ILLINOIS COMMERCE COMMISSION

2020 Annual Report on Electricity, Gas, Water and Sewer Utilities

January 2021

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STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

January 20, 2021

The Honorable JB Pritzker
Governor

The Honorable Members of the Joint Committee on Legislative Support Services

Dear Governor Pritzker and Members of the Joint Committee:

We are pleased to submit to you the Commission's 2020 Annual Report on Electricity, Gas, Water, and Sewer Utilities. This Report covers the period of January 1, 2020 through December 31, 2020.

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 Cable and Video Service Deployment by Providers Granted State Issued Cable and Video Service Authorization
- Annual Report on the Transportation Regulatory Fund
- Annual Report on Accidents / Incidents Involving Hazardous Materials on Railroads in Illinois
- Crossing Safety Improvement Program
- Office of Retail Market Development (ORMD) Annual Reports

Additional information about the Commission and its activities is available from the Commission's website www.icc.illinois.gov.

Sincerely,

Carrie K. Zalewski
Chairman

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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)

The ICC Online

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

ICC's Electronic Docketing System: www.icc.illinois.gov/e-docket

Plug In Illinois—Choosing an Electric Supplier: www.pluginillinois.org

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Year in Review

January

The Illinois Commerce Commission (ICC) held a policy session entitled "Electric Vehicles (EVs): The Beneficial Electrification of Transportation" to further explore the integration of electric vehicles across the nation and Illinois.

The ICC's Office of Retail Market Development (ORMD) held a policy session to discuss a variety of issues related to the retail marketplace with suppliers and consumer advocates.

February

Governor JB Pritzker appointed Michael T. Carrigan to serve a five-year term on the Illinois Commerce Commission.

Commissioner Michael T. Carrigan was appointed to serve on the National Association of Regulatory Utility Commissioners (NARUC) Committee on Critical Infrastructure.

Chairman Carrie K. Zalewski was appointed to serve on the NARUC Committee on Consumers and the Public Interest.

March

As a result of the novel coronavirus pandemic, and in response to Governor JB Pritzker's call for a moratorium on water, natural gas and electric service disconnections, the Commission urged investor-owned regulated utilities to take immediate steps to cease disconnections for non-payment, and to suspend the imposition of late payment fees or penalties, until May 1, 2020.

Chairman Carrie K. Zalewski announced that the Commission will continue to operate during the COVID-19 public health emergency, while taking precautionary measures at the direction of Governor JB Pritzker to protect the health and safety of the public and its employees.

In an effort to avoid the spread of COVID-19, the ICC asked consumers to minimize contact with utility workers who are working in their neighborhoods.

In Emergency Special Session, the Commission issued Emergency Orders placing an immediate moratorium on in-person or door-to-door marketing of services by Alternative Retail Electric Suppliers (ARES) and Alternative Gas Suppliers (AGS) for the duration of the novel coronavirus pandemic. The action was in response to Governor Pritzker's public health emergency declaration.

The Commission voted unanimously to formalize Governor Pritzker and the ICC's request of Illinois electric, natural gas, water and wastewater utilities to cease disconnections and the threat of disconnections during the novel coronavirus public health emergency. The order also called on the utilities to suspend late payment fees until May 1, or until the crisis passed, and to implement flexible utility credit and collection procedures to ensure customers remain connected to essential utility services when the emergency status ends.

The Commission voted unanimously to initiate a Notice of Inquiry (NOI) as a vehicle to examine and better assess the issue of energy affordability for all Illinois utility customers. Through the NOI, the Commission seeks to gather highly detailed information and data from Illinois' large investor-owned electric, natural gas, water and sewer utilities to evaluate the information available regarding the affordability of utility services; the current state of affordability; and the impact current programs and measures are having on affordability.

To avoid costly plumbing repairs and wider problems affecting public sanitary sewer systems and the environment, the ICC reminded residents to toss away trash, not flush it down the toilet. Blocked drains and sewers can lead to severe consequences such as manhole overflowing, flooding in our homes and on our roadways, and pollution of watercourses.

The Commission approved its annual 5-year plan for the Crossing Safety Improvement Program (CSIP) to begin implementing highway-rail safety capital projects across the state. For Fiscal Years 2021-2025, the ICC will spend over $315 million from the Grade Crossing Protection Fund (GCPF) to help local communities and railroads pay for safety improvements at over 1,400 crossing locations.

April

Citing concerns over customer privacy and the potential for increased costs for ratepayers the ICC voted to end a three-year investigation into the possible adoption of a new governing process that would allow third parties access to customer energy usage data.

National Safe Digging Month is in April. With so many Illinoisans home due to the COVID-19 public health emergency and the weather getting warmer, the ICC urged residents and excavators to help flatten the curve by postponing non-essential outdoor digging projects until Governor Pritzker's 'Shelter in Place' order was lifted. If a project is deemed necessary, please use extreme caution and remember to call 811 before you start digging.

The Commission voted to initiate an investigation into an annual process and formula for calculating rebate values for customers with solar, wind or other renewable energy systems on their property within Ameren Illinois' territory. A provision of the Future Energy Jobs Act (FEJA), which became effective in 2017, requires the ICC to determine compensation for retail customers for the benefits distributed energy resources provide to the grid. The compensation must reflect the value of the distributed generation and consider geographic, time-based, and performance-based benefits, for present and future grid needs.

May

The ICC warned residents of potential scammers using the COVID-19 pandemic to exploit and defraud victims.

Commissioner D. Ethan Kimbrel was appointed Co-Vice Chair of the NARUC Committee on Gas.

The Commission ordered LifeEnergy, LLC, an alternative retail electric supplier, to pay $1 million in penalties and over $34,000 in customer refunds for admitted violations of state marketing and sales rules.

The Commission held its first web-based policy session titled, "Reliability & Resiliency: Load Impacts of COVID-19 and Summertime Peak" to address the known and potential impacts of COVID-19 on energy demand, summer peak readiness and grid operation.

June

In the June edition of Public Utilities Fortnightly, Commissioner Maria Bocanegra was recognized as a 'rising star' in the utilities industry, being named to the "Fortnightly Under Forty" 2020 list.

The ICC voted unanimously in favor of a stipulated agreement negotiated by Commission Staff, the Attorney General's Office and other consumer advocate groups, and the state's largest public utilities, offering temporary, more flexible credit and collection procedures to customers financially impacted by COVID-19. A separate agreement was also approved with smaller electricity, gas and water utilities that serve Illinois residents. An extraordinary consumer protection effort, the stipulations will help ensure eligible residential and small business utility customers can continue to receive life-saving electric, gas, water and sewer services once the moratorium on disconnections for non-payment and late payment fees expires.

The ICC approved a resolution to raise awareness about the federal Lifeline program which offers discounts on broadband and phone services.

July

The ICC declined to adopt cloud-based computing accounting rules over concerns of redundancy, overregulation, and consumer impact.

During an open meeting on July 29, 2020, ICC Commissioners questioned Commonwealth Edison executives about ethics reforms and ratepayer impacts stemming from its Deferred Prosecution Agreement with the Department of Justice.

Commissioner Sadzi Martha Oliva was appointed to the NARUC Presidential Task Force on Emergency Preparedness, Recovery and Resiliency.

The ICC announced that several of the state's large and small regulated electric, natural gas, water and sewer utilities voluntarily extended the residential customer disconnection moratorium until September 2020 due to ongoing COVID-19 concerns.

August

The ICC's ORMD released its 2020 Annual Report to the Governor and the General Assembly that provides an overview of the current state of the competitive retail market in Illinois, including alternative retail electric suppliers and customer switching trends.

The Commission opened a Notice of Inquiry to examine its rules and regulations as well as the practices and procedures of public utilities to provide safe and reliable electricity and natural gas services.

The ICC opened a Notice of Inquiry to explore electricity rate design options related to the adoption and deployment of all types of electric vehicles and supporting transportation electrification infrastructure such as charging stations. The Commission is also seeking information about the impact rate design will have on other forms of beneficial electrification, electric service and affordability.

The ICC reminded residential and business customers served by the 217 area code to prepare for the introduction of the new 447 area code. The 447 area code will be added as an overlay to the region currently served by area code 217 to ensure a continuing supply of telephone numbers for the area. An overlay is the addition of another area code (447) to the same geographic region served by an existing area code (217).

September

The Commission announced that several of the state's regulated electric, natural gas, water and sewer utilities have once again voluntarily agreed to extend the moratorium on disconnections for residential customers.

Concerned with steady coronavirus infection rates and the approaching cold weather, the Commission sent a letter to large state-regulated utilities requesting an extension of the moratorium on residential customer disconnections for non-payment until March 31, 2021.

During the 5th Annual Supplier Diversity Policy Session on September 16, 2020, Presidents and CEOs of Illinois' five largest regulated public utilities gave an overview of their companies procurement goals and actual spend with suppliers in 2019 and discussed how they are adjusting to the challenges brought on by the COVID-19 pandemic in 2020.

Governor Pritzker declared September 21-27, 2020 as Illinois Rail Safety Week. This is the 7th year Illinois has set aside a week in September for a statewide awareness initiative to educate drivers and pedestrians about safety around railroad tracks and trains. In observation, and in place of in-person activities, the Commission shared rail safety facts, tips and virtual lesson plans, and resources from Operation Lifesaver. On the ICC's website and social media platforms, the ICC highlighted recent publications and materials for teachers, students, the trucking industry, and the agricultural community.

The ICC announced the moratorium on residential customer disconnections was voluntarily extended by several state regulated utilities through the Winter 2021 for eligible low-income residential customers, and those who self-report to utilities that they are experiencing financial or COVID-19 hardship. Previously, several of the utilities had voluntarily agreed to extend the moratorium on shutoffs for residential customers until September 30, 2020.

The Commission initiated a rulemaking proceeding to consider amendments to the electric interconnection rules. Among other things, the rulemaking is considering amendments to the interconnection rules to alleviate some of the issues raised about the process by which new distributed generation facilities interconnect to the electric grid.

On September 30, 2020, the ICC held its annual Class 1 Rail Supplier Diversity Policy Session.

October

The ICC granted Dakota Access, LLC and Energy Transfer Crude oil company authority to install additional pumping stations and pumping facilities on existing certified pipelines in Illinois.

The Commission sponsored a virtual discussion of bp's 2020 energy outlook. The presentation explored the forces shaping the global energy transition out to 2050 and the key uncertainties surrounding that transition.

November

Building on research and analysis on retail market trends, and in response to persistent consumer complaints, the ICC announced a new Alternative Retail Electric Supplier and Alternative Gas Supplier Enforcement Division in its Office of General Counsel.

December

Several Illinois utilities announced that they voluntarily ceased disconnections for all residential customers through March 31, 2021. The voluntary moratorium on residential disconnections applies to customers of Ameren Illinois, ComEd, Liberty Utilities, Nicor, North Shore and Peoples Gas.

Amplifying the agency's focus on safe and reliable utility service, the ICC created three new Electrical Field Inspector positions to conduct inspections and investigate accidents in communities across the Ameren Illinois, ComEd, MidAmerican, and Mt. Carmel electric service territories. The new electrical inspectors will complement the electrical engineers currently on staff, all of whom will be led by a new Assistant Director of Engineering.

The Commission ordered Ameren Illinois to amend its Rider Net-Metering (Rider NM) and to calculate the 5% threshold in a manner that accurately reflects distributive generation penetration.

Commissioner D. Ethan Kimbrel was appointed Chair of the NARUC Committee on Gas.

A virtual policy session was held to allow representatives from the state's two regional transmission organizations (RTOs) and Illinois local distribution companies to explain their readiness to meet the demands of the upcoming winter season, and how the pandemic is impacting their efforts. Consumer advocates provided insight into the challenges faced by consumers.

Introduction

The following report for calendar year 2020 was prepared to meet the requirements of the Public Utilities Act (P.A. 84-617). Section 4-304 of this Act instructs the ICC to prepare an annual report and provide copies to the Joint Committee on Legislative Support Services of the General Assembly, 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:

- Section 1: A General Review of Agency Activities;
- Section 2: A Discussion of the Utility Industry in Illinois;
- Section 3: A Discussion of Energy Planning;
- Section 4: Availability of Utility Services;
- Section 5: Implementation of the Commission's Statutory Responsibilities;
- Section 6: Appeals from Commission Orders;
- Section 7: Studies and Investigations Required by State Statutes;
- Section 8: Impacts of Federal Activity on State Utility Service; and
- Section 9: Recommendations for Proposed Legislation.

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

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

The following persons (listed alphabetically) are serving as members of the ICC.

