a summary of the adoption of solar photovoltaic systems by residential and small business consumers in Illinois and a description of any all barriers to residential and small business' consumers' financing, installation and valuation of energy produced by solar photovoltaic systems; electric utilities, alternative retail electric suppliers, and installers of distributed generation shall provide all information requested by the Commission or its staff necessary to complete the analysis required by this paragraph (d).

Section 3 provides a summary of the adoption of solar photovoltaic systems by residential and small business consumers in Illinois.

Section 4-305: EMISSION ALLOWANCE REPORTS

Section 4-305 of the Public Utilities Act reads as follows:

Sec. 4-305. Emission allowances. Beginning with the first quarter of 1993, the Commission shall collect from each public utility and each affiliated interest of a public utility owning an electric generating station information relating to the acquisition or sale of emission allowances as defined in Title IV of the federal Clean Air Act Amendments of 1990 (P.L. 101-549), as amended. The information collected shall include the number of emission allowances allocated to each utility, by statute or otherwise, and the number of emission allowances acquired or sold by each utility. The Commission shall establish quarterly requirements for reporting the information specified under this Section. Beginning with the annual report due January 31, 1994, the Commission shall include the information collected under this Section in the annual report required under this Act.

Appendix B presents information that the Commission has collected under Section 4-305 of the Public Utilities Act since the last Annual Report.

Section 8-304: ESTIMATED BILLING PRACTICES

This section, added September 19, 1985, required the Commission to perform a comprehensive of estimated billing practices and policies of the major regulated public utilities providing natural gas and/or electric services. The study was conducted in 1987. No activities were performed in 2015, and no further activities are anticipated.

Section 9-202: TEMPORARY RATE INCREASE

On October 1, 1987, 83 Ill. Adm. Code 330 became effective. Among other things, 83 Ill. Adm. Code 330 put forth the necessary conditions for a temporary rate increase pursuant to Section 9-202(b) and provided for refunds with interest if the temporary rate increase granted exceeded the permanent rate increase granted.

Section 9-214: STUDY OF CWIP

The study was completed and sent to the General Assembly on December 29, 1988. Please see the Commission's 1992 annual report, page 56, for details.

Section 9-216: RULEMAKING FOR CANCELLATION COSTS

The regulated utilities currently have no generation or production plant under construction and have not made any requests for authority to construct new generation or production plant. Given that there is no due date for either the initiation or completion

of this rulemaking, the Commission will initiate rulemaking as soon as practical, given the Commission's current workload and resources.

Section 9-223: EVALUATION OF THE FIRE PROTECTION CHARGE

Section 9-223(b) directs the Commission to evaluate the purpose and use of each fire protection charge imposed under Section 9-223. Section 9-223(b) was added to the Public Utilities Act as part of Public Act 94-0950 with an effective date of June 27, 2006. The Commission submitted a report containing its findings to the General Assembly prior to the last day of the 2008 veto session.

ECONOMIC DEVELOPMENT PROGRAM

A summary of the Commission's economic development program and its activities since its inception may be found in the 1996 and previous Commission annual reports.

The Commission coordinates its economic development activities with other state agencies, including the Department of Commerce and Economic Opportunity. Commission staff members represent the agency on interagency task forces that relate to the Commission's economic development activities. Individual economic development project proposals are reviewed in conjunction with appropriate staff from utilities, state and local government, and private businesses. Staff comments on tariff and/or rate filings by utilities and testimony in rate case proceedings serve to further articulate Commission policies in the area of economic development.

As the implementation of customer choice continues, the Commission will assess its impact on economic development through an ongoing evaluation of rulemakings and decisions in the following areas: requirements for alternative electric suppliers, consumer-education materials, delivery services tariffs, distributed resources, and real-time pricing.

INVESTIGATION OF PEOPLES GAS LIGHT AND COKE COMPANY'S ("PEOPLES") ACCELERATED MAIN REPLACEMENT PROGRAM

In Docket Nos. 12-0511/0512 (Cons.) the Commission adopted a two-phase investigation of Peoples Gas Light and Coke Company' Accelerated Main Replacement Program ("AMRP") under Section 8-102 of the Act (220 ILCS 5/8-102). The Commission engaged Liberty Consulting Group (Liberty) to conduct this investigation on May 5, 2014. Liberty's investigation involved two phases. The first phase involved Liberty's investigation of AMRP planning and execution. Specifically, Liberty investigated Peoples Gas' management, control, and oversight of the AMRP and how these key obligations affect cost and schedule. Phase 2 involves Liberty overseeing Peoples Gas' implementation of the recommendation from the Phase 1 report. The Commission received Liberty's Final Report for phase one of the investigation on May 5, 2015, which contained 95 recommendations for improvement of the AMRP. The second phase of the investigation ends in May 2017, and Liberty is to provide the Final Report at that time. The Second Phase also requires Liberty to provide quarterly reports. The Commission received the first quarterly report on Sept. 30, 2015.

Section 8-103: ELECTRIC ENERGY EFFICIENCY AND DEMAND RESPONSE PROGRAM SPENDING LIMITS

Section 8-103 of the Public Utilities Act ("PUA") sets forth requirements for electric utilities to create and implement ratepayer-funded energy efficiency and demand response programs. The statute also provides for a limitation on the amount of spending on such programs, if the result of the spending would be to increase retail rates of retail customers by more than certain prescribed percentages. Subsection (d) of Section 8-103 concludes by stating,

No later than June 30, 2011, the Commission shall review the limitation on the amount of energy efficiency and demand response measures implemented pursuant to this Section and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of energy efficiency and demand response measures.¹²

The report was sent to the General Assembly on June 29, 2011. It is available on the Commission's web site in the Reports section: <http://www.icc.illinois.gov/reports>.

¹² 220 ILCS 5/8- 103(d)

ILLINOIS POWER AGENCY ACT, Section 1-75(c): Renewable Energy Resource Procurement Spending Limits

Subsection (c) of Section 1-75 of the IPAA sets forth a renewable portfolio standard (“RPS”) pertaining to electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois. The statute also provides for a limitation on the amount of renewable energy resources that shall be purchased, if the result of such purchases would be to increase retail rates of eligible retail customers by more than certain prescribed percentages. Paragraph 2 of 1-75(c) concludes by stating, No later than June 30, 2011, the Commission shall review the limitation on the amount of renewable energy resources procured pursuant to this subsection (c) and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of cost-effective renewable energy resources.¹³

The report was sent to the General Assembly on June 29, 2011. It is available on the Commission’s web site in the Reports Section: <http://www.icc.illinois.gov/reports>.

