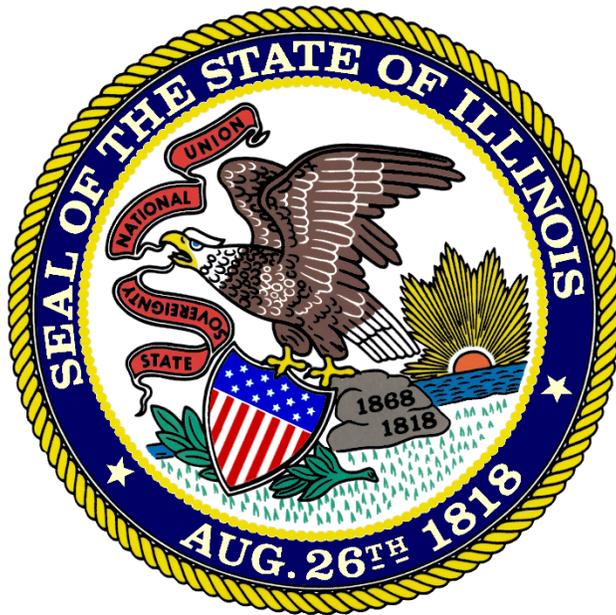


Illinois Commerce Commission

2019 Annual Report on Electricity, Gas, Water and Sewer Utilities



JANUARY 2020



ILLINOIS COMMERCE COMMISSION

January 21, 2020

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 2019 Annual Report on Electricity, Gas, Water, and Sewer Utilities. This Report covers the period of January 1, 2019 through December 31, 2019.

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 on the Commission's website www.icc.illinois.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Zalewski".

Carrie K. Zalewski,
Chairman

Contacting the ICC

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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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Contents

- Year in Review1**
- Introduction5**
- Mission Statement.....6**
- Section 1 | A General Review of Agency Activities.....7**
 - A. Review of Significant Commission Decisions 7
 - B. Pending Cases 7
 - C. Significant Regulatory Actions 7
 - D. Cases Filed During 2019 8
 - E. e-Docket: ICC’s Electronic Docket Filing System 10
 - F. e-Docket User’s Manual Provides Instructions for Searching for Documents..... 11
- Section 2 | A Discussion of the Utility Industry in Illinois13**
 - A. Significant Developments in the Illinois Regulatory Environment 13
 - B. Electric Power Procurement Obligations 13
 - C. Retail Electric Choice..... 14
 - D. Discussion of the Quality, Availability, and Price of Utility Services by Geographic Area 16
 - 1. Electricity..... 16
 - 2. Natural Gas 18
 - 3. Water and Sewer Utilities 20
 - E. Financial Health of the Utility Industry in Illinois 24
- Section 3 | A Discussion of Energy Planning26**
 - A. Electricity Planning and Procurement..... 26
 - B. Renewable Energy, Clean Coal, and Zero Emission Portfolio Standards 27
 - C. Distributed Generation 29
 - D. Cogeneration..... 30
 - 1. Commission Rule..... 30
 - 2. Special Rates 31
 - E. Energy Efficiency Programs..... 31
- Section 4 | Availability of Utility Services to All Persons35**
 - 1. Temperature-based Termination of Service..... 36
 - 2. Disconnection of Service to Military Personnel on Active Duty 36
 - 3. Disconnection of Service to Customers Receiving LIHEAP funds..... 36
 - 4. Disconnection of Service to Certain Electric Space-Heating Customers..... 36
 - 5. Initial Credit and Deposit Requirements..... 36
 - 6. Preferred Payment Date 36
 - 7. Deferred Payment Agreement..... 37
 - 8. Reconnection 37
 - 9. Financial Assistance 38
 - A. The Financial Impact of Uncollectible Expenses 38
 - B. Consumer Education Activities 38
 - 1. Electric Customer Choice—“Plug In Illinois” 38
 - 2. Natural Gas Choice..... 38
- Section 5 | Implementation of the Commission’s Statutory Responsibilities40**
 - A. Commission Reorganization 40
 - B. Construction Audits 40

1.	Statutory Requirements.....	40
2.	Commission Responsibilities.....	41
3.	Section 8-407 (b) Activities	41
4.	Section 9-213 Activities.....	41
C.	Management Audits	41
1.	Statutory Requirements.....	41
2.	Commission Responsibilities.....	41
3.	Section 8-102 Activities.....	41
D.	Excess Capacity, Used, and Useful	42
E.	Rate Moderation Plan	42
F.	Cost-Based Rates.....	42
1.	Gas	43
2.	Electricity.....	43
G.	Mergers.....	43
H.	Asset Transfers or Sales	43
I.	Informational Filings	43
J.	Decommissioning.....	43
	Section 6 Appeals from Commission Orders	45
A.	Appeals Involving Public Utilities Filed in 2019 that are Still Pending Without Decision	45
1.	Under the Public Utilities Act, 220 ILCS 5	45
2.	Under Other Utility-Related Acts.....	45
B.	Appeals Dismissed In 2019 Without Decision on the Merits and with No Further Action Expected 45	
1.	Under the Public Utilities Act, 220 ILCS 5	45
2.	Under Other Utility-Related Acts.....	46
C.	Appeals Decided In 2018 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 2018 Annual Report	46
1.	Under the Public Utilities Act, 220 ILCS 5	46
2.	Under Other Utility-Related Acts.....	46
D.	Appeals Decided by Opinion of the Court or by an Order Issued Under Supreme Court Rule 23 in 2019. (A rule 23 order decides a case on its merits but has limited effect as precedent in other cases.) 46	
1.	Under the Public Utilities Act, 220 ILCS 5	46
2.	Under Other Utility-Related Acts.....	48
	Section 7 Studies and Investigations Required by State Statutes	49
A.	Section 4-305: Emission Allowance Reports.....	49
B.	Section 8-304: Estimated Billing Practices	49
C.	Section 9-223: Evaluation of the Fire Protection Charge.....	49
D.	Section 9-242: Promotional Rates for Encouraging Consumption	49
E.	Section 9-244: Alternative Rate Regulation.....	49
F.	Section 13-301: Universal Service Support.....	49
G.	Section 8-103: Electric Energy Efficiency and Demand Response Program Spending Limits.....	50
H.	Illinois Power Agency Act, Section 1-75(c): Renewable Energy Resource Procurement Spending Limits.....	50
I.	Illinois House Resolution 1146: Potential Nuclear Plant Closing in Illinois.....	50
J.	Illinois Power Agency Act, Section 1-75(d): Clean Coal Resources Procurement Spending Limits	51
K.	Sections 16-11.7 and 19-140: On-Bill Financing Programs	51

L.	Section 8-104: Coordination of Natural Gas and Electric Energy Efficiency Programs.....	51
M.	Section 16-108.5: Infrastructure Program and Performance-Based Formula Rate.....	52
N.	Illinois Power Agency Act, Section 1-75(d-5): Zero Emission Credit Procurement Spending Limits	52
Section 8 Impacts of Federal Activity on State Utility Service		53
A.	Commission Policy and Actions in FERC Proceedings.....	53
B.	Developments in the Natural Gas Industry.....	53
C.	Developments in the Electric Power Industry	54
Section 9 Recommendations for Proposed Legislation		58
Appendix A Summary of Significant Commission Decisions		59
A.	CASE SUMMARIES FOR 2019 ANNUAL REPORT.....	59
1.	Electric.....	59
2.	Gas	62
3.	Water & Sewer.....	63
4.	Telecommunications.....	64
5.	Miscellaneous	65
Appendix B Acronyms.....		67

Year in Review

JANUARY

The Commission issued a Notice of Inquiry (NOI) Summary Report on electric vehicles (EVs) designed to identify issues, challenges and opportunities related to EV deployment and its impact on the electric grid. The NOI was initiated by the Commission on September 24, 2018 as a means to gather more information about transportation electrification.

Commissioner Sadzi Oliva was appointed as Chair of the National Association of Regulatory Utility Commissioners (NARUC) Subcommittee on Supplier and Workforce Diversity.

On January 30, 2019 the Illinois Power Agency's Adjustable Block Program (ABP) opened for project applications. Established by the Future Energy Jobs Act (Public Act 99-0906), the ABP is part of the Illinois Power Agency's Long-Term Renewable Resources Procurement Plan approved by the Commission in early 2018. In 2019, the Commission approved renewable energy credit delivery contracts through the ABP for nearly 500 MW of projects including 113 community solar projects and 6,448 distributed generation projects.

FEBRUARY

The Illinois Commerce Commission (ICC) issued an Order authorizing Ameren Illinois Company d/b/a Ameren Illinois (Ameren) to file tariffs containing terms and provisions regarding its Flex Pay program. The program is a voluntary payment option for residential customers with automated meter reading capability that allows customers to receive billing information on a real-time basis and pay as they use electric and natural gas service.