Maria S. Bocanegra

Michael T. Carrigan

D. Ethan Kimbrel

Sadzi Martha Oliva

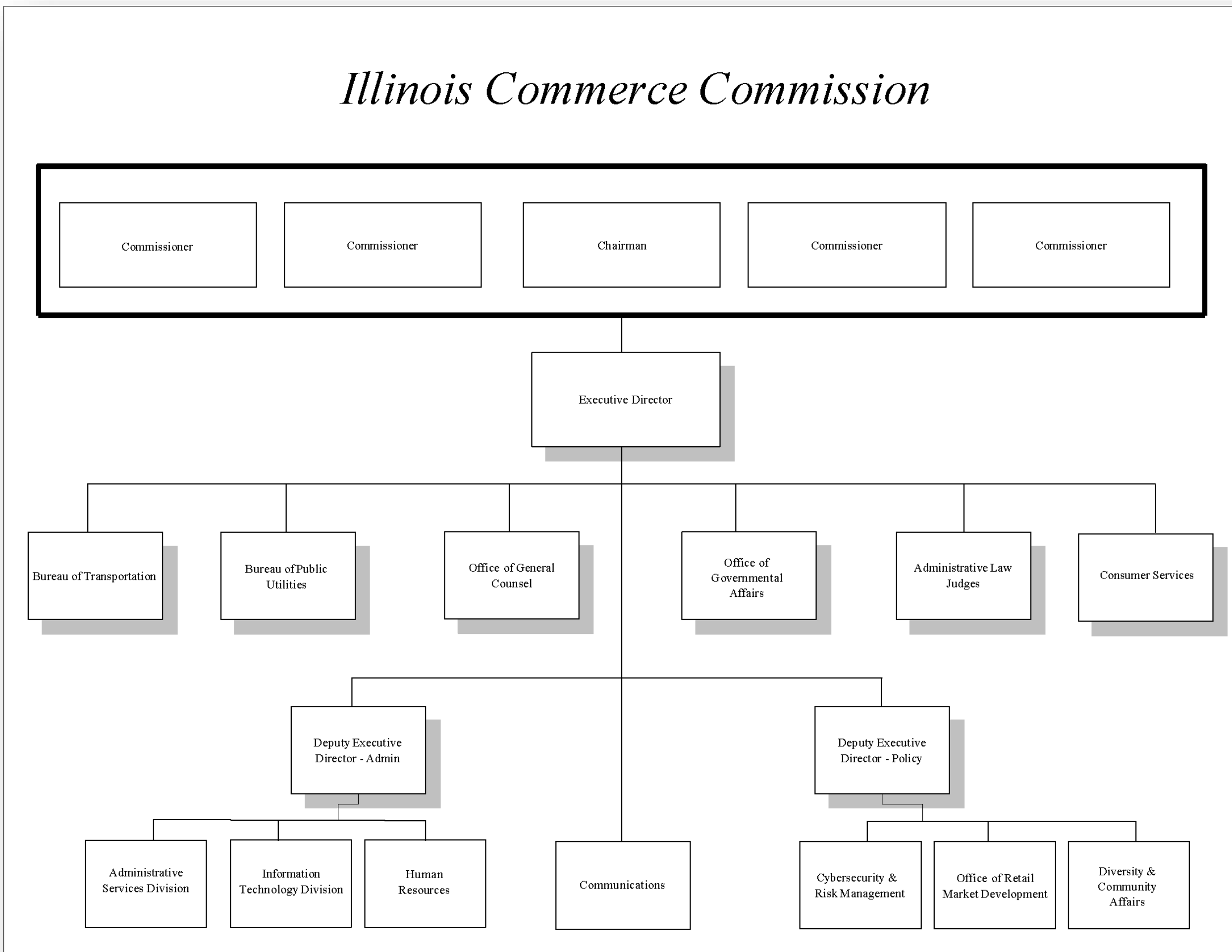
Carrie K. Zalewski

Mission Statement

The ICC's mission is to balance the interests of consumers and utilities to ensure adequate, efficient, reliable, safe and least-cost public utility services, while promoting the development of an effectively competitive energy supplier market.

The ICC is also directed by State law to protect the public by overseeing certain transportation activities, including railroad safety, trucking insurance and registration, relocation and safety towing, and household goods moving companies.

Organizational Structure



Section 1 | A 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;

A. Review of Significant Commission Decisions

A review of significant Commission decisions and other regulatory actions taken in 2020 may be found in Appendix A of this report. While not exhaustive, these summaries 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 PUA. Selected orders and other Commission documents may be found on the Commission's website (www.icc.illinois.gov) or in the Commission’s electronic docketing system (www.icc.illinois.gov/e-docket). More information about the e-Docket system follows in the next section.

B. Pending Cases

As noted above, Section 4-304 of the PUA 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 PUA 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 office and through the ICC’s e-Docket system.

C. Significant Regulatory Actions

Significant actions taken by the Commission during 2020 are described in the summary statement, "The Year in Review," 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;

D. Cases Filed During 2020

Table 1-1, Utility Cases Monthly Report, shows the cases and filings for each month for the years 2015, 2016, 2017, 2018, 2019, and 2020. This table also shows the totals by type for the year.

TABLE 1-1
UTILITY CASES MONTHLY REPORT

Filings	Current Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Calendar Year To Date	Fiscal Year
New Cases	2020	115	96	144	79	64	60	53	55	55	55	68	64	908	991
	2019	107	99	143	136	151	76	76	76	85	69	63	64	1,145	1,339
	2018	270	205	234	190	200	131	161	130	88	107	91	95	1,857	2,124
	2017	59	46	67	41	52	46	21	39	28	26	358	422	1,205	540
	2016	54	52	126	55	54	23	15	37	48	30	80	19	593	609
	2015	79	77	95	74	47	33	36	63	44	38	33	31	650	729
Filings/ Reports (SPI)	2020	1,035	914	1,417	1,203	962	852	665	461	641	652	418	494	9,714	10,461
	2019	825	772	1.306	1,466	1,211	896	848	689	668	806	513	554	10,554	9,926
	2018	673	527	1,045	873	841	579	659	606	488	674	564	459	7,988	7,336
	2017	574	440	993	692	415	530	543	500	419	524	352	460	6,442	6,709
	2016	252	303	394	651	474	495	556	489	510	597	440	473	5,634	4,923
	2015	456	402	471	486	441	369	480	461	428	405	317	263	4,979	5,384
Hearing & Commission Action Notices	2020	156	122	187	149	172	137	154	129	152	126	113	166	1,763	1,662
	2019	120	110	124	101	118	131	114	122	157	150	97	99	1,443	1,381
	2018	92	86	112	109	142	115	95	116	105	133	125	103	1,333	1,198
	2017	119	87	111	103	91	99	84	97	101	79	89	92	1,152	1,250
	2016	134	125	150	127	104	153	90	108	102	106	120	114	1,433	1,705
	2015	156	137	175	181	171	196	167	163	191	143	129	119	1,928	1,820

Filings Cont.	Current Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Calendar Year to Date	Fiscal Year
Supplemental/ Reopen Petitions	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-	-	-	-	-	-	1
	2018	-	-	-	-	-	-	-	-	1	-	-	-	1	-
	2017	-	-	-	-	-	-	-	-	-	-	-	-	-	4
	2016	-	3	-	-	-	-	3	-	1	-	-	-	7	4
	2015	1	-	-	-	-	-	-	-	-	1	-	-	2	5
Petitions for Rehearing	2020	2	1	-	-	-	1	3	-	-	1	2	-	10	9
	2019	-	-	2	1	-	-	-	-	-	-	5	-	8	7
	2018	-	4	6	3	1	1	-	-	1	-	1	2	19	23
	2017	6	1	1	1	2	-	-	4	1	2	-	1	19	16
	2016	7	-	1	4	-	1	1	-	-	-	1	3	18	29
	2015	8	3	-	1	2	4	2	3	1	2	-	8	34	32
Notice of Appeals	2020	-	2	-	-	-	-	1	1	-	1	-	1	6	5
	2019	-	-	-	-	-	-	2	-	-	-	-	1	3	-
	2018	-	1	-	1	1	4	-	-	-	-	-	-	7	8
	2017	-	1	3	-	-	-	-	-	-	-	1	-	5	4
	2016	5	-	-	-	3	-	-	-	-	-	-	-	8	19
	2015	3	6	2	1	-	-	5	-	-	1	1	4	23	19
Cases Closed (Orders/ Commission Actions)	2020	73	50	74	150	68	72	63	45	77	69	57	57	855	1,010
	2019	76	107	104	108	162	82	81	96	68	134	89	55	1,162	1,346
	2018	305	306	173	210	277	131	138	115	130	113	104	107	2,109	1,982
	2017	33	57	59	74	84	44	27	40	25	23	46	419	931	636
	2016	38	73	79	73	56	80	29	50	83	32	33	58	684	701
	2015	57	48	106	131	62	38	55	34	83	40	39	51	744	782
Tariff Filings	2020	50	49	91	59	84	96	62	61	64	50	60	95	821	824
	2019	45	50	71	92	98	92	64	65	53	45	81	87	843	835
	2018	53	56	77	77	96	104	66	61	68	53	61	78	850	889
	2017	44	49	65	81	163	97	98	66	62	59	59	82	925	885
	2016	58	60	65	119	107	111	85	60	50	44	70	77	906	947
	2015	**64**	**54**	**89**	**61**	**158**	**102**	**99**	**60**	**63**	**50**	**63**	**92**	**955**	**986**

E. e-Docket: ICC's Electronic Docket Filing System

To aid both the Commission Staff and the public at large, the Commission utilizes an electronic filing, reporting, and case management system called e-Docket that is accessible on the Commission website.

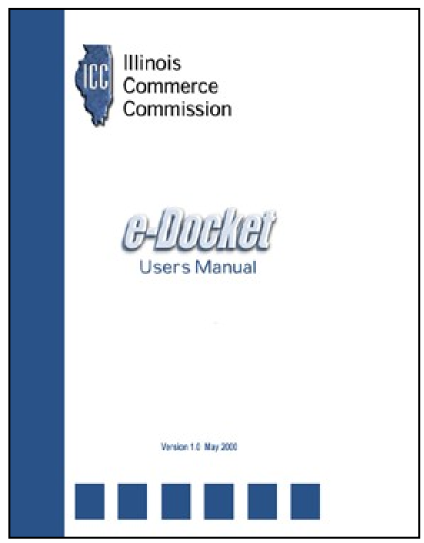
e-Docket is a web-based, automated information and records-keeping system. It was developed to process and manage public information about the Commission's official cases and rulemaking proceedings. A person using e-Docket may conduct searches in two ways:

- **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 Commission may visit the e-Docket website at www.icc.illinois.gov/e-docket and view a wealth of information about active and closed cases initiated on or after January 1, 2000.

F. e-Docket User's Manual Provides Instructions for Searching for Documents

A 24-page e-Docket user's manual is available on the e-Docket website to assist viewers in finding information about cases. e-Docket was first used as a way to store electronic documents as of January 1, 2000. Documents created prior to that date were filed with the Commission in paper format only and are available for viewing in the Commission's Chief Clerk's Office.



(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 1-2
BUDGET AND HEADCOUNT BY DIVISION FOR FISCAL YEAR 2020

	Chairman & Commissioners		Public Utility Division		Transportation Division		Total	
	Head Count	Budget $	Head Count	Budget $	Head Count	Budget $	Head Count	Budget $
Public Utility Fund	11	1,853,700	146	29,776,100	0	0	157	31,629,800
Transportation Fund	1	150,900	0	0	74	17,662,800	75	17,813,700
Underground Utilities Damage Prevention Fund	0	0	0	301,000	0	0	0	301,000
Wireless Carrier Reimbursement Fund	0	0	0	3,500,000	0	0	0	3,500,000
Illinois Telecommunications Access Corporation Fund	0	0	0	3,000,000	0	0	0	3,000,000
Total	**12**	**2,004,600**	**146**	**36,577,100**	**74**	**17,662,800**	**232**	**56,244,500**

Headcount is shown at the authorized level for FY20.

Budget $ shown represents the FY20 appropriation.

From Form 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. During 2020, there were changes in Commission policies, programs, or practices with respect to agency organization and administration, hearings and procedures or substantive regulatory activity.

G. Agency Organization and Administration

In response to persistent consumer complaints and a review of retail market trends, the Illinois Commerce Commission created a new alternative retail electric suppliers (ARES) and alternative gas suppliers (AGS) enforcement unit in its Office of General Counsel. The Commission also took these steps in light of recently enacted state laws and regulations designed to protect consumers from unfair and deceptive actions by certain alternative retail electric suppliers and alternative gas suppliers who either directly violate consumer protections or simply fail to properly manage the sales agents they hire to solicit Illinois utility customers.

Additionally, in amplifying the agency's focus on safe and reliable utility service, the Illinois Commerce Commission has created three new Electrical Field Inspector positions to conduct inspections and investigate accidents in communities across the Ameren Illinois, ComEd, MidAmerican, and Mt. Carmel electric service territories. The new electrical inspectors will complement the electrical engineers currently on staff, all of whom will be led by an Assistant Director of Engineering.

The Assistant Director will be responsible for performing complex managerial and supervisory functions in directing the activities of the Engineering Section of the Safety and Reliability Division, including the new field inspectors. This individual will work closely with the Director of Safety and Reliability to formulate and implement policies, standards and procedures for all operations within the engineering section of the Division. The Commission intends to fill this position in the near future to assist with the hiring of the new team of field inspectors. Electrical field inspectors will be responsible for scheduling and conducting standard and comprehensive inspections of electric public utilities facilities, records, distribution systems, and vegetative management practices as well as investigating public complaints. In addition to identifying issues needing correction and communicating with the utility, the field inspectors will perform follow-up inspections to verify compliance and maintain proper documentation.

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.

A. Significant Developments in the Illinois Regulatory Environment

Many of the developments in the current 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. 95-0481 (the IPAA). The IPAA created a state agency, the Illinois Power Agency (IPA), to procure power and renewable energy resources for ComEd and Ameren Illinois Company. In addition, the IPAA required that major utilities meet goals for energy efficiency and demand response programs.

B. Electric Power Procurement Obligations

Wholesale electricity purchased by ComEd, Ameren, and, in part MidAmerican is subject to Section 1-75 of the IPAA[1] and Section 16-111.5 of the PUA.[2] These laws include the following major features:

- An annual procurement plan is prepared by the IPA.
- A draft plan is first submitted to the Commission (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 Request for Proposals (RFP) processes.
- The RFP process is conducted by an IPA-hired and Commission-approved "procurement administrator." At present, the IPA's procurement administrator is the consulting firm of NERA Economic Consulting.

[1] 20 ILCS 3855/1-75
[2] 220 ILCS 5/16-111.5
[3] The Commission issued its final order approving the IPA's 2021 Electricity Procurement Plan on November 5, 2020 (Docket No. 20-0717).

- The RFP process is monitored by a Commission-hired "procurement monitor." At present, the Commission's procurement monitor is the consulting firm of Bates White LLC.
- The procurement administrator and monitor independently submit to the Commission confidential reports within two business days after the receipt of bids.
- 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.