¹³ 20 ILCS 3855/1-75(2)(2)

SECTION 8

Impacts of
Federal Activity
on State Utility
Service

(8) A discussion of new or potential developments in federal legislation, and federal agency and judicial decisions relevant to State regulation of utility service

COMMISSION POLICY AND ACTIONS IN FERC PROCEEDINGS

The Federal Energy Regulatory Commission ("FERC") regulates, among other things, the rates for wholesale electricity sales by public utilities and transmission of electricity in interstate commerce, the transmission and sale of natural gas for resale in interstate commerce, and the transportation of natural gas by interstate pipelines. The primary goal of the ICC's Federal Policy Program is to ensure that the rules, policies, rates, and terms and conditions of service that the FERC establishes for electric transmission service, bulk power sales, and natural gas pipeline transportation are just and reasonable for Illinois energy consumers.

DEVELOPMENTS IN THE NATURAL GAS INDUSTRY

Much of the FERC's current policy regarding interstate natural gas pipeline transportation service stems from the Order 636 open access rules adopted by the FERC in 1992. In recent years, the FERC's focus in the natural gas arena has been to hone its interstate natural gas transportation policy through incremental modifications. The FERC's natural gas policy continues to focus on improving the efficiency and transparency of the natural gas market, encouraging the development of new natural gas storage capacity and infrastructure, increasing competition, and protecting consumers against excessive pipeline transportation rates. In recent years, the FERC has focused on improving coordination between the natural gas and electricity industries.

Natural gas production continues to expand. Shale gas continues to hold down natural gas prices in virtually every region of the United States. These low natural gas prices have resulted in natural gas being used much more heavily for electricity generation. This trend appears likely to accelerate as more coal-powered generators are retired and renewable energy resources require more backup by quick-ramping natural gas-fired generation.

The extended colder than average weather experienced during the winter of 2013/2014 highlighted the increasing interdependence of natural gas pipelines and electricity markets and resulted in the FERC initiating numerous proceedings intended to improve the coordination between the natural gas and electricity industries, with particular emphasis on improving the scheduling practices of the natural gas transportation and electricity markets. In 2015, the FERC approved its Final Rule regarding the coordination of wholesale natural gas and electricity market scheduling. The Final Rule adopted revisions to the nomination cycle deadline for scheduling gas transportation and added an additional intraday nomination cycle during the gas operating day to help shippers adjust their scheduling to reflect changes in demand. The Final Rule also requires the Regional Transmission Organizations ("RTOs") to file tariff revisions to coordinate their markets with the changes adopted in this Final Rule, or show cause why such changes to existing scheduling practices are not needed.

The increase in natural gas production and changes to traditional supply sources have led to expansions and upgrades to existing pipeline capacity and development of new capacity. The FERC implemented policies that allow interstate natural gas pipelines to seek to recover certain capital expenditures made to modernize and upgrade pipeline system infrastructure in a manner that enhances system reliability, safety and efficient operation of the pipeline systems.

DEVELOPMENTS IN THE ELECTRIC POWER INDUSTRY

Much of the FERC's current electric policy stems from several sweeping reforms concerning the regulation of the transmission grid that was initiated in the late 1990s. In particular, Order 888 opened the nation's transmission grid through open access transmission tariffs. Order 2000 called for the voluntary creation of Regional Transmission Organizations which are intended to bring about increased efficiency through both improved grid management and increased access to competitive power supplies by end-users. The FERC has also spent a significant amount of time and resources trying to improve the efficiency and transparency of electricity markets through the implementation of the Energy Policy Act of 2005 and Orders 890, 890-A, and 890-B. Order 1000 reforms the FERC's electric transmission planning and cost allocation requirements for public utility transmission providers by building on the reforms of Order No. 890 and correcting lingering deficiencies with respect to transmission planning processes and cost allocation methods.

In 2015, the FERC focused on numerous issues relevant to Illinois, including continued implementation of Order No. 1000, addressing seams issues between PJM, MISO and neighboring RTOs, the production and deliverability of renewable energy in the Midwest and Eastern United States, compliance with the EPA's Clean Power Plan, and the participation of demand response resources in RTO markets. The manner in which the FERC allocates the costs of regional transmission projects continues to be a major issue for Illinois.

The primary focus of FERC's Order No. 1000 was the reformation of electric transmission planning and cost allocation requirements for public utility transmission providers. In 2015, the FERC approved several Order No. 1000 compliance filings by MISO, PJM and their neighboring regions that addressed the identification, evaluation and cost allocation of interregional transmission facilities.

As it has been since their inception, addressing seams issues between PJM and MISO continues to be an issue in 2015. The two RTOs continued to meet regularly in 2015 to discuss how to best address issues such as the inter-RTO market, cross-border transmission planning and administrative issues. For example, FERC held a technical conference to address the need to reform the interregional transmission planning process of the joint operating agreement between MISO and PJM. The FERC also examined several potential flaws with the joint operating agreement that would impact interface pricing between PJM and MISO and provisions that could prevent efficient capacity imports and exports.

The production and transmission of renewable energy continues to be a major topic of emphasis for the FERC. While the ICC generally supports the integration of renewable energy resources into established wholesale electricity markets, renewables penetration can require the construction of high voltage transmission facilities to move wind power from wind-rich geographic areas to points generally to the east of Illinois. Some high voltage projects are also constructed for the purpose of addressing transmission constraints in the East. As noted above, these regional transmission projects present cost allocation concerns for Illinois and there is a strong possibility that the FERC will continue to address these issues in the coming years.

Present and potential EPA regulations regarding air emissions are also a concern for both the FERC and state regulators. The proposed carbon regulations may have a significant impact on generation reserve margins and present challenges for reliability of the transmission grid, given that over 70,000 MW of coal-fired generation capacity is potentially at risk to retire by the 2020s. The key concern is to ensure that adequate replacement generation is maintained and brought on-line to avoid allowing generation reserve margins to fall below levels that can jeopardize the reliability of the transmission grid. These retirements will likely result in increased pressure on natural gas supplies as well, as the industry turns to natural gas-fired generation to help offset the loss of the coal-fired generation. While resource adequacy is a state-jurisdictional issue, the FERC (and the states) will likely have to address the impacts of resource portfolio changes and their effect on the electricity generation and natural gas industries. To that end, in 2015, the FERC held several technical conferences on the Clean Power Plan's possible effects on electric reliability, energy infrastructure and wholesale energy markets. The FERC also developed a joint plan with the Department of Energy ("DOE") and EPA to help ensure continued reliable electricity generation and transmission during the implementation of the Clean Power Plan.