MARCH

Effective March 29, 2019 Governor JB Pritzker appointed Carrie Zalewski to a five-year term on the Illinois Commerce Commission.

APRIL

Effective April 8, 2019 Governor JB Pritzker appointed Maria Bocanegra to a four-year term on the Illinois Commerce Commission.

The ICC hosted delegates from the National Energy Regulatory Authority of Ukraine for a 3-day conference to exchange ideas on energy policies and regulatory challenges.

Commissioner Carrie Zalewski was named ICC Chairman by Governor JB Pritzker effective April 16, 2019.

MAY

The Illinois Power Agency's Illinois Solar for All program began accepting submissions from approved vendors for funding through renewable energy credit delivery contracts. The program provides greater access to the clean energy economy for low-income communities through incentives that help make solar installations more affordable. The Illinois Solar for All program is part of the Illinois Power Agency's Long-Term Renewable Resources Procurement Plan approved by the Commission in early 2018. In 2019,

the Commission approved renewable energy credit delivery contracts through the Illinois Solar for All program for nearly 13 MW of projects.

Jennifer Morris, an Economic Analyst in the Commission's Public Utilities Bureau, was appointed to Illinois' Climate Working Group. The Working Group comprises staff from various state agencies who meet to share ideas, discuss issues of mutual concern, and provide technical support in their given areas of expertise.

Chairman Carrie Zalewski was confirmed by the Illinois Senate to a five-year term.

Commissioner Maria Bocanegra was confirmed by the Illinois Senate to a four-year term.

JUNE

The ICC held its annual Summer Preparedness Policy Session for 2019, hosted by Commissioner D. Ethan Kimbrel. Representatives from the state's regulated electric utilities and regional transmission organizations detailed plans to handle peak usage over the summer, and consumer advocates raised related issues.

JULY

The Illinois Commerce Commission approved a settlement between the Staff of the ICC, the Illinois Attorney General, the Citizens Utility Board, and The Peoples Gas Light and Coke Company directing the utility to refund more than \$7.2 million to customers for Qualifying Infrastructure Plant (QIP) charges assessed in 2015.

AUGUST

Governor Pritzker signed the Home Energy Affordability and Transparency (HEAT) Act. An initiative of Attorney General Kwame Raoul, it strengthens consumer protections and increases transparency for Illinois customers who presently use (or are considering switching to) an alternative retail energy supplier.

Jim Zolnierek, Bureau Chief of Public Utilities, and then-Acting ICC Executive Director, was appointed to Governor Pritzker's Broadband Advisory Council. The council's mission is to develop a plan to utilize \$420 million contained in the newly-passed capital bill to upgrade and expand broadband internet service to underserved downstate and rural areas of Illinois.

SEPTEMBER

The ICC hosted two Supplier Diversity Policy Sessions for, respectively, the state's large regulated utilities, wind, solar and other energy suppliers, and Class 1 railroad companies to report on their supplier diversity efforts in 2018 and procurement goals for 2019.

Led by Chairman Carrie Zalewski, the Commission published the *Citizens' Guide to the ICC* on its website. The purpose of the guide is to help the public gain a greater understanding of the work performed by the Commission and to provide support for citizens requesting information or assistance from the agency.

OCTOBER

The ICC held a policy session to explore the current and future roles of nuclear energy. Hosted by Commissioner Sadzi Oliva, it is the fourth installment of Illinois' Power Meter, titled: *Nuclear Energy: Safety, Research & Development, and Future Sustainability*.

The Commission adopted an Order (Docket No. 18-1775) authorizing changes to Northern Illinois Gas Company d/b/a Nicor Gas Company's (Nicor's) base rates (rates excluding surcharges and other separate fees and charges) for its natural gas delivery services in Illinois. The Commission approved an annual average increase of about 22% in delivery base rates, which is about 7% less than requested by Nicor.

The Commission approved Consolidated Docket No. 18-1772, Commonwealth Edison Company's (ComEd's) tariff for its Rate Residential Time of Use Pricing Pilot (Rate RTOUPP). It is designed to incentivize residential ComEd customers who are participating in the pilot to shift their energy use away from peak periods to times when energy and capacity costs are lower. Rate RTOUPP can be particularly beneficial for customers with high energy use which can be done at "Off-Peak" times, such as charging an electric vehicle.

The ICC announced that a new area code is coming to central Illinois. The new 447 area code will "overlay" the existing 217 area code to address the depletion of prefixes available for assignment within the region. The first prefix in the new area code will not be introduced until after March 29, 2021.

NOVEMBER

The ICC welcomed energy experts from Ghana on November 16, 2019. Hosted by the Institute for Regulatory Policy Studies at Illinois State University, the delegates traveled to the U.S. to learn more about energy regulation in Illinois and how cases move through the Commission.

Effective November 18, 2019 the Commission announced that Christy George will be the first female Executive Director (not serving in an interim capacity) to supervise the ICC's approximately 230 Staff and oversee management of the agency's budget.

The President of the National Association of Regulatory Utility Commissioners (NARUC) appointed Commissioner Maria Bocanegra as Co-Vice-Chair of the Committee on Water. She was also appointed Chair of NARUC's EV Working Group.

DECEMBER

The ICC held its annual Winter Preparedness policy session, hosted by Commissioner D. Ethan Kimbrel. Panelists from regional transmission organizations (RTOs) and Illinois' local distribution companies (LDCs) provided the Commission with details on how they will ensure Illinois customers have access to a safe, reliable gas supply through the cold winter months. Panelists from the Office of the Illinois Attorney General and the Citizens Utility Board discussed challenges facing Illinois customers, and strategies to mitigate the observed challenges.

The ICC authorized ComEd's request to decrease electric delivery service rates, lowering rates by approximately \$16.9 million. The average residential ComEd customer would see the delivery charge for electric service decrease by approximately \$0.64 a month.

On December 4, 2019 the President of NARUC appointed Commissioner D. Ethan Kimbrel as Vice Chair of the NARUC Subcommittee on Pipeline Safety.

The ICC authorized Ameren to decrease electric delivery service rates, lowering rates by approximately \$60.1 million. The average residential Ameren customer would see the delivery charge for electric service decrease by approximately \$1.02 a month.

The Illinois Power Agency's 2020 Electrical Procurement Plan was approved by the Commission. Among other things, the purpose of the 2020 Plan is to secure electricity commodity and associated transmission services to meet the needs of eligible retail customers in the service areas of ComEd, Ameren, and MidAmerican Energy Company (MidAmerican).

Expressing its concern over the growing impact of state-subsidized electric generation resources and finding that such subsidies reject the premise of the capacity market and circumvent competitive outcomes, on December 19, 2019 the Federal Energy Regulatory Commission ruled that PJM must expand its current Minimum Offer Price Rule to address state-subsidized electric generation resources.

Introduction

The following report for calendar year 2019 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 to all Persons;
- 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