Implementation of plans subject to the above-cited portions of the IPAA and the PUA is conducted with a series of bidding events in the spring and fall for several types of contracts:

1. Standard blocks of power entered into by Ameren to establish fixed-quantity price hedges vis-à-vis MISO[4] day-ahead and real-time spot prices over portions of a one to three-year period.
2. Standard blocks of power entered into by ComEd to establish fixed-quantity price hedges vis-à-vis PJM[5] day-ahead and real-time spot prices over portions of a one to three-year period.
3. Standard blocks of power entered into by MidAmerican to establish fixed-quantity price hedges vis-à-vis MISO day-ahead and real-time spot prices over portions of a one to three-year period.[6]
4. Capacity contracts to enable Ameren to satisfy resource adequacy requirements of MISO over portions of a one to two-year period.[7]

The results of previous procurements can be found, under the heading "Rulemaking, Workshops, and Informal Hearings," on the Commission's website at https://www.icc.illinois.gov/home/electricity.

Shortly after the conclusion of the procurement events, Ameren, ComEd, and MidAmerican revise the base level of retail charges through which the costs of electricity and Renewable Energy Credits (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.

[4] 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. www.misoenergy.org

[5] 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. www.pjm.com

[6] Pursuant to the Illinois Power Agency Act (20 ILCS 3855/), the Illinois Power Agency is authorized to develop and implement electricity procurement plans for utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois and for small multi-jurisdictional electric utilities that (A) on December 31, 2005 served less than 100,000 customers in Illinois and (B) request a procurement plan for their Illinois jurisdictional load. Mt. Carmel Public Utility does not meet these criteria and, therefore, is not part of the Illinois Power Agency procurement plans.

[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).

C. 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 retail electric suppliers (ARES). As of December 2020, there were 109 suppliers certified to serve non-residential customers, although 12 of those sought Commission authority to serve themselves or affiliates. Of those 109 certified to serve non-residential customers, 81 are certified to also serve residential customers. There are 93 active suppliers in the ComEd territory and 47 active suppliers in the Ameren Illinois territory.

As of May 31, 2020, approximately 1.67 million residential customers were purchasing power and energy from a retail electric supplier (RES) and approximately 226,622 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 ComEd was approximately 58 percent, as of May 31, 2020. Detailed electric customer switching statistics can be viewed on the Commission's website at https://www.icc.illinois.gov/industry-reports/electric-switching-statistics.

In 2007, larger commercial customers were benefiting through electric competition, but little competitive activity occurred in the residential and smaller commercial customer classes at the time. At this time, the Illinois General Assembly passed P.A. 94-1095 (the "Retail Electric Competition Act"), 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." P.A. 94-1095 created the Office of Retail Market Development (ORMD) to actively seek out ways to promote retail competition in Illinois to benefit all consumers. The ORMD facilitated the implementation of P.A. 95-0700 requiring ComEd and Ameren Illinois to provide utility consolidated billing to RES and to provide for the purchase of RES receivables. Ameren implemented a utility consolidated billing and purchase of receivables program at the end of 2009 and ComEd did so in the beginning of 2011.

In the Commission's Order approving Ameren Illinois' 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." In December 2012, the Commission entered a final Order adopting Illinois Administrative Code Part 412, which specified a number of RES disclosure requirements and similar consumer protections.

In September 2014, the Commission initiated a Notice of Inquiry (NOI) as a vehicle for gathering information and opinions on retail marketing issues that had been experienced since the beginning of marketing to residential customers in 2011. Following a rulemaking proceeding to consider changes to the marketing and disclosure requirements for RES, the Commission entered a final Order in October 2017, amending Code Parts 412 and 453. Among the changes are a broader definition of in-person marketing, new advance notice requirements for upcoming variable rate changes as well as more detailed disclosure requirements for the marketing of renewable or "green" offers.

Amendments to Part 453 took effect on November 1, 2017, and amendments to Part 412 took effect on May 1, 2018. Since having gone into effect, ORMD provided an Agent Training Workshop in June of 2018 to discuss with RES the best practices for agent training and to ensure they are complying with the regulations. ORMD has also been able to increase its enforcement capabilities and investigate actors that are not complying with various marketing and sales regulations in Part 412. Since the Part 412

amendments took effect, Commission Staff has issued a Notice of Apparent Violation to several ARES and initiated formal investigative proceedings concerning several other ARES.

In August 2019, the Home Energy Affordability and Transparency (HEAT) Act was signed into law and took effect on January 1, 2020. The HEAT Act aims to enhance consumer protections and create transparency in the market. To increase transparency in the market, the HEAT Act requires a number of additional disclosures on marketing materials, the Uniform Disclosure Statement (UDS), among others. Among the new requirements, the Act mandates that the Utility Electric Supply Price to Compare (PTC) be included on all marketing materials and on all bills. Additionally, the HEAT Act also eliminates early termination fees, increased bond requirements, and adds a new bond requirement for suppliers who engage in in-person solicitation.

The HEAT Act expands on consumer protections found in the Public Utility Act and the Consumer Fraud Act. As a result, Staff has initiated several rulemaking proceedings and will initiate others in the coming year to ensure the Commission rules reflect changes brought about by the HEAT Act.

Residential switching activity is, at least in part, due to municipal aggregation programs by many communities throughout the state. To date, 746 communities have passed municipal aggregation referenda and more than 549 are currently active programs.
www.icc.illinois.gov/electricity/switchingstatistics.aspx

D. Discussion of the Quality, Availability, and Price of Utility Services by Geographic Area

1. Electricity

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

- 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.[8]

[8] 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.

A detailed presentation of the 2019 sales statistics presented below can be found in the Commission's "Comparison of Electric Sales Statistics for Calendar Years 2019 and 2018" at https://www.icc.illinois.gov/icc-reports/report/comparison-of-electric-sales-statistics.

a) *Northern Illinois*

Two investor-owned public utilities provide electric service in northern Illinois: ComEd and MidAmerican. ComEd serves 4,048,298 customers in northern Illinois, including the Chicago metropolitan area. MidAmerican serves 85,472 customers in northwestern Illinois.

For 2015 through 2019, these two utilities charged the following average prices, shown in cents per kWh, for bundled service and full requirements service customers:

TABLE 2-1
AVERAGE PRICES PER KWH FOR BUNDLED AND FULL REQUIREMENTS SERVICE (CENTS)

	2015	2016	2017	2018	2019
ComEd	11.41	10.91	11.64	11.88	11.86
MidAmerican	7.83	7.94	8.35	7.98	7.60

b) *Central Illinois and Southern Illinois*

Two investor-owned public utilities provide electric service to central and southern Illinois: Ameren Illinois Company (Ameren Illinois) and Mt. Carmel Public Utility Company (MCPU). Ameren Illinois serves 1,222,335 customers in central and southern Illinois. MCPU serves 5,285 customers in southeastern Illinois.

For 2015 through 2019, these utilities charged the following average prices, shown in cents per kWh, for bundled service and full requirements service customers:

TABLE 2-2
AVERAGE PRICES PER KWH FOR BUNDLED AND FULL REQUIREMENTS SERVICE (CENTS)

	2015	2016	2017	2018	2019
Ameren	8.90	9.36	9.38	9.00	8.64
MCPU	11.78	12.59	13.89	14.66	14.45

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

c) *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, ComEd, MidAmerican, and MPCU filed annual electric reliability reports in 2020 for the calendar year 2019. The annual electric reliability reports can be found on the Commission's website at www.icc.illinois.gov/electricity/utilityreporting/ElectricReliability.aspx.

The following table presents the annual Customer Average Interruption Duration Index (CAIDI) each utility reported for the years 2015 through 2019. 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.

TABLE 2-3
CAIDI (MINUTES)

	2015	2016	2017	2018	2019
Ameren	246	168	164	189	149
ComEd	112	113	116	150	105
MidAmerican	122	145	86	117	150
MCPU	83	117	60	94	77

The following table presents the annual System Average Interruption Frequency Index (SAIFI) each utility reported for the years 2015 through 2019. 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).

TABLE 2-4
SAIFI (INTERRUPTIONS)

	2015	2016	2017	2018	2019
Ameren	1.43	1.42	1.17	1.10	1.20
ComEd	0.88	0.76	0.73	0.74	0.72
MidAmerican	1.83	1.76	1.40	1.09	1.56
MCPU	2.85	1.89	2.99	2.98	1.88

2. Natural Gas

Nine investor-owned gas public utilities currently provide natural gas service in Illinois:

- Ameren Illinois Company
- 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.[9]

During 2020, 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 2021, sufficient supplies of natural gas are expected to be available to all customers.

A detailed presentation of the 2019 sales statistics presented below can be found in the Commission's "Comparison of Gas Sales Statistics for Calendar Years 2019 and 2018" at www.icc.illinois.gov/icc-reports/report/comparison-of-gas-sales-statistics.

a) Northern Illinois

Four public utilities distribute and sell natural gas in northern Illinois:

- MidAmerican Energy Company
- Nicor Gas Company
- North Shore Gas Company
- Peoples Gas Light and Coke Company

Nicor Gas Company is the largest gas distribution company in the State and provides service to 1,958,348 customers in northern Illinois. Peoples Gas Light and Coke Company, which serves the City of Chicago, has 789,254 customers. North Shore Gas Company serves 146,732 customers in communities north of the Chicago area. Finally, MidAmerican Energy Company serves 65,544 customers in northwestern Illinois.

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 2015 through 2019, these four utilities charged the following average prices shown in cents per therm:

TABLE 2-5
AVERAGE PRICES PER THERM (CENTS)

	2015	2016	2017	2018	2019
MidAmerican	54.49	52.66	58.30	53.90	47.20
Nicor Gas	53.60	50.26	57.65	53.59	54.91
North Shore Gas	78.49	72.89	82.17	72.01	67.56
Peoples Gas Light and Coke	88.78	92.96	106.00	96.77	92.56

[9] 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.

b) *Central and Southern Illinois*

Ameren provides gas service to 803,854 customers in central and southern Illinois, making it the second largest gas utility in the State. Liberty Utilities provides service to 20,903 customers in a number of distinct service areas in central and southern Illinois. Additionally, southern Illinois is served by the following three smaller distribution companies: Consumers Gas Company, Illinois Gas Company, and MCPU. Illinois Gas Company serves 9,368 customers in the Lawrenceville-Olney area. Consumers Gas Company serves 5,204 customers in the Carmi area. Finally, MCPU serves 3,410 customers in the Mt. Carmel area.

For 2015 through 2019, these five utilities charged the following average prices shown in cents per therm:

TABLE 2-6
AVERAGE PRICES PER THERM (CENTS)

	2015	2016	2017	2018	2019
Ameren	94.77	96.18	100.39	91.90	88.49
Consumers Gas	66.91	63.03	74.26	70.15	67.47
Illinois Gas	66.27	69.97	76.94	70.75	68.27
Liberty Utilities	87.58	95.79	107.14	97.04	103.75
MCPU	101.05	101.47	113.31	101.86	102.49

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. The table below shows detailed 2019 revenue in cents per therm information, excluding sales for resale and interdepartmental sales, for all gas utilities under the Commission's jurisdiction.

TABLE 2-7
ILLINOIS GAS UTILITIES
REVENUE IN CENTS PER THERM BY CLASS OF SERVICE AND BY COMPANY 2019

	Ameren	Consumers Gas	Illinois Gas	Liberty Utilities	Mid-American	MCPU	Nicor Gas	North Shore Gas	Peoples Gas
Residential Sales	94.17	74.80	75.46	112.82	64.00	107.20	56.07	69.72	101.53
Small (or Commercial) Sales	81.80	65.35	70.87	92.90	52.55	93.42	51.90	58.43	72.93
Large (or Industrial) Sales	33.73	55.16	53.14	65.02	26.39	-	43.92	38.17	55.80
Other Sales To Public Authorities	62.08		-	-	-	-	-	-	-
Total Sales To Ultimate Customers	**88.49**	**68.94**	**68.27**	**103.75**	**58.23**	**102.49**	**54.91**	**67.56**	**92.56**

3. Water and Sewer Utilities

a) Overview

The Commission currently regulates five water, one sewer, and five combined water and sewer investor-owned utilities. While the number of investor-owned utilities is a small percentage of the 1,756 community public water suppliers and 850 public sanitary sewage systems with treatment facilities in the state of Illinois, these investor-owned utilities provide water service to approximately 371,000 customers and sewer service to approximately 72,000 customers. Investor-owned water utilities serve 8.1 percent of all persons in Illinois receiving water service from community public water supplies. These investor-owned water and sewer utilities serve customers in 41 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 338,702. Only three investor-owned water utilities and three investor-owned sewer utilities serve more than 1,000 customers. See Table 2-8 for a comparison of bills for investor-owned water utilities providing service to 1,000 customers or more. The Commission continues to pursue the reduction of the number of small investor-owned utilities. These small utilities often lack the financial and technical expertise and capabilities to effectively and efficiently provide safe drinking water and/or proper wastewater services. The Commission has found that, in most cases, customers receive better water and sewer service from larger utilities due to the economies of scale. Therefore, the Commission has encouraged acquisitions or mergers of small systems by larger municipal and investor-owned utilities. Larger investor-owned utilities that are pursuing growth opportunities often seek to acquire these small water and sewer utilities where such an acquisition is practical. Subsequent to such acquisitions, the large acquiring utilities typically invest in these systems to enhance the adequacy, reliability, efficiency, and safety of service provided to the customers of the acquired utility.

In addition, many small, non-investor owned, water and sewer utilities have issues similar to those suffered by small investor owned utilities and also have difficulty in providing safe and proper water and service. These issues are due to or exacerbated by increasing regulatory demands and costs, and a political climate adverse to utility rate increases. Larger investor-owned utilities are also pursuing the acquisition of these small utilities. This type of activity was evident during 2020:

- In April, the Commission approved Illinois-American Water Company's application to acquire the water system of the Village of Sidney in Champaign County (Docket No. 19-0653).
- In April, the Commission approved Illinois-American Water Company's application to acquire the water and wastewater systems of the City of Rosiclare in Hardin County (Docket No. 19-0733).
- In April, the Commission approved Illinois-American Water Company's application to acquire the water system of the Village of Leonore in LaSalle County (Docket No. 19-0854).
- In April, the Commission approved Illinois-American Water Company's application to acquire the wastewater system of the Village of Shiloh in St. Clair County (Docket No. 19-1002).
- In May, the Commission approved Illinois-American Water Company's application to acquire the water and wastewater systems of the Village of Andalusia in Rock Island County (Docket No. 19-0732).
- In June, the Commission approved Aqua Illinois, Inc.'s petition to acquire the water and wastewater systems of Rockwell Utilities LLC, a small investor-owned utility (Docket No. 19-0721).
- In September, the Commission approved Illinois-American Water Company's application to acquire the water and wastewater system of the City of Jerseyville in Jersey County (Docket No. 19-1139).