On January 25, 2016, the United States Supreme Court in a 6-2 majority opinion reversed a decision of the United States Court of Appeals for the D.C. Circuit that had vacated FERC's Order No. 745, a rule attempting to ensure just and reasonable wholesale rates by requiring market operators to appropriately compensate demand response providers and bring about meaningful demand-side participation in the wholesale markets. 18 CFR §35.28(g)(1)(v). The Supreme Court held that (1) the Federal Power Act provides FERC with the authority to regulate wholesale market operators' compensation of demand response bids, and (2) FERC's decision to compensate demand response providers at the same locational marginal price as generators is not arbitrary and capricious.

The allocation of costs associated with regional transmission projects continues to be an issue for Illinois. In 2014, the U.S. Court of Appeals for the Seventh Circuit issued a decision remanding, for a second time, a FERC order upholding a PJM-wide cost allocation approach for certain transmission projects in PJM that are 500 kV and above. On remand, the FERC once again determined that PJM members, regardless of their location within PJM, could fairly be allocated the costs of new high-voltage transmission projects in proportion to their load. The ICC again appealed the FERC's remand order. In 2014, the Circuit Court again remanded the FERC's order, taking issue with the FERC's general findings that the benefits of the projects in question were broadly distributed and changing over time and that more particularized analysis of benefits was difficult. In December of 2014, the FERC issued an order establishing hearing and settlement judge procedures to determine the assignment of cost allocation for the projects at issue in this proceeding. 2015 found the ICC engaged in negotiations with parties regarding the appropriate cost allocation for the projects that remain at issue in this proceeding. If parties are not able to reach agreement in settlement, the issues will be set for litigation in a trial-type evidentiary hearing.

The Illinois Electric Service Customer Choice and Rate Relief Law of 1997 (220 ILCS 5/16-101, et seq.), enacted on December 16, 1997, introduced the concept of delivery services and required Illinois utilities to provide open access to delivery services on a phased-in basis. However, in adopting that statute, the Illinois General Assembly recognized that certain components of delivery service may be subject to FERC jurisdiction. Therefore, the statute states:

An electric utility shall provide the components of delivery services that are subject to the jurisdiction of the Federal Energy Regulatory Commission at the same prices, terms and conditions set forth in its applicable tariff as approved or allowed into effect by that Commission [FERC]. The Commission [ICC] shall otherwise have the authority pursuant to Article IX to review, approve, and modify the prices, terms and conditions of those components of delivery services not subject to the jurisdiction of the Federal Energy Regulatory Commission.

(220 ILCS 5/16-108(a)) Furthermore, Section 16-101A(d) of the Public Utility Act mandates:

The Illinois Commerce Commission should act to promote the development of an effectively competitive electricity market that operates efficiently and is equitable to all consumers.

Accordingly, the ICC continues to be actively engaged at the FERC, working to ensure that the components of delivery service for which FERC has regulatory oversight responsibility are provided at rates, terms, and conditions that are appropriate for Illinois' retail direct access program. Similarly, the ICC has been advocating transparent wholesale electricity markets, believing that transparent wholesale markets are key for Illinois' open access retail program to provide greater benefits to retail customers. All of the issues discussed in the previous sections have the potential to impact the price and reliability of electric service in Illinois. As such, the ICC has been, and will continue to be, engaged in the processes before the FERC to ensure that Illinois' interests are adequately represented.

SECTION 9

Recommendations for
Proposed
Legislation

(9) All recommendations for appropriate legislative action by the General Assembly.

The Commission's legislative agenda for the 99th General Assembly is currently being formulated. A detailed discussion of specific proposals currently under consideration would be premature at this time.

Appendix A

Summary of Significant Commission Decisions

Verified Petition for Approval of the Final UCB/POR Reconciliation Period

This docket was filed by Ameren concerning the final reconciliation for the utility consolidated billing and purchase of receivables. Ameren's filing was for the reconciliation period of January 1, 2014 through December 31, 2014. Staff reviewed the filing and agreed with the figures submitted by Ameren. The Commission approved the final Order in this matter on December 9, 2015.

15-0277 Grain Belt Express Clean Line LLC

Application for an Order Granting Grain Belt Express Clean Line LLC a Certificate of Public Convenience and Necessity pursuant to Section 8-406.1 of the Public Utilities Act to Construct, Operate and Maintain a High Voltage Electric Service Transmission Line and to Conduct a Transmission Public Utility Business in Connection Therewith and Authorizing Grain Belt Express Clean Line pursuant to Sections 8-503 and 8-406.1(i) of the Public Utilities Act to Construct the High Voltage Electric Transmission Line.

On November 12, 2015, the Commission entered an Order granting Grain Belt Express Clean Line a certificate of public convenience and necessity pursuant to Section 8-406.1, to construct a new high voltage electric service line and related facilities.

15-0278 Ameren Transmission Company of Illinois

Petition for a Certificate of Public Convenience and Necessity, pursuant to Section 8-406.1 of the Illinois Public Utilities Act, and an Order pursuant to Section 8-503 of the Public Utilities Act, to Construct, Operate and Maintain a New High Voltage Electric Service Line in Adams County.

This proceeding is part of the Illinois Rivers project to build an extensive high voltage electric transmission line across Illinois. Specifically, it concerns the part of that line from Quincy, Illinois to Meredosia, Illinois. The original design, which was approved in Docket No. 12-0598, had to be altered after the Federal Aviation Administration informed Ameren that the Quincy to Meredosia segment interfered with air navigation equipment. This proceeding approved an alternate route for that segment, with which, the affected landowners were in agreement.

15-0287 Commonwealth Edison Company

Annual formula rate update and revenue requirement reconciliation under Section 16-108.5 of the Public Utilities Act.

This docket concerns Commonwealth Edison Company's ("ComEd") annual formula rate update and revenue requirement reconciliation. ComEd's filing, consistent with Section 16-108.5(d)(1), included updated inputs to the performance-based formula rate for the applicable rate year (2016) and a reconciliation of the revenue requirement that was in effect for the prior rate year (2014) with the actual revenue requirement for the prior rate year. The Commission entered its Final Order on December 9, 2015.

15-0305 Ameren Illinois Company d/b/a Ameren Illinois

Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing.

On December 9, 2015, the Commission entered an order pursuant to Section 16-108.5(d) of the Public Utilities Act, for the fourth update of Ameren Illinois' rates pursuant to its Modernization Action Plan-Pricing tariff.

15-0368 Commonwealth Edison Company
Verified Petition for Approval to Increase Funding of On-Bill Financing Program pursuant to 220 ILCS 5/16-111.7.