D. Ethan Kimbrel

Sadzi M. Oliva

Brien J. Sheahan

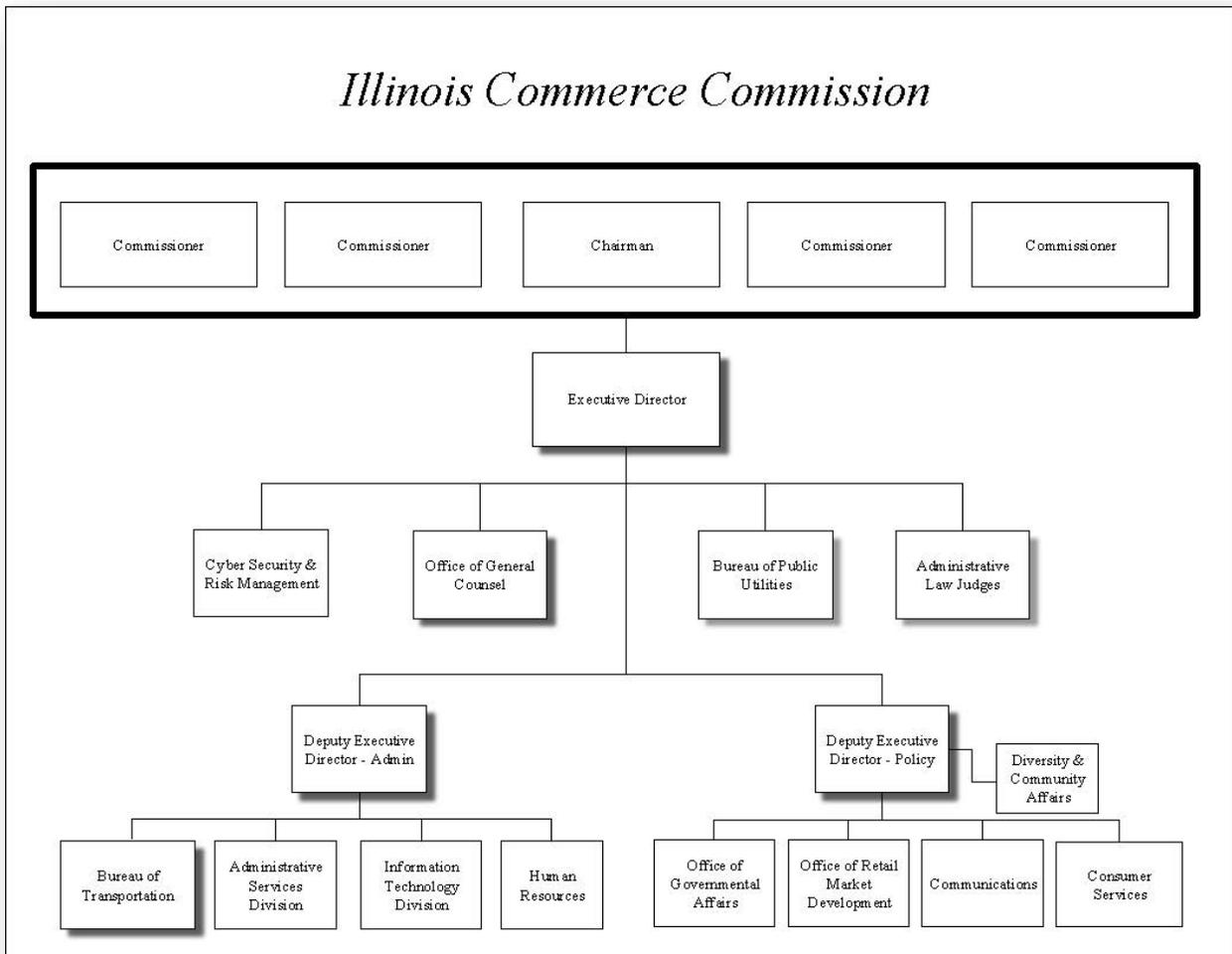
Carrie K. Zalewski

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 with protecting 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 made and other regulatory actions taken in 2019 may be found in Appendix A of this report. These summaries are by no means exhaustive, but they do provide a representative sampling of Commission actions. If the reader would like to know more about any of the cases discussed in this report, both the Commission's order and the record for decision are available for examination in the Commission's Springfield office. In any proceeding in which the Commission has entered an order on the merits, the best summary of positions advocated and reasons for the Commission's adoption of a position is contained in the order itself.

Copies of these documents are available free of charge to public officers. Others may obtain copies upon payment of the fee established in Section 2-201 of the 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 2019 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 2019

Table 1-1, Utility Cases Monthly Report, shows the cases and filings for each month for the years 2014, 2015, 2016, 2017, 2018, and 2019. This table also shows the totals by type for the year.

TABLE 1-1
UTILITY CASES MONTHLY REPORT

Filings	Current Year	Calendar Year To Date												Fiscal Year	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
New Cases	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
	2014	99	79	91	89	41	44	46	47	56	64	46	65	767	735
Filings/ Reports (SPI)	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
	2014	784	650	837	849	577	395	407	431	547	523	406	445	6,851	7,465
Filings/ Reports (CHI)	2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Illinois Commerce Commission
2019 Annual Report on Electricity, Gas, Water and Sewer Utilities

Filings Cont.	Current Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Calendar Year to Date	Fiscal Year
Hearing & Commission Action Notices	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
	2014	172	180	196	182	139	134	98	140	167	153	130	116	1,807	1,867
Supplemental/ Reopen Petitions	2019	-	-	-	-	-	-	-	-	-	-	-	-	-	1
	2018	-	-	-	-	-	-	-	-	1	-	-	-	1	-
	2017	-	-	-	-	-	-	-	-	-	-	-	-	-	4
	2016	-	3	-	-	-	-	3	-	1	-	-	-	7	4
	2015	1	-	-	-	-	-	-	-	-	1	-	-	2	5
	2014	-	-	-	-	-	1	-	1	1	1	1	1	-	5
Petitions for Rehearing	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
	2014	13	7	8	2	4	1	2	-	3	2	3	4	49	61
Notice of Appeals	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
	2014	5	4	10	1	1	2	1	1	-	1	-	-	26	15
Cases Closed (Orders/ Commission Actions)	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
	2014	36	86	94	110	84	73	52	54	64	47	80	43	823	777

Filings Cont.	Current Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Calendar Year To Date	Fiscal Year
Tariff Filings	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
	2014	73	68	95	74	165	94	88	64	119	64	56	67	1,027	1,185

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.

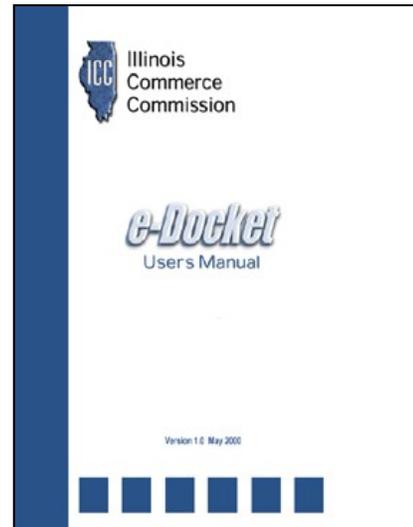
e-Docket is a web-based, automated information and records-keeping system. It was developed to process and manage public information about the Commission’s official cases and rulemaking proceedings. A person using e-Docket may conduct searches in two ways:

- **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 2019**

	Chairman & Commissioners		Public Utility Division		Transportation Division		Total	
	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$
Public Utility Fund	11	1,803,000	150	29,546,300	0	0	161	31,350,100
Transportation Fund	1	149,500	0	0	70	16,872,200	71	17,021,700
Underground Utilities Damage Prevention Fund	0	0	0	100,000	0	0	0	100,000
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	1,953,300	150	36,146,300	70	16,872,200	232	54,971,800

Headcount is shown at the authorized level for FY19.

Budget \$ shown represents the FY19 appropriation.

From Forms 150A

(1-d) a description of any significant changes in Commission policies, programs or practices with respect to agency organization and administration, hearings and procedures or substantive regulatory activity. During 2019, there were no changes in Commission policies, programs, or practices with respect to agency organization and administration, hearings and procedures or substantive regulatory activity.

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 IPAA¹ 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 filing³
- 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”
- 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

¹ 20 ILCS 3855/1-75

² 220 ILCS 5/16-111.5

³ The Commission issued its final order approving the IPA’s plan on December 13, 2016 (Docket 16-0453).

- 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 MISO⁴ 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 PJM⁵ 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.
4. Capacity contracts to enable Ameren to satisfy resource adequacy requirements of MISO over portions of a one to two-year period.⁶

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.

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

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 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).

program in May 2002. All customer classes are now eligible to choose alternative retail electric suppliers (ARES). As of December 2019, there were 107 suppliers certified to serve non-residential customers, although 11 of those sought Commission authority to serve themselves or affiliates. There are 90 active suppliers in the ComEd territory and 39 active suppliers in the Ameren territory.

As of May 31, 2019, approximately 1.78 million residential customers were purchasing power and energy from a retail electric supplier (RES) and approximately 228,720 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 97 percent, as of May 31, 2019. Detailed electric customer switching statistics can be viewed on the Commission's website at

www.icc.illinois.gov/electricity/switchingstatistics.aspx

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, the Staff has issued a Notice of Apparent Violation to several ARES and initiated formal investigative proceedings concerning four ARES. The investigations are currently ongoing.

Residential switching activity is, at least in part, due to municipal aggregation programs by many communities throughout the state. To date, 745 communities have passed municipal aggregation referenda and more than 524 are currently active programs.

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.⁷

A detailed presentation of the 2018 sales statistics presented below can be found in the Commission’s “Comparison of Electric Sales Statistics for Calendar Years 2018 and 2017” 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 4,021,991 customers in northern Illinois, including the Chicago metropolitan area. MidAmerican serves 85,372 customers in northwestern Illinois.

For 2014 through 2018, 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)**

	2014	2015	2016	2017	2018
ComEd	10.55	11.41	10.91	11.64	11.88
MidAmerican	7.13	7.83	7.94	8.35	7.98

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 1,221,130 customers in central and southern Illinois. MCPU serves 5,319 customers in southeastern Illinois.

⁷ Data concerning quality, availability, and price for these municipal electric systems and electric cooperatives are not reported to the Commission and are not included in this report.