- In September, the Commission approved Illinois-American Water Company's application to provide wastewater collection service to, and purchase certain assets of, the City of Granite City and its environs in Madison County (Docket No. 19-1134).
- In September, Illinois-American Water Company filed an application to provide water treatment and distribution service and wastewater collection and treatment service to the Village of Livingston and its environs in Madison County (Docket No. 20-0680).
- In December, the Commission approved Illinois-American Water Company's application to acquire the water distribution system assets of Four Lakes Village Condominium Homeowner's Association and to provide water service to this not-for-profit corporation in DuPage County (Docket No. 20-0306).

b) Regulatory Activities

There were no new or outstanding requests for a general increase in water or sewer rates in 2020.

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 (QIP) 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, and Utility Services of Illinois, Inc., have purchased water surcharges; and Aqua Illinois, Inc. and Illinois-American Water Company have QIP surcharges.

c) Discussion of Water and Sewer Utilities

Water supplies for investor-owned water utilities were generally adequate in 2020.

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 Environmental Protection Agency (EPA).

In June 2019, Aqua Illinois issued a Do Not Consume advisory for its service area in University Park due to the detection of lead during routine regulatory testing. Aqua Illinois has determined that the spike in lead concentration is due to a change in the water source and a water treatment product that inadvertently removed protective coating inside customers' water service lines. Aqua Illinois has provided bottled water, water filters, and lead testing to affected customers while remediation is in progress. In October 2020, Aqua Illinois' water quality sampling showed that lead concentration levels had improved to meet the Environmental Protection Agency's lead action level.

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 $45 to $50 per month.

Of the six investor-owned utilities that provide sewer service, three 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.

The table below presents a comparison of monthly bills for residential customers of investor-owned water utilities providing service to 1,000 customers or more.

TABLE 2-8
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, 2020

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	1,832	$ 32.16	$ 64.09	$ 104.1
Kankakee	**29,878**	**32.48**	**64.76**	**105.12**
North Maine	4,780	13.45	56.23	109.72
Peotone	**1,549**	**11.98**	**20.91**	**32.08**
University Park	2,548	32.16	64.09	104.01
Willowbrook	**1,045**	**32.16**	**64.09**	**104.01**
Illinois-American				
Chicago Metro				
Well Water	**1,605**	**31.41**	**56.38**	**87.60**

Lake Water				
Chicago Suburban	4,385	41.66	71.41	108.59
DuPage County	**6,310**	**35.81**	**78.39**	**131.61**
Fernway	2,025	34.78	72.84	120.41
Santa Fe /Bolingbrook/Homer Glen	**31,343**	**37.76**	**88.12**	**151.08**
South Beloit	2,908	31.62	57.11	88.97
Sterling	**6,575**	**31.43**	**56.46**	**87.75**
Streator	7,613	31.43	56.46	87.75
Utility Services of Illinois				
Galena Territory	**2,274**	**36.05**	**78.84**	**132.33**
Lake Holiday	1,883	36.05	78.84	132.33
Whispering Hills	**2,354**	**36.05**	**78.84**	**132.33**
CENTRAL				
Aqua Illinois				
Vermilion	19,629	32.18	64.16	104.13
Illinois-American				
Champaign	56,880	31.82	56.79	88.01
Lincoln	**5,773**	**28.19**	**43.86**	**63.45**
Pekin	14,017	28.61	39.92	54.06
Peoria	**54,413**	**31.41**	**56.38**	**87.60**
Pontiac	4,504	31.43	56.46	87.75
SOUTHERN				
Illinois-American				
Alton	**18,419**	**31.60**	**56.57**	**87.79**
Interurban	**67,298**	**31.55**	**56.52**	**87.74**

E. 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 obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by S&P Global Ratings.
>
> **AA:** An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.
>
> **A:** An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.
>
> **BBB:** An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments. (Source: Standard & Poor's, "S&P Global Ratings Definitions," August 7, 2020, pp. 2-3.)

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

TABLE 2-9
STANDARD AND POOR'S ELECTRIC UTILITY ISSUER CREDIT RATINGS
NOVEMBER 2016 THROUGH NOVEMBER 2020

	2016	2017	2018	2019	2020
Electric Utility Industry Avg.	BBB+	BBB+	BBB+	BBB+	BBB+
Ameren Illinois	BBB+	BBB+	BBB+	BBB+	BBB+
ComEd	BBB	BBB	BBB	A-	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 and the average credit ratings for the nationwide natural gas distribution industry.

TABLE 2-10
STANDARD AND POOR'S GAS UTILITY ISSUER CREDIT RATINGS
NOVEMBER 2016 THROUGH NOVEMBER 2020

	2016	2017	2018	2019	2020
Gas Distribution Industry Avg.	A-	A-	A-	A-	A-
Nicor Gas	A-	A-	A-	A	A
North Shore	A-	A-	N/A	N/A	N/A
Peoples Gas	A-	A-	A-	A-	A-

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

TABLE 2-11
STANDARD AND POOR'S WATER UTILITY ISSUER CREDIT RATINGS
NOVEMBER 2016 THROUGH NOVEMBER 2020

	2016	2017	2018	2019	2020
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. 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 are discussed below.

A. 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 Ameren Illinois. Other utilities may request inclusion in the IPA’s electric procurement plans; and, in 2015, MidAmerican requested that the IPA develop plans to acquire a portion of MidAmerican’s total supply. 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 (RFP), 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 2020, the IPA conducted the following procurement events on behalf of Ameren (AIC), ComEd, and MidAmerican (MEC):

TABLE 3-1
IPA PROCUREMENT EVENTS CONDUCTED IN 2019 ON BEHALF OF THE ELECTRIC UTILITIES AS BUYERS

Bid Day	ICC Approval	Product Type	Delivery Period	Buyer(s)
4/20/2020	4/24/2020	Standard Energy Blocks	2020-2023	AIC, ComEd, MEC
4/22/2020	4/28/2020	Zonal Resource Credits	2021-2023	AIC
9/14/2020	9/18/2020	Standard Energy Blocks	2020-2023	AIC, ComEd
9/17/2020	9/23/2020	Zonal Resource Credits	2021-2023	AIC

Note: More information concerning Commission-approved IPA procurement events can be found on the Commission's website (www.icc.illinois.gov/home/electricity) and the IPA's RFPs website (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 Regional Transmission Organizations (RTOs). The utilities also directly procure energy efficiency and demand response programs without the aid of the IPA.

B. Renewable Energy, Clean Coal, and Zero Emission Portfolio Standards

The IPAA and the PUA include special requirements for the acquisition by the State, electric utilities, and RES 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.

P.A. 99-0906, effective June 1, 2017, revised Illinois' Renewable Portfolio Standards (RPS). Under the prior Illinois RPS, compliance and planning depended on how a customer's supply requirements were met, with three separate compliance methods for load service by default utility supply service, hourly-pricing customers, and load served by RES. Changes to the RPS through P.A. 99-0906 transitioned the State's RPS to a streamlined, centralized planning and procurement process, with RPS targets and available budgets determined based on an electric utility's load for all retail customers. P.A. 99-0906 requires the IPA to develop a Long-Term Renewable Resources Procurement Plan (LTRRPP), the first of which was approved by the ICC in April of 2018 and an updated plan was approved by the Commission in February 2020. Competitive procurements pursuant to the LTRRPP took place in 2018 and 2019. In 2020, the IPA did not conduct any further competitive renewable procurements.

In addition to revising Illinois' renewable portfolio standards, P.A. 99-0906 created a new zero emission standard (ZES). The ZES requires the IPA to create a plan, which sets out the provisions for procurement of Zero Emission Credits (ZECs). ZECs recognize the environmental benefits of nuclear-fueled generation resources that do not emit carbon dioxide and other key pollutants. The IPA submitted its ZES plan to the Commission, which the Commission approved in September of 2017. The initial ZES procurement, which procured ZECs for the 2017 – 2027 delivery period, took place in early 2018. While the payments continued to previously procured zero emission resources, there were no new ZES procurements in 2020.

C. Distributed Generation

Distributed generation (DG) 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, P.A. 99-107, effective July 22, 2015, directs the Commission to provide a summary of the adoption of solar PV systems in Illinois among residential and small business customers (customers with an annual usage of less than 15,000 kWh). The summary is provided in the following table.

As of the end of 2020, a quantity of 19,360 residential customers installed PV systems in the service territories of the four electric utilities regulated by the Commission. The total capacity of residential PV systems is more than 147 Megawatts (MWs). About 323 small business customers had installed PV systems; the total capacity of these systems is about 3 MWs.

TABLE 3-2
ADOPTION OF PV SYSTEMS BY RESIDENTIAL AND SMALL BUSINESS CUSTOMERS IN ILLINOIS, BY ELECTRIC UTILITY SERVICE TERRITORY, 2019 (NUMBER OF CUSTOMERS AND MW CAPACITY OF PV SYSTEMS)

	Residential Customers		Small Business Customers		Community Solar	
	Number of Customers	Capacity of PV System (MW)	Number of Customers	Capacity of PV System (MW)	Number of Subscribers	Capacity of PV System (MW)
Ameren	3,856	37.56	213	2.02	408	2.44
ComEd	15329	108.79	87	0.63	534	8.40
MidAmerican	159	1.46	23	0.51	0	-
Mt. Carmel	16	0.17	0	-	0	-
Total	**19,360**	**147.98**	**323**	**3.16**	**942**	**10.84**

The adoption rate of solar PV 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. Customers who installed PV systems in 2020 were eligible for a 26% federal tax credit. Customers that install PV systems in 2021 will be eligible for a 22% federal tax credit. Currently, the federal tax credit is set to expire for residential customers at the end of 2021 and will decrease to 10% for commercial customers.

Additionally, the IPA administers a bidding process for the procurement of RECs from PV systems. P.A. 99-0906, through the new Adjustable Block and Solar for All programs, has provided, and continues to provide, additional incentives for the development of distributed PV generation. The Commission has approved a large number of REC contracts for new PV systems in since the program began and many of these may not become operational until 2021. The new programs are, thus, likely to increase PV system deployment relative to the numbers shown in the table above.

D. Cogeneration

1. 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. The 2020 avoided costs as filed by Illinois electric utilities pursuant to 83 Ill. Adm. Code 430.110 are:

TABLE 3-3
ILLINOIS ELECTRIC UTILITIES AVOIDED COST RATE STRUCTURE FOR 2020 (CENTS PER KWH)

	Summer Rates		Winter Rates	
	On-Peak	Off-Peak	On-Peak	Off-Peak
Ameren	3.015	2.079	2.935	2.419
ComEd	2.438	1.781	2.563	2.046
MidAmerican	3.220	2.100	2.440	1.810
Mt. Carmel	4.493	4.493	4.493	4.493

In the table above, the time differentiated rate pricing is shown at transmission or subtransmission levels where possible; additional credits may be available at lower voltages, loads, and times. See each utility filing for exact avoided energy costs under specific conditions.

2. 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.

E. Energy Efficiency Programs

Sections 8-103, 8-103B, and 8-104 of the PUA respectively require electric and gas utilities and the Department of Commerce and Economic Opportunity (DCEO) to submit multi-year energy efficiency plans for Commission approval. P.A. 99-0906 changed the timing of these plans. Prior to January 1, 2018, utilities submitted three-year plans based upon June 1 – May 31 delivery years. P.A. 99-0906 requires plans of varying durations with the first plans covering the four calendar years between and including

2018 and 2021. The status of recent Commission proceedings initiated to consider these energy efficiency plans is summarized in the table below.

TABLE 3-4
ENERGY EFFICIENCY PROGRAM PLANNING

Docket	Utility	Planning Period	Initiated	Status
17-0311	Ameren	2018, 2019, 2020, 2021	6/30/2017	Closed
17-0312	ComEd	2018, 2019, 2020, 2021	6/30/2017	Closed
17-0310	Nicor	2018, 2019, 2020, 2021	6/30/2017	Closed
17-0309	Peoples/N. Shore	2018, 2019, 2020, 2021	6/30/2017	Closed
19-0734	MEC	2020, 2021, 2022, 2023	7/11/2019	Closed

Sections 8-103, 8-103B, and 8-104 of the PUA require determinations to be made concerning energy savings goal compliance.

The results of Commission proceedings initiated to make determinations concerning energy savings goal compliance are summarized in the table below.