This matter concerns a Commonwealth Edison Company request to increase funding for its On-Bill Financing Program pursuant to 220 ILCS 5/16-111.7. The Commission approved a \$5 million increase in funding for the On-Bill Financing Program, which allows the program to continue without interruption.

15-0538 Astral Energy, LLC
Application for a Certificate of Service Authority under Section 15-116 of the Public Utilities Act.

After filing an amended application on October 15, 2015 for a Certificate of Service Authority to operate as an alternative retail electric supplier ("ARES"), and after filing various rounds of documents in support thereof, Applicant was found to have been charged by the New York Public Service Commission ("NYPSC") on October 15, 2015 with non-compliance of the NYPSC's Uniform Business Practices Act in areas of sales agreements used to enroll customers; third party verifications of telephone sales; unauthorized enrollments, or "slamming"; false and misleading marketing; and failure to comply with NYCRR Part 12, which sets forth the NYPSC's consumer complaint process. On November 6, 2015, Applicant was prohibited by the NYPSC from marketing to, and from enrolling, residential and non-residential customers until the NYPSC directed otherwise.

Due to Applicant's failure to disclose the NYPSC charges in any of its filings, or by any other means, Applicant was deemed by the Commission not to have the requisite managerial abilities and resources to operate as an ARES in Illinois. Its amended application for a Certificate of Service Authority under Section 15-116 of the Act was denied.

15-0541 The Illinois Power Agency
Petition for Approval of the 2016 IPA Purchase Plan pursuant to Section 16-111 5(d)(4) of the Public Utilities Act.

On September 28, 2015, the Illinois Power Agency filed a Petition seeking approval of its 2016 Procurement Plan initiating this proceeding. Attached to the Petition was a copy of that Plan. Section 16-111.5(d)(2) of the Public Utilities Act, requires the Illinois Power Agency to prepare a power procurement plan which is to be posted on the IPA and Illinois Commerce Commission websites. The purpose of the power procurement plan is to secure electricity commodity and transmission services to meet the needs of eligible retail customers in the service areas of Commonwealth Edison Company, Ameren Illinois Company d/b/a Ameren Illinois and MidAmerican Energy Company. The Commission must enter an order approving or modifying the Plan within 90 days after the filing of the Plan. The Plan was filed on September 28, 2015; thus, the statutory deadline for Commission action was December 28, 2015. The Commission entered its final Order on December 16, 2015.

Gas

12-0623 Illinois Commerce Commission
On Its Own Motion
-vs-
The Peoples Gas Light and Coke Company

Citation for failure to comply with 49 CFR 192.465(d).

In this docket, the Commission entered an order finding that payment in lieu of a Commission-imposed penalty was appropriate and that the additional terms in the settlement agreement will assist in compliance matters.

14-0371 Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities

Proposed general increase in gas rates. (tariffs filed March 31, 2014)

On February 11, 2015 the Commission entered an order approving an increase in natural gas delivery rates for the Liberty Utilities service territory. This was the first gas rate case for this service territory since 2000.

**14-0490 Illinois Commerce Commission
On Its Own Motion**

Revision of 83 Ill. Adm. Code 500, and Adoption of 83 Ill. Adm. Code 501.

This docket is a rulemaking which repeals the current version of Part 500 and replaces it with a new one, to take effect on January 1, 2017. 83 Ill. Admin. Code 500. The title of the Part will be changed to "Standards of Service for Gas Utilities and Alternative Gas Suppliers" and it will be renumbered to Part 501. 83 Ill. Admin. Code 501. The Commission's Order states that a comprehensive and systematic revision of the Part was needed to take account of technological improvements that have occurred in recent years.

14-0496 Wisconsin Energy Corporation, Integrys Energy Group, Inc., Peoples Energy, LLC, The Peoples Gas Light and Coke Company, North Shore Gas Company, ATC Management Inc., and American Transmission Company LLC

Application pursuant to Section 7-204 of the Public Utilities Act for authority to engage in a Reorganization, to enter into agreements with affiliated interests pursuant to Section 7-101, and for such other approvals as may be required under the Public Utilities Act to effectuate the Reorganization.

This docket deals with the merger and reorganization of Integrys Energy Group, Inc., the parent company for The Peoples Gas Light and Coke Company and North Shore Gas Company. Hearings were held on February 18-19, 2015. A Final Order was entered by the Commission on June 24, 2015. Wisconsin Energy Corporation was approved to take over Integrys Energy Group and now is the parent company of The Peoples Gas Light and Coke Company and North Shore Gas Company. Rehearing was denied by the Commission on August 14, 2015.

14-0573 Ameren Illinois Company d/b/a Ameren Illinois

Petition for Approval of the Rider QIP – Qualifying Infrastructure Plant pursuant to Section 9-220.3 of the Public Utilities Act.

On January 6, 2015 the Commission entered an order approving the implementation of a Qualifying Infrastructure Plant ("QIP") surcharge for Ameren Illinois in its gas service territory pursuant to 220 ILCS 5/9-220.3.

14-0687 Northern Illinois Gas Company d/b/a Nicor Gas Company

Application pursuant to Section 9-201 and Section 19-140 of the Public Utilities Act for consent to and approval of an increase in funding for On-Bill Financing Program.

On January 28, 2015, the Commission entered an Order approving Northern Illinois Gas Company d/b/a Nicor Gas Company's application for approval of a \$6.5 million increase in the Company's funding budget for its On-Bill Financing Program and a related change to Rider 31 pursuant to Section 19-140(c)(7) of the Public Utilities Act.

14-0754 Dakota Access, LLC

Application pursuant to Section 15-401 of the Common Carrier by Pipeline Law and Sections 8-503 and 8-509 of the Public Utilities Act and for a Certificate in Good Standing and Related Authority to Construct and Operate a Petroleum Pipeline as a Common Carrier Pipeline and when Necessary to Take Private Property as Provided by the Law of Eminent Domain.

On December 16, 2015, the Commission entered an Order granting Dakota Access, LLC's Application for a certificate, pursuant to the Section 15-401 of the Common Carrier by Pipeline Law (220 ILCS 5/15-100 *et seq.*), ordering construction, pursuant to Section 8-503 of the Public Utilities Act and granting eminent domain authority pursuant to Section 8-509 of the Public Utilities Act.

14-0755 Energy Transfer Crude Oil Company, LLC

Application pursuant to Sections 15-401 of the Common Carrier by Pipeline Law and Section 8-503 and 8-509 of the Public Utilities Act for a Certificate in Good Standing and Related Authority to Construct and Operate a Petroleum Pipeline as a Common Carrier Pipeline and when Necessary to take Private Property as Provided by the Law of Eminent Domain.