For 2014 through 2018, 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)**

	2014	2015	2016	2017	2018
Ameren	8.86	8.90	9.36	9.38	9.00
MPCU	11.70	11.78	12.59	13.89	14.66

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 2019 for the calendar year 2018. 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 2014 through 2018. 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)**

	2014	2015	2016	2017	2018
Ameren	130	246	168	164	189
ComEd	196	112	113	116	150
MidAmerican	164	122	145	86	117
MPCU	74	83	117	60	94

The following table presents the annual System Average Interruption Frequency Index (SAIFI) each utility reported for the years 2014 through 2018. 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)**

	2014	2015	2016	2017	2018
Ameren	1.36	1.43	1.42	1.17	1.10
ComEd	1.01	0.88	0.76	0.73	0.74
MidAmerican	1.46	1.83	1.76	1.40	1.09
MCPU	4.16	2.85	1.89	2.99	2.98

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.⁸

During 2019, 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 2020, sufficient supplies of natural gas are expected to be available to all customers.

A detailed presentation of the 2018 sales statistics presented below can be found in the Commission’s “Comparison of Gas Sales Statistics for Calendar Years 2018 and 2017” 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

⁸ 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.

- Peoples Gas Light and Coke Company.

Nicor Gas Company is the largest gas distribution company in the State and provides service to 1,937,423 customers in northern Illinois. Peoples Gas Light and Coke Company, which serves the City of Chicago, has 779,988 customers. North Shore Gas Company serves 145,830 customers in communities north of the Chicago area. Finally, MidAmerican Energy Company serves 65,503 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 2014 through 2018, these four utilities charged the following average prices shown in cents per therm:

**TABLE 2-5
AVERAGE PRICES PER THERM (CENTS)**

	2014	2015	2016	2017	2018
MidAmerican	82.18	54.49	52.66	58.30	58.90
Nicor Gas	69.54	53.60	50.26	57.65	53.59
North Shore Gas	101.39	78.49	72.89	82.17	72.01
Peoples Gas Light and Coke	112.72	88.78	92.96	106.00	96.77

b) Central and Southern Illinois

Ameren provides gas service to 804,476 customers in central and southern Illinois, making it the second largest gas utility in the State. Liberty Utilities provides service to 21,114 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 9,413 customers in the Lawrenceville-Olney area. Consumers Gas Company serves 5,232 customers in the Carmi area. Finally, MCPU serves 3,448 customers in the Mt. Carmel area.

For 2014 through 2018, these five utilities charged the following average prices shown in cents per therm:

**TABLE 2-6
AVERAGE PRICES PER THERM (CENTS)**

	2014	2015	2016	2017	2018
Ameren	97.80	94.77	96.18	100.39	91.90
Consumers Gas	72.23	66.91	63.03	74.26	70.15
Illinois Gas	79.91	66.27	69.97	76.94	70.75
Liberty Utilities	73.90	87.58	95.79	107.14	97.04
MCPU	114.47	101.05	101.47	113.31	101.86

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 2018 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 2018**

	Ameren	Consumers Gas	Illinois Gas	Liberty Utilities	Mid-American	MCPU	Nicor Gas	North Shore Gas	Peoples Gas
Residential Sales	96.68	75.73	79.78	106.61	72.01	105.64	54.51	74.31	105.56
Small (or Commercial) Sales	87.86	71.27	68.89	80.53	56.03	94.06	51.07	62.13	77.11
Large (or Industrial) Sales	41.11	57.18	53.72	73.50	37.44	-	45.56	-	57.44
Other Sales To Public Authorities	60.64		-	-	-	-	-	-	-
Total Sales To Ultimate Customers	91.90	71.44	70.75	97.04	65.07	101.86	53.59	72.01	96.77

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 1,749 community public water suppliers and 850 public sanitary sewage systems with treatment facilities in the State, these investor-owned utilities provide water service to approximately 368,000 customers and sewer service to approximately 54,000 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 40 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 321,114. 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 2019:

- In June, the Commission approved Illinois-American Water Company's application to acquire the wastewater collection and treatment system assets of the City of Alton in Madison County (Docket No. 18-0879).
- In June, Illinois-American Water Company filed an application to acquire the water system of the Village of Sidney in Champaign County (Docket No. 19-0653).
- In July, Aqua Illinois, Inc. filed a petition to acquire the water and wastewater systems of Rockwell Utilities LLC, a small investor-owned utility (Docket No. 19-0721).
- In July, Illinois-American Water Company filed an application to acquire the water and wastewater systems of the Village of Andalusia in Rock Island County (Docket No. 19-0732).
- In July, Illinois-American Water Company filed an application to acquire the water and wastewater systems of the City of Rosiclare in Hardin County (Docket No. 19-0733).
- In August, Illinois-American Water Company filed an application to acquire the water system of the Village of Leonore in LaSalle County (Docket No. 19-0854).
- In September, the Commission approved Aqua Illinois, Inc.'s petition requesting authorization to construct, operate, and maintain the assets of portions of the water and wastewater systems owned by the Fox River Water Reclamation District in portions of Kane County, Illinois (Docket No. 18-0785).
- In September, the Commission approved Aqua Illinois, Inc.'s petition to acquire the wastewater system of the Village of Grant Park in Kankakee County (Docket No. 18-1093).
- In September, the Commission approved Illinois-American Water Company's application to acquire the water and wastewater systems of the Village of Glasford in Peoria County (Docket No. 18-1498).
- In October, the Commission approved Illinois-American Water Company's application to acquire the wastewater system of the Village of Godfrey in Madison County (Docket No. 18-1830).
- In October, Illinois-American Water Company filed an application to acquire the wastewater system of the Village of Shiloh in St. Clair County (Docket No. 19-1002).
- In December, Illinois-American Water Company filed an application to acquire the water and wastewater system of the City of Jerseyville in Jersey County (Docket No. 19-1139).
- In December, Illinois-American Water Company filed an 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).

b) Regulatory Activities

There were no new or outstanding requests for a general increase in water or sewer rates in 2019.

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 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 2019.

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.

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 \$40 to \$45 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, 2019

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				
<i>Aqua Illinois</i>				
Candlewick	1,835	\$ 31.50	\$ 63.01	\$ 102.40
Kankakee	29,663	31.85	63.81	103.77
North Maine	4,777	13.94	58.94	115.19
Peotone	1,530	11.98	20.91	32.08
University Park	2,470	31.50	63.01	102.40
Willowbrook	1,048	31.50	63.08	102.40
<i>Illinois-American</i>				
Chicago Metro				
Well Water	1,605	29.88	53.70	83.48
Lake Water				
Chicago Suburban	4,380	39.77	67.38	101.89
DuPage County	6,283	33.76	73.12	122.32
Fernway	2,032	33.17	69.81	115.62
Santa Fe /Bolingbrook/Homer Glen	31,256	36.19	85.30	146.67
South Beloit	2,914	30.61	56.91	89.77
Sterling	6,573	29.88	53.70	83.48
Streator	7,632	29.88	53.70	83.48
<i>Utility Services of Illinois</i>				
Galena Territory	2,283	34.80	75.08	125.43
Lake Holiday	1,880	34.80	75.08	125.43
Whispering Hills	2,357	34.80	75.08	125.43
CENTRAL				
<i>Aqua Illinois</i>				
Vermilion	19,746	31.54	63.20	102.78

<i>Illinois-American</i>				
Champaign	56,347	30.26	54.09	83.87
Lincoln	5,812	26.88	41.55	59.90
Pekin	14,070	27.17	37.37	50.11
Peoria	54,265	29.88	53.70	83.48
Pontiac	4,491	29.88	53.70	83.48
SOUTHERN				
<i>Illinois-American</i>				
Alton	18,516	30.05	53.88	83.66
Interurban	67,503	30.00	53.83	83.61

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," September 18, 2019, pp. 4-5.)

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

TABLE 2-9
STANDARD AND POOR'S ELECTRIC UTILITY CREDIT RATINGS
NOVEMBER 2015 THROUGH NOVEMBER 2019

	2015	2016	2017	2018	2019
Electric Utility Industry Avg.	BBB+	BBB+	BBB+	BBB+	BBB+
Ameren	BBB+	BBB+	BBB+	BBB+	BBB+
ComEd	BBB	BBB	BBB	BBB	A-
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 rating for the nationwide natural gas distribution industry.

TABLE 2-10
STANDARD AND POOR'S GAS UTILITY CREDIT RATINGS
NOVEMBER 2015 THROUGH NOVEMBER 2019

	2015	2016	2017	2018	2019
Gas Distribution Industry Avg.	A-	A-	A-	A-	A-
Nicor Gas	BBB+	A-	A-	A-	A
North Shore	A-	A-	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 credit ratings. The next table presents credit ratings for American Water Capital and the average credit rating for the nationwide water utility industry.