TABLE 3-5
ENERGY EFFICIENCY SAVINGS 2008-2017

Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
10-0519	Ameren	2008-2009	89,955 MWh	Yes	8/30/2010	6/6/2012
	Ameren	2009-2010	129,748 MWh	Yes	8/30/2010	6/6/2012
11-0592	Ameren	2010-2011	263,374 MWh	Yes	8/23/2011	11/25/2014
	DCEO (Ameren Territory)	2010-2011	26,536 MWh	No	8/23/2011	11/25/2014
14-0594	Ameren	2011-2012	353,664 MWh	Yes	9/30/2014	9/8/2016
	DCEO (Ameren Territory)	2011-2012	37,396 MWh	No	9/30/2014	9/8/2016
	Ameren	2011-2012	5,771,819 therms	Yes	9/30/2014	9/8/2016
	DCEO (Ameren Territory)	2011-2012	1,157,810 therms	Yes	9/30/2014	9/8/2016
10-0520	ComEd	2008-2009	163,717 MWh	Yes	8/30/2010	5/16/2012
	DCEO (ComEd Territory)	2008-2009	18,636 MWh	No	8/30/2010	5/16/2012
	ComEd	2009-2010	472,132 MWh	Yes	8/30/2010	5/16/2012
	DCEO (ComEd Territory)	2009-2010	34,038 MWh	No	8/30/2010	5/16/2012
11-0593	ComEd	2010-2011	626,715 MWh	Yes	8/23/2011	3/5/2014
	DCEO (ComEd Territory)	2010-2011	54,130 MWh	No	8/23/2011	3/5/2014

Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
13-0078	ComEd	2011-2012	944,111 MWh	Yes	1/24/2013	1/20/2016
13-0078	DCEO (ComEd Territory)	2011-2012	107,640 MWh	No	1/24/2013	1/20/2016
14-0075	ComEd	2012-2013	942,061 MWh	Yes	1/23/2014	2/23/2017
14-0075	DCEO (ComEd Territory)	2012-2013	98,944 MWh	No	1/23/2014	2/23/2017
15-0274	ComEd	2013-2014	977,911 MWh	Yes	4/8/2015	8/15/2017
15-0274	DCEO (ComEd Territory)	2013-2014	86,439 MWh	No	4/8/2015	8/15/2017
20-0486	ComEd	June 2014-Dec. 31, 2017	2,563,468 MWh	Yes	5/28/2020	12/16/2020
15-0297	Nicor	2011-2014	49,218,260 therms	Yes	4/22/2015	9/28/2016
15-0297	DCEO (Nicor Territory)	2011-2014	4,559,873 therms	No	4/22/2015	9/28/2016
20-0407	Nicor	June 2014-Dec. 31, 2017	43,448,921 therms	Yes	4/21/2020	8/12/2020
15-0298	N. Shore	2011-2014	3,895,802 therms	Yes	4/22/2015	9/22/2016
15-0298	DCEO (N. Shore Territory)	2011-2014	676,653 therms	No	4/22/2015	9/22/2016
15-0298	Peoples	2011-2014	21,586,878 therms	Yes	4/22/2015	9/22/2016
15-0298	DCEO (Peoples Territory)	2011-2014	6,405,466 therms	Yes	4/22/2015	9/22/2016
20-0448	N. Shore	June 2014-Dec. 31, 2017	5,441,047 therms	Yes	5/11/2020	11/18/2020
20-0448	Peoples	June 2014-Dec. 31, 2017	28,375,556 therms	Yes	5/11/2020	11/18/2020
19-0684	DCEO (Ameren Territory)	2014-2017	93,147 MWh	No	6/18/2019	9/18/2019
19-0684	DCEO (Ameren Territory)	2014-2017	3,143,320 therms	Yes	6/18/2019	9/18/2019
19-0684	DCEO (ComEd Territory)	2014-2017	287,406 MWh	No	6/18/2019	9/18/2019
19-0684	DCEO (Nicor Territory)	2014-2017	6,185,037 therms	No	6/18/2019	9/18/2019
19-0684	DCEO (N. Shore Territory)	2014-2017	469,266 therms	No	6/18/2019	9/18/2019
19-0684	DCEO (Peoples Territory)	2014-2017	4,529,796 therms	Yes	6/18/2019	9/18/2019

TABLE 3-6
ENERGY EFFICIENCY SAVINGS 2018-2019

Docket	Utility	Compliance Period	CPAS* Achieved	CPAS Goal Achieved?	Annual Achieved Incremental Savings**	AAIG Achieved?	Initiated	Closed
19-0632	Ameren	2018	1,996,596 MWh	Yes	154,490 MWh	Yes	5/31/2019	11/14/2019
19-0580	ComEd	2018	6,418,624 MWh	Yes	1,230,975 MWh	Yes	5/23/2019	11/26/2019
20-0477	Ameren	2019	2,166,595 MWh	Yes	169,999 MWh	No	5/26/2020	12/2/2020
20-0475	ComEd	2019	7,514,026 MWh	Yes	1,095,402 MWh	Yes	5/21/2020	12/2/2020

*CPAS=Cumulative Persisting Annual Savings
**Annual Achieved Incremental Savings is first-year savings that can be counted toward the utility's Applicable Annual Incremental Goal (AAIG), after first making up for savings that have expired.

Table 3-10 below summarizes the amount of money spent on energy efficiency by the utilities in Illinois.

TABLE 3-7
ENERGY EFFICIENCY SPEND (IN THOUSANDS)

Program Year	Ameren	ComEd	Nicor	N. Shore	Peoples	MEC	Statewide Energy Efficiency Spend
6/1/08-5/31/09	$14,120	$34,306	n/a	n/a	n/a	$3,876	$52,302
6/1/09-5/31/10	$31,223	$63,543	n/a	n/a	n/a	$4,875	$99,641
6/1/10-5/31/11	$47,362	$104,350	n/a	n/a	n/a	$5,074	$156,786
6/1/11-5/31/12	$62,553	$141,723	$21,109	$1,274	$7,059	$4,768	$238,486
6/1/12-5/31/13	$66,977	$140,952	$41,307	$2,948	$20,482	$4,059	$276,726
6/1/13-5/31/14	$72,488	$185,129	$79,261	$6,051	$28,292	$5,169	$376,389
6/1/14-5/31/15	$94,352	$201,128	$37,692	$4,067	$20,818	$9,196	$367,253
6/1/15-5/31/16	$87,589	$218,099	$29,699	$3,847	$19,250	$10,851	$369,334
6/1/16-12/31/17	$154,522	$337,672	$62,894	$6,830	$37,362	$18,053	$617,334
2018	$119,197	$352,988	$29,053	$4,035	$24,625	$9,393	$539,291
2019	$111,103	$351,382	$41,137	$3,956	$26,621	$6,157	$547,264
2020*	$114,266	$351,334	$40,139	$4,141	$27,493	$5,332	$542,705
2021*	$114,422	$351,334	$40,139	$4,141	$27,493	$5,386	$542,914

Sources: Utility Quarterly Reports filed in ICC Docket Nos. 17-0309, 17-0310, 17-0311, and 17-0312. Orders filed in Docket Nos. 10-0682, 12-0404, 15-0140, 15-0141, 16-0031, 16-0032, 17-0020, and 18-0181. Plan documents and annual reports filed in Docket Nos. 13-0423/13-0424 and 19-0734.

Notes: These costs relate to the statutory energy efficiency programs offered pursuant to Sections 8-103, 8-103B, 8-104, 16-111.5B, and 8-408 of the Illinois Public Utilities Act, and on bill financing administrative costs. These costs shown here are those recovered through the energy efficiency riders; there may be other energy efficiency costs that are not recovered through the energy efficiency riders and those costs are not included here. These costs include those spent by the IL Department of Commerce and Economic Opportunity.
*Plan budgets.

Section 4 | Availability of Utility Services

(4) A discussion of utility services available to Illinois customers of investor-owned public utilities during 2020 including:

(a) addressing the challenges of COVID-19; and

(b) existing programs designed to promote and preserve the availability and affordability of utility services.

(a) In the third week of March 2020, as the initial surge of COVID-19 infections was spreading across Illinois, the Commission issued an Emergency Order to halt service disconnections and late payment fees. In June, the Commission formalized the moratorium on disconnections and late payments through two stipulated agreements negotiated by consumer advocates, utility companies, and ICC Staff.

Importantly, these agreements established more lenient credit and collection practices for struggling Illinois consumers, required the utilities to reconnect customers previously disconnected, included reconnection fee waivers, and put into place bill payment assistance programs for those eligible for the Low Income Home Energy Assistance Program (LIHEAP) or who self-report to the utility financial hardship due to COVID-19.

To assist the Commission in understanding the effects of COVID-19 on utility customers, monthly data reporting requirements were established. Additionally, the stipulations provided a cost recovery mechanism for the utility companies.

As the pandemic surged in the fall of 2020, the Commission secured voluntary commitments from many regulated utilities to refrain from disconnecting residential customers through March 31, 2021. While this protects vulnerable populations, it also means that some utility customers will have paid little or nothing since December 2019 by the time the current "winter moratorium" period ends on April 1, 2021.

Separately, in March, the Commission initiated a deeper exploration of utility affordability in its first Notice of Inquiry (NOI) of 2020. The NOI seeks comments from interested parties on reporting of data, rate structures, collection practices, safety, energy efficiency, renewable energy, access to assistance programs, and retail competition. Initial comments and replies have been received and are currently being reviewed.

(b) 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.

1. Temperature-based Termination of Service

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.

2. Disconnection of Service to Military Personnel on Active Duty

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

3. Disconnection of Service to 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.

4. Disconnection of Service to 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 disconnect electric service to a residential space heating customer for non-payment.

5. 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.

6. 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.

7. Deferred Payment Arrangement

This arrangement 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. 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.

8. 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 LIHEAP administered by DCEO.

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.

9. Financial Assistance

ICC-regulated electric and natural gas utilities participate in the LIHEAP, administered by DCEO. Subject to the availability of funds, LIHEAP provides a one-time per year grant to eligible low-income customers and reconnection assistance.

The Percentage of Income Payment Plan (PIPP) was implemented effective September 2011 and became available for LIHEAP eligible households who are customers of the following utilities: Ameren Illinois, ComEd, Nicor Gas and Peoples Gas/North Shore Gas. Under PIPP, a customer pays a percentage of income and 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.

(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.

A. The Financial Impact of Uncollectible Expenses

Uncollectible expenses 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.

P.A. 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, Liberty Gas and Nicor Gas have tariffs on file with the Commission to enact the uncollectible automatic adjustment clauses.

In addition, water and sewer utilities Aqua, IAWC, and USI each filed tariffs pursuant to Section 9-220.2 of the PUA, to implement temporally, limited water and wastewater riders to recover incremental bad debt expense that fluctuates for reasons beyond the Company's control or are difficult to predict given the COVID-19 public health emergency.[10] The riders have an effective period of 24-months, with the applicable measurement periods ending February 2021 and February 2022.

B. Consumer Education Activities

1. 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 PUA requires the ICC 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" website, 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 ComEd customers, a listing of RES offers for comparison and a list of municipalities pursuing aggregation programs.

2. 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 (AGS) offering service to these customers must be certified by the ICC. In accordance with Section 19-125 of the PUA, 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 AGS, comparisons of the prices and terms of products offered by alternative suppliers and procedures for consumers to address complaints.

[10] Pursuant to PUA Section 9-220.2, the Commission may authorize a water or sewer utility to file a surcharge which adjusts rates and charges to provide for recovery of certain costs, including but not limited to costs which fluctuate for reasons beyond the utility's control or are difficult to predict.

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.

A. Commission Reorganization

During 2020, there were no organizational changes resulting from statutory responsibilities. Various changes made since the passage of the new PUA 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.

B. Construction Audits

1. 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 (CPCN) for the construction of a new electric generating facility, is authorized 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 establishes the Commission's authority to engage independent consultants to perform these audits. If engaged, the cost will be borne initially by the utility, but shall be recoverable as an expense through normal ratemaking procedures.

2. Commission Responsibilities

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 of each certificate of necessity issued for the construction of a new electric generating facility at least every three years.

3. Section 8-407 (b) Activities

No actions were taken during 2020.

4. Section 9-213 Activities

No actions were taken during 2020.

C. Management Audits

1. Statutory Requirements

Under Section 8-102 of the PUA, the Commission is authorized to conduct management audits of public utilities. The Commission may choose to conduct the audits with its own staff or contract with independent consultants. The Commission may initiate an audit only when it has reasonable grounds to believe an audit is necessary or likely to be 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.

2. 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."

3. Section 8-102 Activities

In Docket Nos. 12-0511/0512 (Cons.), the Commission adopted a two-phase investigation of Peoples Gas Light and Coke Company's System Modernization Program (SMP, formally known as the AMRP). 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 SMP planning and execution. Specifically, Liberty investigated Peoples Gas' management, control, and oversight of the SMP and how these key obligations affect costs and schedule. Phase 2 involved 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 SMP. The second phase of the investigation ended in May 2017. The Second Phase also required Liberty to provide quarterly reports. The Commission received the eighth and final quarterly Second Phase report in December of 2017.

The Commission initiated Docket No. 16-0376 to investigate the cost, scope, schedule and other issues related to the Peoples Gas' SMP and establish program policies and practices pursuant to Section 8-501. The Commission entered an Order in Docket No. 16-0376 on January 10, 2018. This Order provides for the hiring of two consultants pursuant to Section 8-102 of the Public Utilities Act; the first would assist the Commission in reviewing SMP costs contained in QIP reconciliation proceedings, the second would assist the Commission to oversee Peoples' management of the SMP. The Executive Director, on October 17, 2019, signed a contract to engage Liberty Consulting to assist the Commission in reviewing SMP costs contained in QIP reconciliation proceedings. The RFPs associated with hiring the consultants to oversee Peoples' management of the SMP is still in the review process.

The Commission's Order in Docket No. 16-0376 also required Staff to provide the Commission with a report on Peoples Gas' engineering review of its cast and ductile iron system and its replacement. As a result of this report, the Commission initiated Docket No. 18-1092 that required Peoples Gas to work jointly with Commission Staff to prepare an RFP for a consultant to prepare an engineering study whose review would include an assessment of current status of Peoples Gas' cast and ductile system, potential failure methods of the system, and the timing for the system replacement. Peoples, pursuant to direction in the Commission's Order, hired Kiefner & Associates consulting to perform an updated engineering study, which was summarized in a report filed with the Commission on January 31, 2020. The Commission reopened Docket No. 18-1092 on March 18, 2020 for the purposes of considering the recommendations of the Final Kiefner & Associates Report. On September 23, 2020 the Commission issued an order requiring, among other things, Peoples Gas to continue and expand reporting of SMP information and to provide the Commission updates on amendments made to its SMP processes and procedures.

D. 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, any such findings of excess capacity and adjustment of rates for generating units whose construction started prior to the effective date of the current Act, will be subject to the law in effect prior to 1986.

No actions were taken during 2020.

E. 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. No new power plants were placed into service by public utilities in Illinois during 2020.

No actions were taken during 2020.

F. Cost-Based Rates

The PUA considers cost-based rates an important component of equity for ratepayers. Specifically, the Act 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)]. Equity is the fair treatment of public utility consumers and investors. Under the PUA, the Commission can consider other factors besides cost to determine whether rates are just and reasonable [Section 1-102(d)(iv)]. 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 toward the establishment of cost-based rates in utility rate cases that were handled in 2020. The following is a list of the gas and electric rate cases handled by the Commission in 2020 (See Section 2 for list of water and sewer rate cases handled in this period).