On December 9, 2015, the Commission entered an Order granting Energy Transfer Crude Oil Company, LLC's Application for a certificate, pursuant to the Section 15-401 of the Common Carrier by Pipeline Law (220 ILCS 5/15-100 *et seq.*), ordering construction, pursuant to Section 8-503 of the Public Utilities Act and granting eminent authority pursuant to Section 8-509 of the Public Utilities Act.

15-0142 Ameren Illinois Company d/b/a Ameren Illinois

Proposed general increase in gas delivery service rates and revisions to other terms and conditions of service. (tariffs filed January 23, 2015)

This is a proposed general increase in gas delivery service rates for Ameren Illinois Company d/b/a Ameren Illinois. The Commission's Order follows an eleven month review of revenue, expenses and capital projects. The Order also addresses the Company's rate design in that it accepts the Company's Volume Balancing Adjustment Rider and lowers the percentage of revenue collected through the customer charge.

15-0155 Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities

Application for Certificate of Public Convenience and Necessity to Provide Natural Gas Service to the Village of Pittsburg and its Environs in Williamson County, Illinois.

On July 28, 2015, the Commission entered an order approving a Certificate of Public Convenience and Necessity for Liberty Utilities to provide natural gas service to the Village of Pittsburg, Illinois and its environs; an area which was previously without natural gas service.

15-0184 Ameren Illinois Company d/b/a Ameren Illinois

Application for Certificate of Public Convenience and Necessity to Provide Natural Gas Service to the Village of Grantfork and its Environs in Madison County, Illinois.

On September 22, 2015, the Commission entered an order approving a Certificate of Public Convenience and Necessity for Ameren Illinois to provide natural gas service to the Village of Grantfork, Illinois and its environs; an area which was previously without natural gas service.

Water & Sewer

14-0419 Aqua Illinois, Inc.

Proposed general increase in water rates for the Kankakee service territory. (Tariffs filed on May 8, 2014)

This proceeding increased water rates in the Kankakee service area. It also determined that Aqua should not profit from selling its customer information to a third-party, HomeServe. Additionally, Aqua and its affiliates have had several corporate successions, in which it and its affiliates have redefined themselves. The

Commission commenced an investigation into Aqua's contracts with its affiliates in order to clarify the relationships amongst the affiliates.

14-0536

Illinois-American Water Company

Application for a Certificate of Public Convenience and Necessity to Provide Water and Sanitary Sewer Service to Certain Areas in DuPage County, Illinois, pursuant to Section 8-406(e) of the Illinois Public Utilities Act.

In this docket, the Commission entered an order finding that the Company demonstrated a need for water service in the proposed area, and that the extension and service to the area are necessary to provide adequate, reliable, and efficient service and was the least-cost means of satisfying the service needs of customers within the meaning of Section 8-406(b) of the Act.

14-0741

Utility Services of Illinois, Inc.

Proposed Rate Increases for Water and Sewer Service. (tariffs filed November 10, 2014)

On September 22, 2015, the Commission entered an Order approving water and sewer rate increases for Utility Services of Illinois, Inc. after an eleven month review of the Company's revenue, expenses and capital projects. The Order also approved the Company's proposal to combine its water divisions into one consolidated water division that has a single rate structure and each of its sewer divisions into one consolidated sewer division that has a single rate structure.

15-0374

Illinois-American Water Company

Application for the issuance of a Certificate of Public Convenience and Necessity to Provide Water Service to Areas in the Counties of LaSalle and Livingston, and for the Approval of the Purchase of Certain Assets of the Dana/Longpoint/Reading/Ancona Public Water District in Accordance with Section 8-406 of the Illinois Public Utilities Act.

In this docket Illinois-American requested a certificate of public convenience and necessity to provide water service to certain areas of LaSalle and Livingston Counties, Illinois pursuant to Section 8-406 of the Illinois Public Utilities Act. 220 ILCS 5/1-101 *et seq.* In addition, Illinois-American seeks approval of accounting entries to record the transaction, approval of rates and regulations for providing water service in the Dana, LongPoint, Reading and Ancona Area. The Petition also seeks approval of an Asset Purchase Agreement for the purchase of substantially all of the water system assets of Dana, LongPoint, Reading and Ancona. The Staff of the Commission reviewed the filing and recommended that the Commission approve the transaction. The Commission entered its final Order approving the transaction on December 16, 2015.

General

12-0457

Illinois Commerce Commission

On Its Own Motion

Development and Adoption of Rules Concerning Rate Case Treatment of Charitable Contributions

This docket is a rulemaking for the development and adoption of rules concerning rate case treatment of charitable contributions claimed by a utility as operating expenses pursuant to Section 9-227 of the Public Utilities Act. The purpose of the proposed rules is to allow the Commission to evaluate the prudence of these contributions. The proposed rules should establish general policies applicable to all utilities. The First Notice Order was entered on December 22, 2015.

Appendix B

Emission
Allowance
Reports

MID AMERICAN ENERGY
ALLOWANCE REPORTING FORM

Reporting Period

October 1, 2014

To

December 31, 2014

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D) ⁽¹⁾	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2014	102,929	59,139	66,210	0	9,118	0	104,976
2	2015	-----	59,139	-----	0	0	0	59,139
3	2016	-----	59,139	-----	0	0	0	59,139
4	2017	-----	59,139	-----	0	0	0	59,139
5	2018	-----	59,139	-----	0	0	0	59,139
6	2019	-----	59,139	-----	0	0	0	59,139
7	2020	-----	59,139	-----	0	0	0	59,139
8	2021	-----	59,139	-----	0	0	0	59,139
9	2022	-----	59,139	-----	0	0	0	59,139
10	2023	-----	59,139	-----	0	0	0	59,139
11	2024	-----	59,139	-----	0	0	0	59,139
12	2025	-----	59,139	-----	0	0	0	59,139
13	2026	-----	59,139	-----	0	0	0	59,139

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D) ⁽¹⁾	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
14	2027	-----	59,139	-----	0	0	0	59,139
15	2028	-----	59,139	-----	0	0	0	59,139
16	2029	-----	59,139	-----	0	0	0	59,139
17	2030	-----	59,139	-----	0	0	0	59,139
18	2031	-----	59,139	-----	0	0	0	59,139
19	2032	-----	59,139	-----	0	0	0	59,139
20	2033	-----	59,139	-----	0	0	0	59,139
21	2034	-----	59,139	-----	0	0	0	59,139
22	2035	-----	59,139	-----	0	0	0	59,139
23	2036	-----	59,139	-----	0	0	0	59,139
24	2037	-----	59,139	-----	0	0	0	59,139
25	2038	-----	59,139	-----	0	0	0	59,139
26	2039	-----	59,139	-----	0	0	0	59,139
27	2040	-----	59,139	-----	0	0	0	59,139
28	2041	-----	59,139	-----	0	0	0	59,139
29	2042	-----	59,139	-----	0	0	0	59,139
30	2043	-----	59,139	-----	0	0	0	59,139
31	2044	-----	59,139	-----	0	0	0	59,139

MID AMERICAN ENERGY

The Clean Air Interstate Rule ("CAIR") Sulfur Dioxide Program Phase I became effective January 1, 2010. The CAIR program utilizes existing Title IV sulfur dioxide allowances and requires sources covered by the program to retire two vintage 2010-2014 Title IV sulfur dioxide allowances for every one ton of sulfur dioxide emissions. Title IV sulfur dioxide allowances of vintage 2009 or earlier retain the original one allowance for one ton of sulfur dioxide emissions value.