TABLE 2-11
STANDARD AND POOR'S WATER UTILITY CREDIT RATINGS
NOVEMBER 2015 THROUGH NOVEMBER 2019

	2015	2016	2017	2018	2019
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 2019, 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)
4/22/2019	4/26/2019	Standard Energy Blocks	2019-2022	AIC, ComEd, MEC
4/26/2019	5/2/2019	Zonal Resource Credits	2020-2022	AIC
9/9/2019	9/13/2019	Standard Energy Blocks	2019-2022	AIC, ComEd
9/12/2019	9/18/2019	Zonal Resource Credits	2020-2022	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 will transition 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), which was approved by the ICC in April of 2018. Procurements pursuant to the LTRRPP began in 2018. Independent of the development of the Long-Term Procurement Plan (LTPP), the P.A. 99-0906 required the IPA to conduct an initial forward procurement of Renewable Energy Credits (RECs) from new utility scale wind projects, new utility-scale solar projects and brownfield site photovoltaic (PV) projects. In 2019, the IPA conducted the following forward procurement events on behalf of Ameren, ComEd, and MidAmerican:

**TABLE 3-2
IPA RENEWABLE PROCUREMENT EVENTS CONDUCTED IN 2019 ON BEHALF OF THE ELECTRIC UTILITIES AS BUYERS**

Bid Day	ICC Approval/Decision	Product Type	Delivery Period	Buyer(s)
7/26/2019	8/1/2019 Results Approved	Brownfield Site Photovoltaic Projects	15 years beginning no later than May 31, 2023	AIC, ComEd, MEC
10/24/2019	10/30/2019 Results Rejected	New Utility-Scale Wind Projects	15 years beginning no later than January 7, 2022	AIC, ComEd
12/13/2019	12/19/2019 Results Approved	Low-Income Community Solar Pilot	15 years beginning within 18 months of contract execution	Illinois Power Agency
12/13/2019 No Bids Submitted	No Bids Submitted	Non-Solar Community Renewables	15 years beginning within 18 months of contract execution	AIC, ComEd

With respect to delivery periods commencing on or before June 1, 2015, RES have been required to comply with a separate renewable portfolio standard by making payments to the State, which are deposited into the IPA Renewable Energy Resources Fund (IPARERF), ultimately for the IPA to purchase RECs on behalf of the State. The level of such payments was determined by the RES’ retail energy sales in each utility service territory, multiplied by a factor that directly reflects the cost of renewable energy resources embedded in the rates of retail customers supplied by that utility. RES had the option of directly purchasing renewable energy resources, in lieu of making such payments to the State, for up to one-half of their retail energy sales multiplied by a percentage set forth in the IPAA. P.A. 99-0906 made several changes to RES’ RPS requirements. Beginning with the delivery period commencing on or after June 1, 2016, RES are required to remit their compliance payments to the utilities, ultimately for the utilities to purchase RECs on behalf of the utilities’ retail customers. Beginning with the delivery period commencing on June 1, 2017, RES obligation to directly comply with RPS obligations is being phased out and utilities will increasingly comply with RPS obligations on behalf of all retail customers. RES are also no longer required to make payments and thus, in the compliance year beginning June 1, 2017, most RES purchased RECs for the entire portion of their RPS obligations. The quantities of RECs “retired” by RES for each compliance period, along with payments by RES to the IPARERF, are shown in the following table:

**TABLE 3-3
RES COMPLIANCE WITH RENEWABLE PORTFOLIO STANDARD**

Compliance Period June 1 - May 31	REC Retirements (MWH)	Payments to IPARERF or Utilities (Dollars)
2018-2019	3,018,124	312,023
2017-2018	5,645,025	148,335
2016-2017	4,671,001	63,961,356
2015-2016	4,392,258	71,649,806
2014-2015	4,222,218	86,278,411
2013-2014	3,949,264	77,172,263
2012-2013	2,990,584	38,382,345
2011-2012	1,624,264	2,118,687
2010-2011	1,159,196	5,606,245
2009-2010	393,718	7,148,252

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 September 11, 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 2019.

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 2019, a quantity of 8,008 residential customers had installed PV systems in the service territories of the four electric utilities regulated by the Commission. The total capacity of residential PV systems is more than 62 Megawatts (MWs). About 430 small business customers had installed PV systems; the total capacity of these systems is about 31MWs.

TABLE 3-4
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	
	Number of Customers	Capacity of PV System (MW)	Number of Customers	Capacity of PV System (MW)
Ameren	1,919	18.56	127	1.13
ComEd	6,000	43.28	294	29.73
MidAmerican	84	0.88	7	0.07
Mt. Carmel	5	0.06	0	0
Total	8,008	62.78	430	30.93

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. Currently, customers who install PV systems are eligible for a 30% federal tax credit, which will be phased out over the next two years for residential customers and will decrease over time 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 2019 and many of them are expected to be operational during calendar year 2020. The new programs are, thus, likely to greatly 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 2019 avoided costs as filed by Illinois electric utilities pursuant to 83 Ill. Adm. Code 430.110 are:

TABLE 3-5
ILLINOIS ELECTRIC UTILITIES AVOIDED COST RATE STRUCTURE FOR 2019 (CENTS PER KWH)

	Summer Rates		Winter Rates	
	On-Peak	Off-Peak	On-Peak	Off-Peak
Ameren	3.804	2.398	3.254	2.648
ComEd	3.348	2.288	3.209	2.410
MidAmerican	3.220	2.160	2.380	1.620
Mt. Carmel	4.491	4.491	4.491	4.491

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

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 3-6
ENERGY EFFICIENCY PROGRAM PLANNING

Docket	Utility	Planning Period	Initiated	Status
13-0423	MEC	2014, 2015, 2016, 2017, 2018, 2019	7/1/2013	Closed
13-0495	ComEd	2014, 2015, 2016	8/30/2013	Closed
13-0498	Ameren	2014, 2015, 2016	8/30/2013	Closed
13-0499	DCEO	2014, 2015, 2016	8/30/2013	Closed
13-0549	Nicor	2014, 2015, 2016	9/30/2013	Closed
13-0550	Peoples/N. Shore	2014, 2015, 2016	9/30/2013	Closed

17-0212	Ameren, ComEd, Nicor, Peoples/N. Shore	2018 Extension	4/27/2017	Closed
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 3-7
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
13-0078	ComEd	2011-2012	944,111 MWh	Yes	1/24/2013	1/20/2016
	DCEO (ComEd Territory)	2011-2012	107,640 MWh	No	1/24/2013	1/20/2016

Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
14-0075	ComEd	2012-2013	942,061 MWh	Yes	1/23/2014	2/23/2017
	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
	DCEO (ComEd Territory)	2013-2014	86,439 MWh	No	4/8/2015	8/15/2017
15-0297	Nicor	2011-2014	49,218,260 therms	Yes	4/22/2015	9/28/2016
	DCEO (Nicor Territory)	2011-2014	4,559,873 therms	No	4/22/2015	9/28/2016
15-0298	N. Shore	2011-2014	3,895,802 therms	Yes	4/22/2015	9/22/2016
	DCEO (N. Shore Territory)	2011-2014	676,653 therms	No	4/22/2015	9/22/2016
	Peoples	2011-2014	21,586,878 therms	Yes	4/22/2015	9/22/2016
	DCEO (Peoples Territory)	2011-2014	6,405,466 therms	Yes	4/22/2015	9/22/2016
19-0684	DCEO (Ameren Territory)	2014-2017	93,147 MWh	No	6/18/2019	9/18/2019
	DCEO (Ameren Territory)	2014-2017	3,143,320 therms	Yes	6/18/2019	9/18/2019
	DCEO (ComEd Territory)	2014-2017	287,406 MWh	No	6/18/2019	9/18/2019
	DCEO (Nicor Territory)	2014-2017	6,185,037 therms	No	6/18/2019	9/18/2019
	DCEO (N. Shore Territory)	2014-2017	469,266 therms	No	6/18/2019	9/18/2019
	DCEO (Peoples Territory)	2014-2017	4,529,796 therms	Yes	6/18/2019	9/18/2019

**TABLE 3-8
ENERGY EFFICIENCY SAVINGS 2018**

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 MWhs	Yes	1,230,975 MWhs	Yes	5/23/2019	11/26/2019

*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 3-9 below summarizes the amount of money spent on energy efficiency by the utilities in Illinois.

TABLE 3-9
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	\$119,278	\$352,988	\$29,053	\$4,035	\$24,625	\$9,393	\$539,373
2019*	\$114,051	\$351,334	\$40,139	\$4,141	\$27,493	\$10,106	\$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 to All Persons

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

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

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

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

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

To determine a rough estimate of the number of persons lacking utility service, one can look at the aggregate disconnection/reconnection figures for a 12-month period. The results for the period of December 2018 through November 2019 are as follows:

The average heat related residential class customer base equaled 8,136,386 households. In this class, 361,937 accounts were disconnected and 271,396 were reconnected. This yields a 74.98 percent reconnection rate leaving 90,541 accounts not reconnected. The disconnected accounts represent 4.45 percent of the average residential customer base, while those accounts not reconnected represent a rate of 1.11 percent.