1. Gas

In February 2020, Ameren Illinois Company d/b/a Ameren Illinois filed a gas rate case (Docket No. 20-0308). The Commission entered a final order on January 13, 2021.

In October 2020, North Shore Gas Company filed a gas rate case (Docket No. 20-0810). The Commission will enter an order in this docket in 2021.

In November 2020, Consumers Gas Company filed a gas rate case (Docket NO. 20-0851). The Commission will enter an order in this docket in 2021.

2. Electricity

Sec. 16-108.5 Electric Formula Rate Cases & Reconciliations

The PUA was amended in 2011. P.A. 97-0616 included a new provision under Sec. 16-108.5 that enables participating electric utilities to file performance-based formula rates and provide annual updates and reconciliations of those rates.

In April 2020, ComEd filed its formula rate tariff (Docket No. 20-0393) for its distribution delivery services. The Commission entered an order on December 9, 2020.

In April 2020, Ameren Illinois filed its formula rate tariff (Docket No. 20-0381) for its distribution delivery services. The Commission entered an order on December 9, 2020.

In August of 2020, Ameren Illinois filed tariffs including rates applicable for optional electric vehicle charging program (Docket No. 20-0710). The Commission will enter an order in this docket in 2021.

G. Mergers

There were no requests for merger approval during 2020.

H. Asset Transfers or Sales

In August 2020, The Peoples Gas Light and Coke Company filed a request seeking approval of the sale of certain real estate located in the City of Chicago to R.L.R Investments (Docket No. 20-0628). The Commission entered an order in this docket in January 2021.

I. Informational Filings

There were no informational notices filed with the Commission during 2020.

J. Decommissioning

During 2020, 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 (Docket No. 00-0361).

(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 2020 and were applied throughout the year. Closed meetings were transcribed verbatim as required by Section 10-102 of the PUA.

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 2020, decided appeals which were pending further action as of December 31, 2019, or appeals upon which judicial decisions were received in 2019. Also included in this section are judicial reviews of Illinois Commerce Commission decisions arising under 47 U.S.C. § 252(e)(6) involving telecommunication carriers. Excluded from this section are appeals involving motor carriers, rail carriers, or other regulated transportation and all other 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*.

A. Appeals Involving Public Utilities Filed in 2020 that are Still Pending Without Decision

1. Under the Public Utilities Act, 220 ILCS 5/101, *et seq.*

1) *People of the State of Illinois ex rel. Kwame Raoul, Attorney General v. Illinois Commerce Commission, Commonwealth Edison. Co., et al.*
Appellate Court No. 1-20-0366
ICC Docket No. 19-0387

Nature of the Appeal: An appeal from the Commission's order approving Commonwealth Edison Company's ("ComEd") delivery services rates for 2020 in its formula rate update ("FRU") proceeding filed pursuant to 220 ILCS 5/16-108.5(d).

Issues: (1) ComEd's inclusion of three projects associated with a local microgrid in its estimated rate base for rate year 2020. Each year, the formula rate law requires ComEd to file with the Commission updated cost inputs based on final historical data reflected in the utility's most recently filed annual FERC Form 1, plus projected plant additions and updated depreciation and expenses corresponding to those expected additions. ComEd's filing projected that these three plant additions would be placed in service in 2019. However, during the Section 16-108.5 proceeding, ComEd acknowledged that upon further review the additions would not be placed in service until 2020. The Commission found that because ComEd properly included the plant additions in its forecast of expected plant additions for 2019, the costs for the plant additions were properly included in its rate base for rate year 2020. (2) The amortization period of Excess Deferred Income Taxes ("EDIT"). In 2017 and 2018, federal and state income taxes applicable to ComEd changed. Illinois' tax increased and the federal tax decreased. ComEd properly reflected these tax changes in its revenue requirement but there was a dispute about the proper amortization period to be applied to the EDIT regarding the federal tax change. In 2018, the Commission addressed the same issue in Docket 18-0808 and found the appropriate amortization ("EDIT-ARAM") period to be 39.5 years. The People and other parties asserted a much shorter period, i.e. 5 years is appropriate.

Status: The parties are currently briefing the issues.

2) *People of the State of Illinois ex rel. Kwame Raoul, Attorney General v. Illinois Commerce Commission, Ameren Illinois Co., et al.*
Appellate Court No. 4-20-0105
ICC Docket No. 19-0436

Nature of the Appeal: An appeal from the Commission's order approving granting Ameren Illinois Company's ("AIC") delivery services rates for 2020 in its formula rate update ("FRU") proceeding filed pursuant to 220 ILCS 5/16-108.5(d).

Issues: (1) The amortization period of Excess Deferred Income Taxes ("EDIT"). The federal Tax Cuts and Jobs Act of 2017 reduced the AIC's corporate income tax rate from 35% to 21% resulting in EDIT. The parties disputed the proper amortization period to be applied to the EDIT. AIC asserted 35 years was the appropriate amortization period, the People advocated for a 5-year period and the Citizens Utility Board argued a 7-year period was appropriate. The Commission determined consistent with its past precedent; a 35-year amortization period was appropriate. (2) CWIP-Related ADIT (Construction-Work-In-Progress related to Accumulated Deferred Income Tax). The Attorney General asserts CWIP-Related ADIT should be included in AIC's rate base deduction. the Commission determined that CWIP-Related ADIT should not be included in AIC's rate base consistent with its prior decision in Docket No. 14-0317.

Status: The parties are currently briefing these issues.

3) *LifeEnergy, LLC vs. Illinois Commerce Commission, et al.*
Appellate No. 02-20-0411
ICC Docket No. 18-1540

Nature of the Appeal: An appeal from the Commission's order directing LifeEnergy, LLC, an alternative retail energy supplier, to issue refunds to customers and imposing a monetary penalty for violations of 83 Ill. Adm. Code § 412.

Issue: whether the Commission possessed the authority to impose a financial penalty of $1 million against LifeEnergy for its noncompliance with Part 412.

Status: The parties are currently briefing these issues.

4) *Steve Yun vs. Illinois Commerce Commission and Illinois-American Water Company*
Illinois Appellate Court No. 03-21-0004
ICC Docket No. 18-1040

Nature of the Appeal: An appeal of an order granting in part, and denying part, a consumer's complaint that Illinois-American Water Company overcharged him pursuant to 220 ILCS 5/9-252

Issue on Appeal: Whether the statute of limitations, 220 ILCS 5/9-252 barred the consumer's additional claims.

Status: Awaiting the filing of Record and the establishment of a briefing schedule.

5) *The City of Mascoutah v. Illinois Commerce Commission, et al.*
Appellate No. 05-20-0386
Circuit Court Nos. 20 MR 0268 and 20 MR 0305
ICC Docket No. 18-1624

Nature of the Appeal: An appeal from a Commission order denying the City's request for extraterritorial eminent domain authority pursuant to the Municipal Code 65 ILCS 5/11-117-1.

Issues on Appeal: The City's request of the Commission was one of first impression and parties disputed what standards governed the Commission application of Section 11-117-1(2). The Commission found the standards in section 11-117-1(2) ambiguous, and, inter alia, looked at the section's legislative history. Based on the legislative history, the Commission determined that Sections 5/8-406, 406.1 and 5/8-509 of the Public Utilities Act ("PUA"), which govern utilities' requests for eminent domain authority, also applied to the City's request. The Commission found that the City failed to meet these standards and denied the its petition.

The City challenges the Commission's application of the PUA to its request. Because there is a dispute as to the applicability, there is also a question regarding the jurisdiction of the Appellate Court. If the Appellate Court finds the Commission properly applied the PUA to the City's petition for extraterritorial eminent domain authority, then PUA Section 10-201 will govern the appeal and the Appellate Court will have jurisdiction. Alternatively, should the Appellate Court determine that the PUA does not apply to the City's petition, Section 10-201 will not apply and the Appellate Court will not have jurisdiction. The City filed a motion and requested the Appellate Court to rule on this issue in advance of briefing. The Appellate Court deferred its ruling and held it would rule on the jurisdictional issues with the case.

Due to the questions regarding the Appellate Court's jurisdiction, the City also filed complaints for Administrative Review in Circuit Court. The Illinois Attorney General is representing the Commission in the Circuit Court proceedings.

Status: The parties are currently briefing all issues.

6) *George Hirmiz v. Illinois Commerce Commission and The Peoples Gas, Light and Coke Company*
Appellate No. 01-20-0870
ICC Docket No. 19-0914

Nature of the Appeal: An appeal from the Commission's order denying a consumer's billing complaint.

Issue on Appeal: The Commission determined that the customer had been overbilled and that the utility had corrected any overbilling. On appeal, the customer contends he established additional amounts that were incorrectly billed.

Status: The parties are currently briefing all issues.

2. Under Other Utility-Related Acts

None.

B. Appeals Dismissed In 2020 Without Decision on the Merits and with No Further Action Expected

1. Under the Public Utilities Act, 220 ILCS 5/101, *et seq.*

1) *Stephon Jamison v Illinois Commerce Commission and The Peoples Gas Light and Coke Company*
Appellate No. 01-19-2445
ICC Docket No. 18-1641

Nature of the Appeal: An appeal from the Commission's order denying a customer's gas service billing complaint.

Basis for Dismissal: The Commission moved to dismiss the appeal due to the appellant's failure to file his opening brief. The Appellate Court granted the motion to dismiss on March 4, 2020 and issued the mandate on June 30, 2020.

2) *John Frank v. Illinois Commerce Commission*
Appellate No. 02-20-0550
ICC Docket No. 19-0808

Nature of the Appeal: An appeal from the Commission's order denying a customer's gas service billing complaint.

Basis for Dismissal: The Commission moved to dismiss the appeal due to a lack of jurisdiction resulting from the consumer's untimely petition for rehearing filed with the Commission. The Appellate Court granted the motion to dismiss on November 6, 2020 and issued the mandate. On December 3, 2020, the Court denied Frank's petition for rehearing.

2. Under Other Utility-Related Acts

None.

C. Appeals Decided In 2020 but Petitions for Rehearing or Petitions for Leave to Appeal to the Illinois Supreme Court or to the United States Supreme Court Remained Pending at the Time of the 2019 Annual Report

1. Under the Public Utilities Act, 220 ILCS 5/101 *et seq.*

None.

2. Under Other Utility-Related Acts

None.

D. Appeals Decided by Opinion of the Court or by an Order Issued Under Supreme Court Rule 23 in 2020. (A rule 23 order decides a case on its merits but has limited effect as precedent in other cases.)

1. Under the Public Utilities Act, 220 ILCS 5/101 *et seq.*

None.

2. Under Other Utility-Related Acts

None.

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.

A. Section 4-305: Emission Allowance Reports

Section 4-305 of the PUA was repealed by Public Act 100-840, effective August 13, 2018. No actions were taken in 2020, and no further actions are anticipated.

B. Section 8-304: Estimated Billing Practices

This section, added September 19, 1985, required the Commission to perform a comprehensive study 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 actions were taken in 2020, and no further actions are anticipated.

C. 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 PUA as part of P.A. 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. No actions were taken in 2020 and no further actions are anticipated.

D. Section 9-242: Promotional Rates for Encouraging Consumption

Section 9-242 was repealed by Public Act 100-840, effective August 13, 2018. No actions were taken in 2020, and no further actions are anticipated.

E. Section 9-244: Alternative Rate Regulation

Section 9-244(d) allows the Commission upon its own motion or complaint to open an investigation into whether a utility is implementing an approved alternative rate regulation in accordance with the Commission order approving the program. No company was subject to an alternative rate regulation program in 2020 and no action was taken.

F. Section 13-301: Universal Service Support

Section 13-401 requires the Commission to investigate the necessity of and, if appropriate, establish a universal service support fund to provide support to certain providers of telephone services in high-cost areas. The Commission initially established a fund pursuant to Section 13-301 through several orders in Docket Nos. 00-0233/00-0335 (consolidated). Over time, the Commission has ordered several updates to the fund, including the most recent update ordered in Docket No. 16-0378 in April 2017. Implementation of the fund continued in 2020 pursuant to the Commission's April 2017 order.

G. Section 8-103: Electric Energy Efficiency and Demand Response Program Spending Limits

Section 8-103 of the 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.

The report was sent to the General Assembly on June 29, 2011. It is available on the Commission's website in the Reports section: www.icc.illinois.gov/reports. No actions were taken in 2020 and no further activities are anticipated.

H. 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 RPS pertaining to electric utilities whom on December 31, 2005, provided electric service to at least 100,000 customers in Illinois and electric utilities for which the IPA procures power and energy. 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) required the Commission to 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.

The report was sent to the General Assembly on June 29, 2011. It is available on the Commission's website in the Reports Section: www.icc.illinois.gov/reports. No actions were taken in 2020 and no further activities are anticipated.

I. Illinois House Resolution 1146: Potential Nuclear Plant Closing in Illinois

Illinois House Resolution 1146 adopted on May 29, 2014 requested the Illinois Commerce Commission, the Illinois Power Agency, the Illinois Environmental Protection Agency and the Illinois Department of Commerce and Economic Opportunity to prepare reports addressing issues related to the premature closure of nuclear power plants.

The report was sent to the General Assembly in January 5, 2015. It is available on the Commission's website at www.icc.illinois.gov/programs/Potential%20Nuclear%20Plant%20Closing%20in%20Illinois. No actions were taken in 2020 and no further actions are anticipated.

J. Illinois Power Agency Act, Section 1-75(d): Clean Coal Resources Procurement Spending Limits

Subsection (d) of Section 1-75 of the IPAA sets forth a Clean Coal Portfolio Standard pertaining to electric utilities in Illinois. The statute also provides for a limitation on the amount of clean coal resources purchased through sourcing agreements, 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(d) required the Commission to review the limitation on the amount of clean coal resources procured pursuant to this subsection (d) and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of cost-effective clean coal resources.

The report was sent to the General Assembly in June 2015. It is available on the Commission's website in the Reports Section: www.icc.illinois.gov/reports. No actions were taken in 2020 and no further actions are anticipated.