⁽¹⁾ MidAmerican Energy Company currently holds both vintages of Title IV sulfur dioxide allowances. For the period of January 1, 2014 - December 31, 2014, 33,145 tons of sulfur dioxide were emitted which equates to 80 vintage 2009 or earlier and 66,130 vintage 2010 - 2014 allowances for a total of 66,210 allowances used.

MID AMERICAN ENERGY

ALLOWANCE REPORTING FORM

Reporting Period

January 1, 2015

To

March 31, 2015

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2015	104,976	59,139	7,065	0	0	0	157,050
2	2016	-----	59,139	-----	0	0	0	59,139
3	2017	-----	59,139	-----	0	0	0	59,139
4	2018	-----	59,139	-----	0	0	0	59,139
5	2019	-----	59,139	-----	0	0	0	59,139
6	2020	-----	59,139	-----	0	0	0	59,139
7	2021	-----	59,139	-----	0	0	0	59,139
8	2022	-----	59,139	-----	0	0	0	59,139
9	2023	-----	59,139	-----	0	0	0	59,139
10	2024	-----	59,139	-----	0	0	0	59,139
11	2025	-----	59,139	-----	0	0	0	59,139
12	2026	-----	59,139	-----	0	0	0	59,139
13	2027	-----	59,139	-----	0	0	0	59,139

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
14	2028	-----	59,139	-----	0	0	0	59,139
15	2029	-----	59,139	-----	0	0	0	59,139
16	2030	-----	59,139	-----	0	0	0	59,139
17	2031	-----	59,139	-----	0	0	0	59,139
18	2032	-----	59,139	-----	0	0	0	59,139
19	2033	-----	59,139	-----	0	0	0	59,139
20	2034	-----	59,139	-----	0	0	0	59,139
21	2035	-----	59,139	-----	0	0	0	59,139
22	2036	-----	59,139	-----	0	0	0	59,139
23	2037	-----	59,139	-----	0	0	0	59,139
24	2038	-----	59,139	-----	0	0	0	59,139
25	2039	-----	59,139	-----	0	0	0	59,139
26	2040	-----	59,139	-----	0	0	0	59,139
27	2041	-----	59,139	-----	0	0	0	59,139
28	2042	-----	59,139	-----	0	0	0	59,139
29	2043	-----	59,139	-----	0	0	0	59,139
30	2044	-----	59,139	-----	0	0	0	59,139

MID AMERICAN ENERGY

MID AMERICAN ENERGY
ALLOWANCE REPORTING FORM

Reporting Period

April 1, 2015

To

June 30, 2015

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2015	104,976	59,139	11,939	0	0	4	152,180
2	2016	-----	59,139	-----	0	0	0	59,139
3	2017	-----	59,139	-----	0	0	0	59,139
4	2018	-----	59,139	-----	0	0	0	59,139
5	2019	-----	59,139	-----	0	0	0	59,139
6	2020	-----	59,139	-----	0	0	0	59,139
7	2021	-----	59,139	-----	0	0	0	59,139
8	2022	-----	59,139	-----	0	0	0	59,139
9	2023	-----	59,139	-----	0	0	0	59,139
10	2024	-----	59,139	-----	0	0	0	59,139
11	2025	-----	59,139	-----	0	0	0	59,139
12	2026	-----	59,139	-----	0	0	0	59,139
13	2027	-----	59,139	-----	0	0	0	59,139

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
14	2028	*****	59,139	*****	0	0	0	59,139
15	2029	*****	59,139	*****	0	0	0	59,139
16	2030	*****	59,139	*****	0	0	0	59,139
17	2031	*****	59,139	*****	0	0	0	59,139
18	2032	*****	59,139	*****	0	0	0	59,139
19	2033	*****	59,139	*****	0	0	0	59,139
20	2034	*****	59,139	*****	0	0	0	59,139
21	2035	*****	59,139	*****	0	0	0	59,139
22	2036	*****	59,139	*****	0	0	0	59,139
23	2037	*****	59,139	*****	0	0	0	59,139
24	2038	*****	59,139	*****	0	0	0	59,139
25	2039	*****	59,139	*****	0	0	0	59,139
26	2040	*****	59,139	*****	0	0	0	59,139
27	2041	*****	59,139	*****	0	0	0	59,139
28	2042	*****	59,139	*****	0	0	0	59,139
29	2043	*****	59,139	*****	0	0	0	59,139
30	2044	*****	59,139	*****	0	0	0	59,139
31	2045	*****	59,139	*****	0	0	0	59,139

MID AMERICAN ENERGY

MID AMERICAN ENERGY
ALLOWANCE REPORTING FORM

Reporting Period

July 1, 2015

To

September 30, 2015

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2015	104,976	59,139	18,084	0	0	4	146,035
2	2016	-----	59,139	-----	0	0	0	59,139
3	2017	-----	59,139	-----	0	0	0	59,139
4	2018	-----	59,139	-----	0	0	0	59,139
5	2019	-----	59,139	-----	0	0	0	59,139
6	2020	-----	59,139	-----	0	0	0	59,139
7	2021	-----	59,139	-----	0	0	0	59,139
8	2022	-----	59,139	-----	0	0	0	59,139
9	2023	-----	59,139	-----	0	0	0	59,139
10	2024	-----	59,139	-----	0	0	0	59,139
11	2025	-----	59,139	-----	0	0	0	59,139
12	2026	-----	59,139	-----	0	0	0	59,139
13	2027	-----	59,139	-----	0	0	0	59,139