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

obligations to utility companies and thus avoid termination of utility service. The following discussion is a synopsis of current regulations designed to promote and preserve the availability and affordability of residential utility services.

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 Agreement

This agreement allows a customer who owes the utility for a past due bill to maintain utility service by paying the past due amount in installments over a period of four to twelve months while continuing to pay current bills as they become due. Of the customers whose service was reconnected during the winter of 2018-2019 and who were given a payment plan, 51.70 percent were allowed six months or longer to pay the past due amount. Depending on the outstanding amount, the amount of the current bills, and the customer's income, this rule helps many customers, but it falls short of assisting those customers who simply have utility bills that are greater than their income can afford. Commission rules do allow for reinstatement after default and renegotiation of the payment agreement if the customer's financial circumstances change for the worse.

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.

As required in the "winter reconnection" rule, on or about October 1, 2018, letters were sent to 35,031 former customers statewide who, according to utility records, were not then receiving heat related utility service. A total of 9,759 former customers requested that their service be reconnected. Of these, 3,655 customers were reconnected upon payment of the total bill and 3,993 were reconnected upon payment of a portion of the past due utility bill. Reconnection requests of 2,111 customers were denied. The reasons for denial are categorized as follows:

- 1,084 former customers failed to make a required down payment;
- 0 former customers failed to pay one-third of the amounts billed since December 1, 2017;
- 966 former customers had been reconnected under this rule last year; and
- 61 former customers resided where equipment tampering or diverted utility service was detected.

The above information indicates that 25,272 former customers did not respond to the inquiries posed by the utilities. It is impossible to determine whether these households are truly without utility service and, if so, why they do not have service.

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, 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.

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.

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 2019, 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 2019.

4. Section 9-213 Activities

No actions were taken during 2019.

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 number 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 number 16-0376 on January 10, 2018. This Order provides for the hiring of two consultants pursuant to Section 8-102 of the 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 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 number 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, has hired Kiefner & Associates consulting to perform an updated engineering study, which will be filed with the Commission on January 31, 2020.

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 2019.

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 2019.

No actions were taken during 2019.

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 2019. The following is a list of the gas and electric rate cases handled by the Commission in 2019 (See Section 2 for list of water and sewer rate cases handled in this period).

1. Gas

In November 2018 Northern Illinois Gas Company d/b/a Nicor Gas Company filed a gas rate case (Docket No. 18-1775). The Commission entered a final order in October 2019 and an amendatory order in November 2019.

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 2019, ComEd filed its formula rate tariff (Docket No. 19-0387) for its distribution delivery services. The Commission entered an order on December 4, 2019.

In April 2019, Ameren Illinois filed its formula rate tariff (Docket No. 19-0436) for its distribution delivery services. The Commission entered an order on December 16, 2019.

G. Mergers

There were no requests for merger approval during 2019.

H. Asset Transfers or Sales

The Commission did not receive any requests for asset transfers or sales during 2019.

I. Informational Filings

There were no informational notices filed with the Commission during 2019.

J. Decommissioning

During 2019, 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 2019 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 2019, decided appeals which were pending further action as of December 31, 2018, 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 2019 that are Still Pending Without Decision

1. Under the Public Utilities Act, 220 ILCS 5

- 1) *Stephon Jamison v. Illinois Commerce Commission and Peoples Gas Light & Coke Co.*

Illinois Appellate Court No. 1-19-2445
Ill.C.C. Docket No. 18-1641

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

Status: The appeal record has been filed. Awaiting briefing.

2. Under Other Utility-Related Acts

None.

B. Appeals Dismissed In 2019 Without Decision on the Merits and with No Further Action Expected

1. Under the Public Utilities Act, 220 ILCS 5

- 1) *Peterson Medical Surgi-Center, S.C. v. Illinois Commerce Commission and Commonwealth Edison Co.*

Illinois Appellate Court No. [None assigned]

Ill.C.C. Docket No. 18-1763

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

Status: Appeal was not perfected with the appellate court and no appellate docket number was assigned. The Commission closed its file.

2. Under Other Utility-Related Acts

None.

C. Appeals Decided In 2018 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 2018 Annual Report

1. Under the Public Utilities Act, 220 ILCS 5

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 2019. (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

1) *Commonwealth Edison Co. v. Illinois Commerce Commission, et al.*

Appellate Court Opinion: 2019 IL App (2d) 180504

Illinois Supreme Court No. 124898

Illinois Appellate Court No. 2-18-0504

Ill.C.C. Docket No. 17-0838

Appeal from the approval of the Illinois Power Agency's Long-Term Renewable Resources Procurement Plan pursuant to section 16-111.5(b)(5)(ii) of the Public Utilities Act.

On December 4, 2017, the Illinois Power Agency filed its Long-Term Renewable Resources Procurement Plan for approval by the Commission. 220 ILCS 5/16-111.5(b)(5)(ii).

Numerous parties participated in this proceeding. On April 3, 2018, the Commission approved the Plan with some modifications. On June 19, 2018, Commonwealth Edison Co. ("ComEd") appealed challenging one aspect of the Plan, namely, the inclusion of the distribution systems of municipal utilities, electric cooperatives, and Mount Carmel Public Utility Company ("Mt. Carmel") as potential participants in the three programs aimed at small-scale renewable resource projects. 20 ILCS 3855/1-56(b)(2), 1-75(c)(1)(K), (N). During the course of the appeal, ComEd removed its objection to the inclusion of Mt. Carmel's distribution system as a potential participant in the three programs.

On May 2, 2019, the Illinois Appellate Court for the Second District affirmed the Commission's order. The court held that the statutory scheme was ambiguous because, although municipal utilities and electric cooperatives ("Local Utilities") are excluded from the definitions of electric utility and public utility, Local Utilities are expressly included in the definitions of distributed renewable energy generation device and community renewable generation project in section 1-10 of the Illinois Power Agency Act, 20 ILCS 3855/1-10, that underlie the three small-scale renewable resource programs. Therefore, the court deferred to the Commission's interpretation that included the Local Utilities in the small-scale renewable resource programs as consistent with the General Assembly's intent.

ComEd petitioned for leave to appeal to the Illinois Supreme Court. ComEd's petition was opposed by the Commission and three intervening parties. On September 25, 2019, the Illinois Supreme Court denied ComEd's petition for leave to appeal. On November 5, 2019, the court issued the mandate.

2) *GlidePath Development LLC v. Illinois Commerce Commission, Commonwealth Edison Co., et al.*

Appellate Court Opinion: 2019 IL App (1st) 180893
Illinois Appellate Court No. 1-18-0893
Ill.C.C. Docket No. 17-0331

Appeal from the approval of the prudence and reasonableness of a demonstration distribution microgrid.

On July 28, 2017, Commonwealth Edison Co. ("ComEd") petitioned the Commission for certain approvals of a demonstration microgrid project on its distribution system in the Bronzeville area of the City of Chicago. ComEd requested the Commission find that the microgrid demonstration project was prudent and reasonable and supported ComEd's provision of delivery services. ComEd asked the Commission to approve the proposed accounting and rate treatment for the demonstration project and confirm that the project will not impair the rights of customers to select their energy supplier. GlidePath Development LLC ("GlidePath") sought to intervene several times but was opposed by ComEd. The ALJ denied Glidepath's requests, and the Commission subsequently agreed, because GlidePath failed to show a sufficient legal interest in the proceeding. Upon issuance of the Commission's final order on February 28, 2018, GlidePath sought review of the denial of its intervention in the underlying proceeding.

On June 29, 2019, the Illinois Appellate Court for the First District dismissed GlidePath's appeal due to mootness. During the appeal, the underlying microgrid project proceeded as GlidePath failed to ask the court to stay the project. In addition, Glidepath itself caused significant delay during the briefing by requesting several extensions. By the time the court ruled, the underlying microgrid project had progressed to a point where the court could not provide GlidePath any effective relief. The court issued the mandate on August 20, 2019.

- 3) *People of the State of Illinois ex rel. Lisa Madigan, Attorney General v. Illinois Commerce Commission, Peoples Gas Light & Coke Co., et al.*
Appellate Court Order: 2019 IL App (1st) 180679-U

Illinois Appellate Court No. 1-18-0679

Ill.C.C. Docket No. 16-0376

Appeal from investigation of natural gas system modernization program pursuant to 220 ILCS 5/8-501 and 10-101.