K. Sections 16-11.7 and 19-140: On-Bill Financing Programs

Public Act 96-0033, which took effect July 10, 2009, added Sections 16-111.7 and 19-140 to the PUA. These new sections require, respectively, electric utilities or gas utilities serving more than 100,000 customers on January 1, 2009 to provide on-bill financing ("OBF") programs. The OBF programs allow utility customers to purchase cost-effective energy efficiency measures with no required initial upfront payment, and to pay the cost of those products and services over time on their utility bill. Included in each OBF Section of the PUA is a requirement that an independent evaluation of utilities' OBF programs be conducted after three years of program initiation and completed to evaluate the effects of the measures implemented pursuant to the program and the overall operation of the program. The OBF Sections further directed the Illinois Commerce Commission to submit a report to the Governor and General Assembly summarizing the results of the information contained in the evaluation as well as recommending whether to continue the program in its current form, continue the program with modification, or discontinue the program.

The report was sent to the General Assembly in October 2016. It is available on the Commission's website in the Reports Section: www.icc.illinois.gov/reports. No actions were taken in 2020 and no further actions are anticipated.

L. Section 8-104: Coordination of Natural Gas and Electric Energy Efficiency Programs

Subsection (k) of Section 8-104 of the Public Utilities Act required the Illinois Commerce Commission to develop and solicit public comment on a plan to foster statewide coordination and consistency between statutorily mandated natural gas and electric energy efficiency ("EE") programs to reduce program or participant costs or to improve program performance and to issue a report to the General Assembly containing its findings and recommendations.

The report was sent to the General Assembly on August 30, 2013. It is available on the Commission's website in the Reports Section: www.icc.illinois.gov/reports. No actions were taken in 2020 and no further actions are anticipated.

M. Section 16-108.5: Infrastructure Program and Performance-Based Formula Rate

The Energy Infrastructure Modernization Act ("EIMA") consisted of changes and additions made to the Public Utilities Act through Public Act ("PA") 97-616 and through several subsequent updates. EIMA provided a framework whereby a participating utility could elect to recover its delivery services costs through a performance-based formula rate if it also committed to undertake specified infrastructure investment and customer assistance programs. Section 16-108.5(h) of the Public Utilities Act directed the Illinois Commerce Commission to prepare and file with the General Assembly a report on EIMA implementation and, in particular, the change in the average amount per kilowatt-hour paid by residential customers between June 1, 2011 and May 31, 2017.

The report was sent to the General Assembly on December 14, 2017. It is available on the Commission's website in the Reports Section: www.icc.illinois.gov/reports. No actions were taken in 2020 and no further actions are anticipated.

N. Illinois Power Agency Act, Section 1-75(d-5): Zero Emission Credit Procurement Spending Limits

Subsection (d-5) of Section 1-75 of the IPAA sets forth a Zero Emission Standard pertaining to electric utilities whom on June 1, 2017, provided electric service to at least 100,000 customers in Illinois and electric utilities for which the IPA procures power and energy. The statute also provides for a limitation on the amount of zero emission credits 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(d-5) required the Commission to review the limitation on the amount of zero emission credits procured pursuant to this subsection (d-5) and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of cost-effective zero emission credits.

The report was sent to the General Assembly in August 2019. It is available on the Commission's website in the Reports Section: www.icc.illinois.gov/reports. No further actions are anticipated.

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

A. Commission Policy and Actions in FERC Proceedings

The 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, wholesale power sales and natural gas pipeline transportation are just and reasonable for Illinois energy consumers.

B. 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.

Since 2005, the ability of producers to extract natural gas from shale and tight formations have driven prices down, spurring growth in consumption and net exports of natural gas. The Energy Information Administration estimates that domestic natural gas production will grow at over five percent annually through 2021 and then slow to an annual growth rate of one percent through 2050. The increased expansion of shale gas production continues to place downward pressure on natural gas prices in virtually every region of the United States. The abundance of low-cost natural gas, the increased need to back-up renewable energy resources and the retirement of non-gas fired generators has contributed to the increasing shift to natural gas-fired electricity generation. Notably, there are roughly 9.3 GWs of natural gas capacity additions planned for 2020. A significant portion of this new generation capacity is planned in natural gas producing regions such as Pennsylvania, Texas and Louisiana. All told, in 2019, natural gas accounted for roughly 40 percent of the total U.S. electricity generation.

The shift from coal to renewable and natural gas-fired generation has resulted in an increasing interdependence of natural gas pipelines and electricity markets. The FERC has recognized the challenges to the reliable and efficient operation of both systems that this interdependence represents, and has initiated numerous proceedings intended to improve the coordination between the natural gas and electricity industries, with particular emphasis on ensuring that any outages and/or reliability problems are not due to a lack of coordination between the electricity and gas industries.

As one would expect, the increase in natural gas production and changes to traditional supply sources have led to expansions and upgrades to existing pipeline capacity. The FERC has recognized this trend and implemented policies that allow interstate natural gas pipelines 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. In recent years, the FERC has approved numerous pipeline expansion projects, including projects by Panhandle Eastern, ANR and Trunkline Gas Company that will increase capacity ratings by over 1,700 million cubic feet per day. These expansions should increase the ability of the pipelines to transport natural gas into/through Illinois.

C. 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 were 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 RTOs 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 No. 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 addressing lingering deficiencies with respect to transmission planning processes and cost allocation methods.

In 2020, the FERC continued its focus on addressing numerous issues relevant to Illinois, including: (1) the interdependence of natural gas pipelines and electricity markets; (2) addressing seams issues between PJM, MISO and neighboring RTOs; (3) the production and deliverability of wind and solar energy in the Midwest, Eastern and Southern United States; and (4) improving the integration of smart grid technologies and demand response in electricity markets. The FERC has also continued its focus on addressing issues regarding price formation in the energy and ancillary services markets operated by RTOs/ISOs and the reliability of the bulk power system.

As it has been since their inception, seams issues between PJM and MISO continue to be a concern. The two RTOs continue to discuss how to best address inter-RTO market and planning-related items such as cross-border transmission planning and cost allocation, pseudo-tied generators and the deliverability of capacity across the seam, coordination of generator interconnection, market settlement process and interface pricing. However, given the complexity and volume of the issues related to RTO seams, it is likely that the FERC, the RTOs and their members will continue to address these issues well into the future.

In 2020, consumption of renewable energy in the U.S. grew for the fourth year in a row, reaching a record 11 percent of total U.S. energy consumption. Accordingly, the production and transmission of renewable energy continues to be a major topic of emphasis for the FERC. Renewable energy resources have the potential to be a cost-effective means of reducing greenhouse gas emissions and increasing the diversity of generating unit types. While the ICC generally supports the integration of renewable energy resources into established wholesale electricity markets, renewables can require the construction of high voltage transmission facilities to move renewable energy from production areas to consumers generally east of Illinois. Some high voltage projects are also constructed for the purpose of addressing transmission constraints in the South/East and some east coast states are launching offshore wind projects. The manner in which the FERC allocates the costs of these regional transmission projects continue to present concerns for Illinois and there is a strong possibility that the FERC will continue to address these cost allocation issues in the coming years.

In 2020, the FERC issued Order 2222, that is intended to allow distributed energy resources ("DERs") to participate in the organized markets for electric energy, capacity and ancillary services operated by RTOs. DERs such as electric storage resources, distributed generation, demand response, energy efficiency, thermal storage and electric vehicles would be aggregated into a larger, single resource that would compete with more conventional resources in the RTO markets. DER aggregations have the potential to be financed and deployed quickly to meet existing or emerging opportunities, as well as create more value for existing DERs, such as consumer-located batteries, rooftop solar arrays, electric vehicles and other emerging technologies. Order 2222 has the potential to create jurisdictional issues between states and FERC, as the order requires most distribution utilities to allow DERs on their systems to participate in wholesale markets through DER aggregations. Fully realizing the promise of Order No. 2222 will require coordination between FERC, PUCs, RTOs and distribution utilities. To that end, FERC is requiring RTOs to adopt rules setting forth a process for distribution utility review of DERs, operational coordination, data sharing, etc.

The FERC continues to evaluate issues regarding price formation in the energy and ancillary services markets operated by RTOs/ISOs. These potential issues include offer-price mitigation and price caps, scarcity and shortage pricing and the use of uplift payments, all of which impact the ability of an RTO to send proper signals to market participants regarding the cost of serving load and minimizing the need to recover costs through out-of-market uplift payments. Price formation is critical to Illinois because Illinois' retail market relies on a competitive wholesale market to discipline electricity prices.

The use of capacity markets to ensure resource adequacy continue to be an issue for RTOs and their members. In the case of PJM, the FERC's tortured initiative to address alleged price suppression of clearing prices in PJM capacity auctions by out-of-PJM-market revenues paid to generation resources through state policy initiatives continued throughout the past year. Through multiple orders from the FERC and numerous compliance filings by PJM, the Commission largely upheld its expansion of PJM's minimum offer price rule ("MOPR") for all resources receiving state subsidies and auction rule revisions proposed by PJM. Notably, the FERC determined that competitive state-directed default service is exempt from the MOPR. This FERC proceeding has forced PJM to both delay/cancel some capacity auctions and reschedule others, and pushed states with ambitious clean energy goals to consider alternatives to PJM's capacity market. This proceeding will likely have a significant impact on Illinois' policies regarding renewable and nuclear generation resources. Accordingly, the ICC has been an active participant in this proceeding.

With respect to MISO, the design of the capacity market fails to provide the efficient, long-term investment signals necessary to ensure resource adequacy within the Illinois zone. This is primarily because MISO's capacity auction uses a vertical demand curve and a prompt delivery year design, which is suitable for traditional vertically integrated states that practice integrated resource planning, but presents a challenge for states such as Illinois, where generators are not under the jurisdiction of a regulatory agency like the ICC. Without proper investment signals, MISO's capacity market can hinder long-term contracting and investment by making it extremely difficult for potential investors to forecast the capacity market revenues, which undermines the effectiveness of the capacity market in maintaining adequate resources. Notably, MISO has acknowledged that its capacity construct presents concerns for retail access states and generation resources in southern Illinois have cited MISO's perennially low capacity auction clearing prices as a key reason behind retirement decisions. While the Illinois zone currently has sufficient capacity to meet its resource adequacy obligations, the shortcomings of MISO's capacity auction design could potentially become an issue for Illinois in the future. 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 PUA 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 the 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 because 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 102nd 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

A. CASE SUMMARIES FOR 2020 ANNUAL REPORT

1. Electric

18-1624 **City of Mascoutah, an Illinois Municipal Corporation**

Petition for authority to exercise the right of eminent domain pursuant to 65 ILCS 5/11-117-1 of the Illinois Municipal Code.

On October 16, 2018, the City of Mascoutah ("Mascoutah" or "the City") filed a Petition with the Commission seeking a grant of eminent domain authority pursuant to Section 11-117-1 of the Illinois Municipal Code, 65 ILCS 5/11-117-1, to enable the City to acquire easements across two parcels of land for construction of a new 138 kilovolt ("kV") transmission line.

On September 23, 2020, the Commission entered a final Order denying the Petition. The Order finds that Sections 8-406(b)(1) and 8-406.1(f)(1) of the Act provide the Commission with a framework to evaluate the need for additional electric transmission lines proposed by public utilities. These provisions require a utility to demonstrate that the proposed project is necessary to provide adequate, reliable, and efficient service to the utility's customers and is the least-cost means of satisfying the service needs of the public utility's customers. The Order finds that a municipal utility such as Mascoutah must satisfy the same provisions as stated above. The Order adopted Staff's position that the City should not be granted eminent domain authority because Staff determined that an alternate route could be used for Mascoutah's proposed electric line eliminating the need for the use of eminent domain authority.

19-0673 **Dakota Access, LLC and Energy Transfer Crude Oil Company, LLC**

Joint Petition for an Order under Section 8-503 of the Public Utilities Act for authority to install additional pumping stations and pumping facilities on existing certificated pipelines in the State of Illinois.

On June 14, 2019, Dakota Access, LLC ("Dakota Access"), and Energy Transfer Crude Oil Company, LLC ("ETCO") (collectively "Joint Petitioners"), filed a Joint Petition with the Commission for an order or orders pursuant to Section 8-503 of the Public Utilities Act ("Act"), 220 ILCS 5/8-503, authorizing Dakota Access and ETCO to install additional pumping station facilities on their existing certificated common carrier pipelines in Illinois.

On October 14, 2020, the Commission entered an Order granting the Joint Petition. The final Order granted the Joint Petitioners' request pursuant to Section 8-503 of the Act, to authorize them to install additional pumping stations on their existing common carrier pipelines in Illinois to increase the flow of oil through the pipelines. The Order found that based on the record, Joint Petitioners established that this project is reasonable and necessary and will be beneficial for, and a convenience to, the public in accordance with Section 8-503 of the Act.

19-0995 Illinois Power Agency

Petition for Approval of the IPA's Revised Long-Term Renewable Resources Procurement Plan Pursuant to Section 16-111.5(b)(5)(ii) of the Public Utilities Act.

On October 21, 2019, the Illinois Power Agency ("IPA") filed for Commission approval of its LongTerm Renewable Resources Procurement Plan ("LTRRPP"). The LTRRPP covers the IPA's proposals for procurements and programs for 2020 and 2021.

The Commission approved a revised version of the LTRRPP on February 18, 2020. The Order noted that absent legislative changes, renewable portfolio standard budget limitations will constrain the ability of the IPA conduct additional procurements or expand program capacity.

19-1121 Commonwealth Edison Company

Proposed Revisions to Rider Parallel Operation of Retail Customer Generating Facilities Community Supply. (tariff filed November 20, 2019)

On November 12, 2019, Commonwealth Edison Company ("ComEd") filed with the Commission proposed revisions to Rider Parallel Operation of Retail Customer Generating Facilities Community Supply. The proposed revisions would have offered the following services to community solar providers: 1) Enrollment Inquiry Facilitation Service; 2) Billing and Remittance Service; and 3) Project Administration Service. On September 23, 2020 the Commission entered an Order denying ComEd's proposed revisions. The Order found that ComEd had not provided adequate support for the proposed revisions and recommended that ComEd continue to work with interested stakeholders to develop a better proposal.