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
14	2028	-----	59,139	-----	0	0	0	59,139
15	2029	-----	59,139	-----	0	0	0	59,139
16	2030	-----	59,139	-----	0	0	0	59,139
17	2031	-----	59,139	-----	0	0	0	59,139
18	2032	-----	59,139	-----	0	0	0	59,139
19	2033	-----	59,139	-----	0	0	0	59,139
20	2034	-----	59,139	-----	0	0	0	59,139
21	2035	-----	59,139	-----	0	0	0	59,139
22	2036	-----	59,139	-----	0	0	0	59,139
23	2037	-----	59,139	-----	0	0	0	59,139
24	2038	-----	59,139	-----	0	0	0	59,139
25	2039	-----	59,139	-----	0	0	0	59,139
26	2040	-----	59,139	-----	0	0	0	59,139
27	2041	-----	59,139	-----	0	0	0	59,139
28	2042	-----	59,139	-----	0	0	0	59,139
29	2043	-----	59,139	-----	0	0	0	59,139
30	2044	-----	59,139	-----	0	0	0	59,139
31	2045	-----	59,139	-----	0	0	0	59,139

MID AMERICAN ENERGY

CORDOVA
ALLOWANCE REPORTING FORM
Reporting Period

October 1, 2014 to December 31, 2014

Line No.	Compliance Use Date Of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2000	0	0	0	0	0	0	0
2	2001	0	0	1	0	20	0	19
3	2002	19	0	2	0	0	0	17
4	2003	17	0	0	0	0	0	17
5	2004	17	0	1	0	0	0	16
6	2005	16	0	2	0	0	0	14
7	2006	14	0	0	0	0	0	14
8	2007	14	0	2	0	0	0	12
9	2008	12	0	0	0	0	0	12
10	2009	12	0	0	0	0	0	12
11	2010	12	0	0	0	0	0	12
12	2011	12	0	0	0	0	0	12
13	2012	12	0	0	0	0	0	12
14	2013	12	0	0	0	0	0	12
15	2014	12	0	0	0	0	0	12

CORDOVA

ALLOWANCE REPORTING FORM Reporting Period

January 1, 2015 to March 31, 2015

Line No.	Compliance Use Date Of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2000	0	0	0	0	0	0	0
2	2001	0	0	1	0	20	0	19
3	2002	19	0	2	0	0	0	17
4	2003	17	0	0	0	0	0	17
5	2004	17	0	1	0	0	0	16
6	2005	16	0	2	0	0	0	14
7	2006	14	0	0	0	0	0	14
8	2007	14	0	2	0	0	0	12
9	2008	12	0	0	0	0	0	12
10	2009	12	0	0	0	0	0	12
11	2010	12	0	0	0	0	0	12
12	2011	12	0	0	0	0	0	12
13	2012	12	0	0	0	0	0	12
14	2013	12	0	0	0	0	0	12
15	2014	12	0	0	0	0	0	12
16	2015	12	0	0	0	0	0	12

COE PDA

ALLOWANCE REPORTING FORM
Reporting Period

April 1, 2015 to June 30, 2015

Line No.	Compliance Use Date Of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2000	0	0	0	0	0	0	0
2	2001	0	0	1	0	20	0	19
3	2002	19	0	2	0	0	0	17
4	2003	17	0	0	0	0	0	17
5	2004	17	0	1	0	0	0	16
6	2005	16	0	2	0	0	0	14
7	2006	14	0	0	0	0	0	14
8	2007	14	0	2	0	0	0	12
9	2008	12	0	0	0	0	0	12
10	2009	12	0	0	0	0	0	12
11	2010	12	0	0	0	0	0	12
12	2011	12	0	0	0	0	0	12
13	2012	12	0	0	0	0	0	12
14	2013	12	0	0	0	0	0	12
15	2014	12	0	0	0	0	0	12
16	2015	12	0	0	0	0	0	12

CORDOVA

ALLOWANCE REPORTING FORM Reporting Period

July 1, 2015 to September 30, 2015

Line No.	Compliance Use Date Of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2000	0	0	0	0	0	0	0
2	2001	0	0	1	0	20	0	19
3	2002	19	0	2	0	0	0	17
4	2003	17	0	0	0	0	0	17
5	2004	17	0	1	0	0	0	16
6	2005	16	0	2	0	0	0	14
7	2006	14	0	0	0	0	0	14
8	2007	14	0	2	0	0	0	12
9	2008	12	0	0	0	0	0	12
10	2009	12	0	0	0	0	0	12
11	2010	12	0	0	0	0	0	12
12	2011	12	0	0	0	0	0	12
13	2012	12	0	0	0	0	0	12
14	2013	12	0	0	0	0	0	12
15	2014	12	0	0	0	0	0	12
16	2015	12	0	0	0	0	0	12

ALLOWANCE REPORTING FORM

AmerenEnergy Medina Valley Cogen, LLC

Reporting Period

October 1, 2014

to

December 31, 2014

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2014	24,404	11,974	-	0	0	0	36,378
2	2015	-	11,974	-	0	0	0	11,974
3	2016	-	11,974	-	0	0	0	11,974
4	2017	-	11,974	-	0	0	0	11,974
5	2018	-	11,974	-	0	0	0	11,974
6	2019	-	11,974	-	0	0	0	11,974
7	2020	-	11,974	-	0	0	(652)	11,322
8	2021	-	11,974	-	0	0	0	11,974
9	2022	-	11,974	-	0	0	0	11,974
10	2023	-	11,974	-	0	0	0	11,974
11	2024	-	11,974	-	0	0	0	11,974
12	2025	-	11,974	-	0	0	0	11,974
13	2026	-	11,974	-	0	0	0	11,974

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
14	2027	-	11,974	-	0	0	0	11,974
15	2028	-	11,974	-	0	0	0	11,974
16	2029	-	11,974	-	0	0	0	11,974
17	2030	-	11,974	-	0	0	0	11,974
18	2031	-	11,974	-	0	0	0	11,974
19	2032	-	11,974	-	0	0	0	11,974
20	2033	-	11,974	-	0	0	0	11,974
21	2034	-	11,974	-	0	0	0	11,974
22	2035	-	11,974	-	0	0	0	11,974
23	2036	-	11,974	-	0	0	0	11,974
24	2037	-	11,974	-	0	0	0	11,974
25	2038	-	11,974	-	0	0	0	11,974
26	2039	-	11,974	-	0	0	0	11,974
27	2040	-	11,974	-	0	0	0	11,974
28	2041	-	11,974	-	0	0	0	11,974
29	2042	-	11,974	-	0	0	0	11,974
30	2043	-	11,974	-	0	0	0	11,974
31	2044	-	11,974	-	0	0	0	11,974

Note: AmerenEnergy Medina Valley Cogen, LLC owns the following Acid Rain units: Hutsonville, Meredosia and R S Wallace .