On July 20, 2016, the Commission began an investigation of the System Modernization Program (“SMP”) of Peoples Gas Light & Coke Co. (“Peoples Gas”). On January 10, 2018, the final order of the Commission resolved multiple contested issues and authorized Peoples Gas to continue with its SMP, as modified by the Commission. However, as part of its determination, the Commission concluded that it lacked authority to alter one aspect of the SMP in this investigatory proceeding—Peoples Gas’ proposed annual SMP spending level. The Commission determined that it lacked authority to alter the statutory limits set forth in section 9-220.3 of the Public Utilities Act, 220 ILCS 5/9-220.3, by preemptively limiting Peoples Gas’ annual SMP expenditures. The Illinois Attorney General appealed this determination asserting that the Commission had the authority to limit the annual spending rate of the SMP under other sections of the Act rather than section 9-220.3.

On June 28, 2019, by Rule 23 Order, the appellate court agreed with the Commission’s interpretation of the Public Utilities Act and its application of section 9-220.3. Construing section 9-220.3 as a whole, the court pointed to language supporting the Commission’s interpretation and rejected the Attorney General’s argument that the plain language only established a cap on rate-funded expenditures rather than mandating the Commission to approve all such expenditures up to the cap. The court also rejected the Attorney General’s argument that sections 8-501 and 8-503 of the Public Utilities Act, 220 ILCS 5/8-501 and 8-503, authorize the Commission to impose limits on the SMP’s annual expenditures. The court concluded that these sections address a public utility’s service obligations and conditions that the Commission may impose on the public utility rather than how to determine rates and, thus, these provisions do not conflict with or control the Commission’s responsibilities under section 9-220.3. Finding no reason to reverse, the court affirmed the Commission’s decision. The court issued the mandate on August 20, 2019.

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 2019, 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 2019, 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 2019 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 2019, 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 of 2016. It is available on the Commission's website in the Reports Section: www.icc.illinois.gov/reports. No actions were taken in 2019 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 2019 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 2019 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. In 2018, 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, in 2018, power plant operators added over 20 gigawatts (GWs) of new natural gas-fired generating capacity. This addition would be the largest increase in natural gas capacity since 2004. The electric industry also added 2.6 GW of new utility-scale solar and wind generating capacity during the first four months of the year, with an additional 9.6 GW scheduled to come online by the end of 2018. More than 10 GW of coal-fired capacity was retired over the 12-month period ending April 2018. All told, in 2018, the amount of electricity generation fueled by natural gas was slightly more than 37 percent of total U.S. electricity generation.

The shift from coal to natural gas-fired generation has resulted in an increasing interdependence of natural gas pipelines and electricity markets. The FERC has recognized this interdependence 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. To that end, in 2015, the FERC issued Order No. 809, which revised FERC's regulations regarding the coordination of wholesale natural gas and electricity market scheduling. In 2016, the FERC accepted over 150 compliance filings from natural gas pipelines that revised the nomination cycle deadline for scheduling gas transportation and added an additional intraday nomination cycle during the gas operating day to help shippers adjust their scheduling to reflect changes in demand. More recently, in 2017, the FERC opened docket no. AD117-12 to focus on understanding current trends in natural gas trading and price formation to determine if there is a need to improve liquidity and price reporting in natural gas markets.

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. In recent years, 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. The FERC approved numerous pipeline expansion projects in 2017, 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 2018, 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 renewable energy in the Midwest, Eastern and Southern United States; and (4) 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 continued reliability of the bulk power system.

As it has been since their inception, seams issues between PJM and MISO continue to be an issue. 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.

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 wind power from wind-rich geographic areas to points generally east of Illinois. Some high voltage projects are also constructed for the purpose of addressing transmission constraints in the South and the East. 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.

The FERC continued its push to modernize the electric transmission system through the application of digital technologies to the grid (Smart Grid), which should bring new efficiencies and improved reliability to the grid by enabling real-time coordination of information from both generation supply resources and demand resources. The FERC's implementation of demand response and advanced metering should help to reduce price volatility in electricity markets, help alleviate generation market power and improve reliability of the transmission system.

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 allocation of costs associated with regional transmission projects continues to be an issue for Illinois. The ICC has appealed several FERC orders regarding the cost allocation of certain transmission projects in PJM on the basis of load, rather than benefit. In December of 2014, after several FERC orders were remanded by the U.S. Court of Appeals back to the FERC, the FERC issued an order establishing hearing and settlement judge procedures to determine the assignment of cost allocation for the projects at issue in this proceeding. In 2015 and 2016, the ICC engaged in negotiations with parties regarding the appropriate cost allocation and refunds for the projects that remain at issue in this proceeding. After more than a year of negotiations, a majority of participants reached agreement and filed a settlement agreement for FERC approval. While a small number of participants opposed the settlement agreement, in 2018 the FERC issued an Order approving the settlement.

Resource adequacy in certain parts of RTOs became an issue in 2016 when MISO issued a report detailing resource adequacy concerns in the portions of MISO that have competitive retail access, specifically Illinois and Michigan. MISO's concern was that its capacity market construct does not provide generators in competitive retail areas that rely on competitive wholesale market sufficient entry and exit signals to ensure long-term resource adequacy in those areas. In light of that concern, in late 2016, MISO filed a "Competitive Retail Solution" with the FERC that, in general, would implement a three-year forward resource auction, with an administratively determined, downward-sloping demand

curve to support entry at high enough reserve margins to meet predetermined reliability objectives and a bright-line test for mandatory participation of demand. However, the FERC rejected MISO's proposal, citing, among other concerns, that the forward auction requirement would bifurcate the MISO market and likely lead to significant price volatility and cost allocation concerns across MISO.

In June 2018, the FERC issued an order intended 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. The FERC's order addressed several filings regarding the alleged price suppression in PJM's capacity market by rejecting a PJM capacity repricing proposal (ER18-1314) and partially granting a 2016 complaint concerning state policy compensation of resources (EL16-49). Ultimately, the FERC consolidated the dockets, found PJM's current capacity construct unjust and unreasonable and initiated a proceeding to determine a replacement rate (EL18-78). The FERC proposed to address the impact of the alleged price suppression by: (1) expanding PJM's current minimum offer price rule (MOPR) to all resources receiving out-of-market revenues, with "few to no exemptions;" and (2) allowing the resource receiving out-of-market revenues and a corresponding amount of load to withdraw from the capacity market. Notably, neither the FERC nor PJM were able to provide any evidence of the alleged price suppression in the PJM capacity market. Several appellate courts have also issued rulings that the Illinois ZEC program does not overstep state authority, as the payments compensate carbon free generators for environmental attributes, rather than for the resources either clearing the PJM capacity auction or participating in interstate power markets. The FERC ordered PJM to delay the capacity auction scheduled to take place in May 2019. On December 19, 2019 the FERC ruled that PJM must expand its current MOPR to address state-subsidized electric generation resources. The December 2019 Order also eliminated the option for individual resource owners to withdraw from the capacity market. The FERC's final decision in this proceeding will likely have a significant impact on Illinois renewable and nuclear generation resources. Moreover, given the appellate court orders regarding Illinois' ZEC program, the FERC's final decision could be subject to challenge in the courts. Accordingly, the ICC has been an active participant in this proceeding.

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 101st 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 2019 ANNUAL REPORT

1. Electric

18-1008 Ameren Illinois Company d/b/a Ameren Illinois

18-1009

Consol. Voluntary Payment Option for Residential Customers with Automated Meter Reading Capability (tariffs filed April 6, 2018).

On February 21, 2019, the Commission entered an Order approving a voluntary payment option for residential customers with automated meter reading capability for customers of Ameren Illinois Company d/b/a Ameren Illinois. This payment option will allow most Ameren customers to pre-pay for their gas or electric service and will allow customers who might otherwise have to pay a deposit to begin receiving service by pre-paying.

18-1478 City of Marseilles an Illinois Municipal Corporation

-vs-

MidAmerican Energy Services, LLC

Complaint as to capacity overcharge calculation in Marseilles, Illinois.

This matter concerns a Complaint filed on September 4, 2018, by the City of Marseilles (“the City”) against MidAmerican Energy Services, LLC (“MidAmerican”) alleging that MidAmerican purchased capacity in an unauthorized manner, resulting in a higher, incorrect capacity rate and an overcharge by MidAmerican to the City in the amount of \$29,038.49.

The Commission denied the Complaint in an Order dated November 26, 2019, finding that MidAmerican had not violated the contract. The Order also found that MidAmerican was not acting unreasonably by purchasing capacity on the bilateral market because the City is in the Midcontinent Independent System Operator, Inc. (“MISO”) region and MISO allows four ways for MidAmerican to purchase capacity as a load serving entity.

18-1725 Commonwealth Edison Company

18-1824

Consol.

Verified Petition for Approval of a Revision to Integrated Distribution Company Implementation Plan.