20-0061 Borrego Solar Systems, Inc.

Application for Certification as Installer of New Utility-Scale Solar Projects under Section 16-128A of the Public Utilities Act.

On January 17, 2020, Borrego Solar Systems, Inc. filed an Application for Certification as an Installer of New Utility-Scale Solar Projects under Section 16-128A of the Act. Staff of the Commission reviewed the Application and recommended its approval.

The Commission approved the Application on May 27, 2020. This was the first Application for Utility-Scale solar approved by the Commission.

20-0264 GridLiance Heartland LLC

Verified Petition for Declaratory Ruling as to the Applicability of Section 3-105 of the Public Utilities Act, Section 8-406 of the Public Utilities Act, and Section 7-201 of the Public Utilities Act.

On March 9, 2020, GridLiance Heartland LLC ("GridLiance") filed a Petition for Declaratory Ruling requesting that the Commission find that Gridliance is not a public utility.

On June 4, 2020, the Commission entered an Order finding that although GridLiance's request seems suited for a declaratory ruling, the procedural history prior to this docket makes a declaratory ruling improper. The Commission noted GridLiance's application in 2018 for a Certificate of Public Convenience and Necessity (Docket No. 18-1617) and the on-going Ameren v. GridLiance Complaint (Docket No. 20-0263) addressing the same question as further reasons for not granting GridLiance's Declaratory Ruling request.

20-0393 Commonwealth Edison Company

Petition to Initiate Annual Formula Rate Update and Revenue Requirement Reconciliation under Section 16-108.5 of the Public Utilities Act.

This docket pertains to Commonwealth Edison Company's ("ComEd") annual rate update and revenue requirement reconciliation under Section 16-108.5 of the Public Utilities Act, 220 ILCS 5/16-108.5. Staff of the Commission, the Illinois Attorney General, Illinois Industrial Energy Consumers and the Citizens Utility Board participated in this docket. On December 9, 2020, the Commission approved a revenue requirement of $$2,679,191,000 for ComEd.

20-0475 Commonwealth Edison Company

Annual energy efficiency formula rate update and revenue requirement reconciliation pursuant to Section 8-103B of the Public Utilities Act.

On December 2, 2020, the Commission entered an Order approving Commonwealth Edison Company's ("ComEd") updated cost inputs for the Rider EE formula rate and the Company's reconciliation and revenue requirement. ComEd achieved 1,095,402 MWh of annual achieved incremental savings in 2019, and 7,514,026 MWh of cumulative persisting annual savings, exceeding its modified cumulative persisting annual savings goal for 2019 of 1,021,810 MWh. ComEd's EE rate base as of December 31, 2021, is $886,717,000 and the rate of return the Company should be allowed on its EE rate base is 6.28%. The reconciliation year contains a 58 basis-point increase through the statutorily prescribed Performance Adjustment. The Commission authorized ComEd to begin reflecting the Energy Efficiency revenue requirement on retail customers' bills beginning with the January 2021 monthly billing period and continuing through the December 2021 monthly billing period. The Commission further found that in the event that the final

Order in Docket No. 20-0393 also reallocates 2020 Marketplace costs to EE, then ComEd shall file a revised compliance filing adjusting the 2019 reconciliation, with interest, to be billed in rates beginning with the January 2021 billing period.

20-0477 Ameren Illinois Company d/b/a Ameren Illinois

Petition for Approval of Annual Update to Cost Inputs for Rider EE – Energy Efficiency and Demand Response Investment pursuant to 220 ILCS 5/8-103B(d).

On December 2, 2020, the Commission entered an Order approving Ameren Illinois Company d/b/a Ameren Illinois' ("Ameren") updated cost inputs for the Rider EE formula rate and the Company's reconciliation and revenue requirement. Ameren achieved 169,999 MWh of annual achieved incremental savings in 2019, and 166,595 MWh of cumulative persisting annual savings, exceeding its modified cumulative persisting annual savings goal for 2019 of 2,159,180 MWh. Ameren's EE rate base as of December 31, 2021, is $251,576,000 and the rate of return the Company should be allowed on its EE rate base is 6.393% with a total revenue effect of return of 8.080%. The reconciliation year contains a 0.00% Annual Performance Modifier. The Commission authorized Ameren to begin reflecting the Energy Efficiency revenue requirement for the January 1, 2021 to December 31, 2021 period of $50,962,000 on retail customers' bills beginning with the January 2021 monthly billing period and continuing through the December 2021 monthly billing period. The Commission further directed Ameren to present its proposed budget plan flexibility to the Stakeholder Advisory Group for further consideration.

20-0717 Illinois Power Agency

Petition for Approval of the 2021 Electricity Procurement Plan Pursuant to 220 ILCS 5/16-111.5(d)(4) of the Public Utilities Act.

On September 28, 2020, the Commission entered an Order approving the Illinois Power Agency's 2021 Power Procurement Plan. The Commission found the 2021 Plan and load forecasts were appropriate and will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability.

20-0738 Illinois Commerce Commission

On Its Own Motion

-vs-

Ameren Illinois Company d/b/a Ameren Illinois

Investigation under Section 10-101 of the Public Utilities Act to determine whether Rider Net Metering requires amendment to comport with Section 16-107.5 of the Public Utilities Act.

On October 8, 2020, the Commission initiated this docket to investigate the interpretation of Section 16-107.5(j) of the Public Utilities Act ("Act") as contained in Ameren Illinois Company d/b/a Ameren Illinois' ("Ameren") Rider Net Metering ("Rider NM"). Section 16-107.5(j) of the Act contains a threshold that signifies when full net metering ends for new residential distributed generation customers.

In an Order dated December 2, 2020, the Commission found that Rider NM incorrectly interpreted the statute because it failed to properly calculate the 5% threshold contained in Section 16-107.5(j) of the Act. The Commission directed Ameren to amend Rider NM to calculate the 5% threshold in a manner that accurately reflects distributed generation penetration.

2. Gas

20-0407 Northern Illinois Gas Company d/b/a Nicor Gas Company

Petition to Initiate Review of Energy Savings and Cost-Effectiveness Results for Energy Efficiency Plan Years 4 through 6 Pursuant of Section 8-104 of the Public Utilities Act.

On August 12, 2020, the Commission entered an Order approving Northern Illinois Gas Company d/b/a Nicor Gas Company's ("Nicor Gas") Energy Efficiency Plan for Plan Years 4-6. Nicor Gas achieved 43,448,921 net therms of energy savings for Plan Years 4-6, exceeding its savings goal by 10,607,923 net therms. Nicor Gas' energy efficiency portfolio achieved a cost-effectiveness ratio of 1.32.

3. Water & Sewer

None.

4. Miscellaneous

17-0855 Illinois Commerce Commission On Its Own Motion

Initiating Proposed Rulemaking Relating to the Regulatory Accounting Treatment of Cloud-Based Solutions.

On December 6, 2017, the Commission initiated this rulemaking to consider amendments to the Commission's rules relating to the regulatory accounting treatment of cloud-based solutions. The proposed rule would be filed in Title 83, Chapter I, Subchapter b of the Illinois Administrative Code as Part 289. The Commission issued a First Notice Order on May 31, 2018 and the proposed Part 289 was published in the Illinois Register on July 6, 2018, initiating the first notice period pursuant to Section 5-40(b) of the Illinois Administrative Procedure Act, 5 ILCS 100/5-40. The Commission later issued a Second Notice Order and Part 289 was submitted to the Joint Committee on Administrative Rules ("JCAR"). JCAR objected to the proposed rulemaking explaining that the rule "ha[d] not yet received sufficient information regarding the economic impact of the rulemaking on affected ratepayers." On June 26, 2019, the Commission issued an Order withdrawing the rulemaking to allow for time to address JCAR's objections. Subsequently, the Commission entered a second First Notice Order on October 10, 2019, initiating another first notice period. On July 15, 2020, the Commission entered an Order finding that the proposed Part 289 should not be adopted and closing the proceeding. The Commission determined that Part 289, as currently written, failed to adequately contemplate and quantify the impacts on the consumers as charted by JCAR's Statement of Objection. The Commission further found that the timing of the rulemaking was not appropriate given the current crisis that Illinois faces during the COVID-19 pandemic.

20-0309 Illinois Commerce Commission On Its Own Motion

In the Matter of Moratorium on Disconnection of Utility Services during the Public Health Emergency Declared on March 9, 2020 pursuant to Sections 4 and 7 of the Illinois Emergency Management Agency Act.

In an Emergency Interim Order entered on March 18, 2020, the Commission imposed a moratorium on the disconnection of utility services and the imposition of late fees by electric, natural gas, water, and sewer utilities subject to the Commission's jurisdiction during the public health emergency declared by Governor Pritzker on March 9, 2020, as a result of the COVID -19 pandemic. In the same Order, the Commission directed the subject utilities to formulate and follow, on a temporary basis, more flexible credit and collection procedures and to submit those plans to the Commission for its consideration and approval.

On June 18, 2020, the Commission entered an Order resulting from the parties to this proceeding agreeing on two Stipulations, one for large utilities and one for smaller utilities, which received unanimous support of the parties to each Stipulation, consumer groups, and Staff of the Commission. In addition to the provision of consumer protections including extended deferred payment arrangements, reconnection of previously disconnected customers, new bill payment assistance programs and other consumer protections, the Stipulations extended the moratorium on disconnections until the earlier of: (1) the day on which all Restore Illinois Health Regions have moved to Phase 4 (Revitalization) under the Governor's May 5, 2020 Restore Illinois plan; or (2) in the absence of a Commission order to the contrary, August 1, 2020. On September 22, 2020, the Stipulating utility parties agreed to extend the disconnection moratorium for low-income customers to March 31, 2021. Subsequently, several Stipulating utility parties expanded their voluntary commitments to all residential customers.

20-0310 Illinois Commerce Commission On Its Own Motion

In the Matter of a Moratorium on In-person marketing of services by Alternative Retail Electric Suppliers during the Public Health Emergency Declared on March 9, 2020 pursuant to Sections 4 and 7 of the Illinois Emergency Management Agency Act.

On March 18, 2020, the Commission entered an Emergency Interim Order prohibiting alternative retail electric suppliers ("ARES") from conducting in-person marketing for the duration of the COVID-19 pandemic.

On January 6, 2021, the Commission entered an Interim Order modifying the Commission's March 18, 2020 Emergency Interim Order. The Interim Order granted two affiliated ARES, Reliant Energy Northeast LLC and Green Mountain Energy Company limited relief from the blanket prohibition, allowing them to conduct limited in-person solicitation in retail establishments with which Reliant and Green Mountain have preexisting relationships. The Commission granted this relief subject to Green Mountain and Reliant closely supervising their sales agents engaged in the in-store solicitations, requiring sales agents to observe stringent social distancing, sanitizing, and contact-free solicitation protocols, and subject to Reliant and Green Mountain observing all state and local rules and guidelines governing such solicitation. The relief granted by the Commission does not authorize other ARES to conduct in-person solicitation of any sort, and door-to-door sales remain prohibited.

Appendix B | Acronyms

ADIT - Accumulated Deferred Income Tax
AG – Office of the Attorney General
AGS - Alternative Gas Suppliers
AIC - Ameren Illinois Company
AMRP - Accelerated Main Replacement Program
ARES - Alternative Retail Electric Supplier (also referred to as RES - Retail Electric Supplier)
CAIDI - Customer Average Interruption Duration Index
CPCN - Certificate of Public Convenience and Necessity
CUB - Citizen's Utility Board
CWIP-Related ADIT - Construction Work In Progress related to Accumulated Deferred Income Tax
DCEO - Department of Commerce and Economic Opportunity
DERs - Distributed Energy Resources
DG – Distributed Generation
EDIT - Excess Deferred Income Taxes
EDIT-ARAM - Excess Deferred Income Taxes - Average Rate Assumption Method
EE - Energy Efficiency
EIMA - Energy Infrastructure Modernization Act
EPA – Environmental Protection Agency
EV - Electric Vehicles
FERC - Federal Energy Regulatory Commission
FRU - Formula Rate Update
GMI - Grid Modernization Index
GW – Gigawatts
HEAT - Home Energy Affordability and Transparency
IAWC - Illinois-American Water Company
ICC – Illinois Commerce Commission
IPA - Illinois Power Agency
IPAA - Illinois Power Agency Act
IPARERF - Illinois Power Agency Renewable Energy Resources Fund
JCAR - Joint Committee on Administrative Rules
kV - kilovolt
kWh – Kilowatt Hour
LIHEAP - Low Income Home Energy Assistance Program
LTPP - Long-Term Procurement Plan
LTRRPP - Long-Term Renewable Resources Procurement Plan
MCPU - Mt. Carmel Public Utility Company
MEC - MidAmerican Energy Company
MISO – Midcontinent Independent System Operator (a regional RTO)

MOPR - Minimum Offer Price Rule

MWH – Megawatt Hour

MWRD - Metropolitan Water Reclamation District

MWs - Megawatts

NARUC - National Association of Regulatory Utility Commissioners

NM - Net Metering (Rider NM)

NOI - Notice of Inquiry

OBF - on-bill financing

ORMD - Office of Retail Marketing Development

P.A. - Public Act

PIPP - Percentage of Income Payment Plan

PJM – PJM Interconnection (a regional RTO)

PTC - Price to Compare

PUA - Public Utilities Act

PV – Photovoltaic

QIP – Qualifying Infrastructure Plant

RECs - Renewable Energy Credits

RES - Retail Electric Supplier (also referred to ARES - Alternative Retail Electric Supplier)

RFP - Request for Proposals

ROE - Return on Equity

RPS - Renewable Portfolio Standards

RTO - Regional Transmission Organizations

SAIFI - System Average Interruption Frequency Index

SMP - System Modernization Program

UDS - Uniform Disclosure Statement

ZEC - Zero Emission Credits

ZES - Zero Emission Standard