ALLOWANCE REPORTING FORM

AmerenEnergy Medina Valley Cogen, LLC

Reporting Period

January 1, 2015

to

March 31, 2015

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2015	36,378	11,974	-	-	0	0	48,352
2	2016	-	11,974	-	-	0	0	11,974
3	2017	-	11,974	-	-	0	0	11,974
4	2018	-	11,974	-	-	0	0	11,974
5	2019	-	11,974	-	-	0	0	11,974
6	2020	-	11,974	-	-	0	(652)	11,322
7	2021	-	11,974	-	-	0	0	11,974
8	2022	-	11,974	-	-	0	0	11,974
9	2023	-	11,974	-	-	0	0	11,974
10	2024	-	11,974	-	-	0	0	11,974
11	2025	-	11,974	-	-	0	0	11,974
12	2026	-	11,974	-	-	0	0	11,974
13	2027	-	11,974	-	-	0	0	11,974

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
14	2028	-	11,974	-	-	0	0	11,974
15	2029	-	11,974	-	-	0	0	11,974
16	2030	-	11,974	-	-	0	0	11,974
17	2031	-	11,974	-	-	0	0	11,974
18	2032	-	11,974	-	-	0	0	11,974
19	2033	-	11,974	-	-	0	0	11,974
20	2034	-	11,974	-	-	0	0	11,974
21	2035	-	11,974	-	-	0	0	11,974
22	2036	-	11,974	-	-	0	0	11,974
23	2037	-	11,974	-	-	0	0	11,974
24	2038	-	11,974	-	-	0	0	11,974
25	2039	-	11,974	-	-	0	0	11,974
26	2040	-	11,974	-	-	0	0	11,974
27	2041	-	11,974	-	-	0	0	11,974
28	2042	-	11,974	-	-	0	0	11,974
29	2043	-	11,974	-	-	0	0	11,974
30	2044	-	11,974	-	-	0	0	11,974
31	2045	-	-	-	-	0	0	0

Note: AmerenEnergy Medina Valley Cogen, LLC owns the following Acid Rain units: Hutsonville, Meredosta and R S Wallace .

ALLOWANCE REPORTING FORM

AmerenEnergy Medina Valley Cogen, LLC

Reporting Period

April 1, 2015

to

June 30, 2015

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2015	36,378	11,974	-	-	0	0	48,352
2	2016	-	11,974	-	-	0	0	11,974
3	2017	-	11,974	-	-	0	0	11,974
4	2018	-	11,974	-	-	0	0	11,974
5	2019	-	11,974	-	-	0	0	11,974
6	2020	-	11,974	-	-	0	(652)	11,322
7	2021	-	11,974	-	-	0	0	11,974
8	2022	-	11,974	-	-	0	0	11,974
9	2023	-	11,974	-	-	0	0	11,974
10	2024	-	11,974	-	-	0	0	11,974
11	2025	-	11,974	-	-	0	0	11,974
12	2026	-	11,974	-	-	0	0	11,974
13	2027	-	11,974	-	-	0	0	11,974

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
14	2028	-	11,974	-	-	0	0	11,974
15	2029	-	11,974	-	-	0	0	11,974
16	2030	-	11,974	-	-	0	0	11,974
17	2031	-	11,974	-	-	0	0	11,974
18	2032	-	11,974	-	-	0	0	11,974
19	2033	-	11,974	-	-	0	0	11,974
20	2034	-	11,974	-	-	0	0	11,974
21	2035	-	11,974	-	-	0	0	11,974
22	2036	-	11,974	-	-	0	0	11,974
23	2037	-	11,974	-	-	0	0	11,974
24	2038	-	11,974	-	-	0	0	11,974
25	2039	-	11,974	-	-	0	0	11,974
26	2040	-	11,974	-	-	0	0	11,974
27	2041	-	11,974	-	-	0	0	11,974
28	2042	-	11,974	-	-	0	0	11,974
29	2043	-	11,974	-	-	0	0	11,974
30	2044	-	11,974	-	-	0	0	11,974
31	2045	-	11,974	-	-	0	0	11,974

Note: AmerenEnergy Medina Valley Cogen, LLC owns the following Acid Rain units: Hutsonville, Meredosia and R S Wallace .

ALLOWANCE REPORTING FORM

AmerenEnergy Medina Valley Cogen, LLC

Reporting Period

July 1, 2015

to

September 30, 2015

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
1	2015	36,378	11,974	-	-	0	0	48,352
2	2016	-	11,974	-	-	0	0	11,974
3	2017	-	11,974	-	-	0	0	11,974
4	2018	-	11,974	-	-	0	0	11,974
5	2019	-	11,974	-	-	0	0	11,974
6	2020	-	11,974	-	-	0	(652)	11,322
7	2021	-	11,974	-	-	0	0	11,974
8	2022	-	11,974	-	-	0	0	11,974
9	2023	-	11,974	-	-	0	0	11,974
10	2024	-	11,974	-	-	0	0	11,974
11	2025	-	11,974	-	-	0	0	11,974
12	2026	-	11,974	-	-	0	0	11,974
13	2027	-	11,974	-	-	0	0	11,974

Line No.	Compliance Use Date of Allowances (A)	Beginning Allowance Balance (B)	USEPA Allowance Allocation (C)	YTD Allowance Usage (D)	Allowance Sales (E)	Allowance Acquisitions (F)	USEPA Allocation Adjustments (G)	YTD Allowance Balance (H)
14	2028	-	11,974	-	-	0	0	11,974
15	2029	-	11,974	-	-	0	0	11,974
16	2030	-	11,974	-	-	0	0	11,974
17	2031	-	11,974	-	-	0	0	11,974
18	2032	-	11,974	-	-	0	0	11,974
19	2033	-	11,974	-	-	0	0	11,974
20	2034	-	11,974	-	-	0	0	11,974
21	2035	-	11,974	-	-	0	0	11,974
22	2036	-	11,974	-	-	0	0	11,974
23	2037	-	11,974	-	-	0	0	11,974
24	2038	-	11,974	-	-	0	0	11,974
25	2039	-	11,974	-	-	0	0	11,974
26	2040	-	11,974	-	-	0	0	11,974
27	2041	-	11,974	-	-	0	0	11,974
28	2042	-	11,974	-	-	0	0	11,974
29	2043	-	11,974	-	-	0	0	11,974
30	2044	-	11,974	-	-	0	0	11,974
31	2045	-	11,974	-	-	0	0	11,974

Note: AmerenEnergy Medina Valley Cogen, LLC owns the following Acid Rain units: Hutsonville, Meredosia and R S Wallace .