Creation of Rate Residential Time of Use Pricing Pilot ("Rate RTOUPP"). (Tariffs filed November 19, 2018)

These consolidated dockets considered the November 19, 2018, filings of Commonwealth Edison Company ("ComEd"). ComEd proposed tariffs for its Rate Residential Time of Use Pricing Pilot ("Rate RTOUPP"), a pilot time-of-use ("TOU") rate designed to incentivize residential customers to shift their energy use away from peak periods to times when the cost of energy and capacity are lower. As part of the pilot, ComEd will evaluate and report on the behavior of residential customers who elect to take service under Rate RTOUPP during a four-year pilot period. ComEd also filed a Petition with the Commission seeking approval of temporary revisions to its Integrated Distribution Company Implementation Plan that will enable ComEd to market Rate RTOUPP to customers, inform them of the benefits, and raise overall awareness for the pilot.

On October 2, 2019, the Commission entered an Order approving the modification to ComEd's Integrated Distribution Company Implementation Plan. The Order also approved a modified version of ComEd's proposed Rate RTOUPP.

19-0387 Commonwealth Edison Company

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

On December 4, 2019, the Commission entered an Order establishing updated delivery service charges for ComEd customers. The Commission determined ComEd's 2020 Rate Year Net Revenue Requirement and the original costs of electric plant in service as of December 31, 2018. The Commission approved annual tariffed operating revenues of \$2,679,860,000. Updated charges are applicable to delivery services provided by ComEd beginning in January 2020.

19-0436 Ameren Illinois Company d/b/a Ameren Illinois

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

On December 16, 2019, the Commission entered an Order pursuant to Section 16-108.5(d) of the Public Utilities Act, approving the seventh update of Ameren Illinois

Company d/b/a Ameren Illinois' ("Ameren") rates pursuant to its Modernization Action Plan-Pricing tariff. The Commission determined Ameren's 2019 Rate Year Net Revenue Requirement and the original costs of Ameren's electric plant in service as of December 31, 2018. These updates are applicable to delivery services provided by Ameren beginning in January 2019. The Commission approved annual tariffed revenues of \$1,009,912,000, which represents a decrease of \$60,142,000, or (5.62%) from the previously approved revenue requirement.

19-0441 Sunrise Energy Ventures, LLC

Petition to Initiate a Proceeding to Investigate the Illinois Power Agency's Adjustable Block Program Lottery.

On April 19, 2019, Sunrise Energy Ventures, LLC ("Sunrise") filed with the Illinois Commerce Commission a Petition to Initiate a Proceeding to Investigate the Illinois Power Agency's Adjustable Block Program Lottery ("Petition"). Sunrise is a solar energy development company that participated in the Illinois Power Agency's ("IPA") Adjustable Block Program lottery. Sunrise claims that the lottery was not properly conducted.

In an Order dated October 2, 2019, the Commission denied Sunrise's request for an investigation. The Commission stated that Sunrise failed to claim a violation of the Public Utilities Act ("PUA") or of the Commission's Long-Term Renewable Resources Procurement Plan ("LTRRPP") Order, but rather is asking the Commission to investigate the IPA's decisions made in implementing the LTRRPP lottery process, which both the PUA and the LTRRPP Order have reserved to the IPA's authority.

19-0580 Commonwealth Edison Company

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

On May 23, 2019, Commonwealth Edison Company ("ComEd") filed with the Commission its annual energy efficiency formula rate update and revenue requirement reconciliation ("EE Formula Rate Update") pursuant to Section 8-103B of the Public Utilities Act ("PUA"), 220 ILCS 5/8-103B. ComEd requested that the Commission approve: (i) ComEd's 2020 Application Year Net EE Revenue Requirement; (ii) the cumulative persisting annual savings values calculated by the independent evaluator for the period January 1, 2018 through December 31, 2018 (Calendar Year ("CY") 2018), which demonstrate that ComEd achieved and exceeded the CY2018 CPAS goal and applicable annual incremental goal ("AAIG"); and (iii) the statutorily-prescribed performance adjustment of 200 basis points resulting from ComEd's AAIG achievement. ComEd additionally requested that the Commission authorize and direct ComEd to make the compliance filings necessary to place into effect the resulting EE Adjustments

calculated under Rider EEPP – Energy Efficiency Pricing and Performance, which will apply to customers’ bills beginning with the January 2020 monthly billing period and extending through the December 2020 monthly billing period.

The parties reached an agreement in this proceeding and the Commission approved the Stipulation Agreement and the verified Petition filed by ComEd, subject to the adjustments provided in the Stipulation Agreement.

19-0734 MidAmerican Energy Company

Petition seeking approval of its Energy Efficiency Plan pursuant to Section 8-408 of the Public Utilities Act.

MidAmerican’s proposed energy efficiency plan is governed by Section 8-408 of the Public Utilities Act. The statute first requires the utility offer the same or comparable energy efficiency programs to its customers in a state adjacent to Illinois. The record evidence demonstrates that MidAmerican has current authorization from the Iowa Utilities Board to offer comparable energy efficiency programs to its customers in Iowa.

Each proposed program within the portfolio except for Residential Low Income is cost-effective on a combined electric and gas basis. MidAmerican’s proposed energy efficiency programs are cost effective for Illinois ratepayers.

2. Gas

16-0197 The Peoples Gas Light and Coke Company

Petition pursuant to Rider QIP of Schedule of Rates for Gas Service to Initiate a Proceeding to Determine the Accuracy and Prudence of Qualifying Infrastructure Investment.

On July 17, 2019, the Commission entered an Order approving the Stipulation and Settlement regarding the prudence and reasonableness of The Peoples Gas Light and Coke Company’s (“Peoples Gas”) reconciliation of costs and revenues under Rider QIP, Qualifying Infrastructure Plant, of Peoples Gas’ Schedule of Rates for Gas Service for calendar year 2015. The Stipulation and Settlement that the Commission approved provides in part that: (1) Peoples Gas must refund \$7,270,112 to customers; (2) Peoples Gas agreed to propose to permanently remove \$7,000,000 from rate base used to establish Peoples Gas’ delivery base rates in its next general rate proceeding; (3) Peoples Gas will not report its customers with late payments to credit reporting agencies through December 31, 2028; (4) Peoples Gas will continue its elimination of customer matching requirements for Share the Warmth recipients; and (5) Peoples Gas will promote the distribution of the Share the Warmth funds in written and oral

customer communications when customers in need of bill payment assistance contact Peoples Gas.

18-0285 Northern Illinois Gas Company d/b/a Nicor Gas Company

Application for permanent Certificate of Public Convenience and Necessity, under Section 8-406 of the Public Utilities Act, to construct, operate, and maintain gas distribution facilities and to transact the business of furnishing gas service to the public in Jo Daviess County, Illinois.

On May 30, 2019, the Commission entered an Order granting Nicor Gas a Certificate of Public Convenience and Necessity, and pursuant to Section 8-406 of the Public Utilities Act, authorizing Nicor Gas to construct, operate and maintain approximately 70.4 miles of new natural gas distribution pipeline and related facilities in portions of Jo Daviess County, Illinois. The Order finds that the construction, operation and maintenance of the project is necessary for Nicor Gas to provide adequate, reliable, and efficient service to customers in the area, and is the least-cost means for Nicor Gas to satisfy the service needs of those customers.

18-1775 Northern Illinois Gas Company d/b/a Nicor Gas Company

Proposed General Increase in Rates and Revisions to Other Terms and Conditions of Service. (Tariffs filed November 9, 2018)

On November 9, 2018, Nicor Gas filed with the Commission proposed new and amended tariffs establishing revised rates and other terms and conditions for gas delivery service. The Commission's Order, which was entered on October 2, 2019 (Amendatory Order November 14, 2019), found a just and reasonable return which Nicor Gas should be allowed to earn on its net original cost rate base is 7.197%. The Commission held this rate of return incorporates a return on common equity of 9.73%, on long-term debt of 4.350%, and on short-term debt of 2.494%, and includes a 0.022% adder to overall cost of capital to account for credit facility fees. The Commission authorized an annual base rate revenue of \$899,135,000, which represents a gross increase of \$167,739,000. The Commission approved a rate base of \$3,446,880,000.

3. Water & Sewer

18-1830 Illinois-American Water Company

Application for the Issuance of a Certificate of Public Convenience and Necessity to Provide Wastewater Service to the Village Of Godfrey and Its Environs in Madison

County, Illinois, and for the Approval of the Purchase of Certain Assets of the Village of Godfrey, in Accordance with Sections 8-406, 9-210.5, and 9-210.6 of the Illinois Public Utilities Act.

On October 2, 2019, the Commission entered an Order approving Illinois-American Water Company's request to purchase the water and sewer assets of the Village of Godfrey, Illinois, as well as establishing the ratemaking rate basis for the assets purchased by Illinois-American.

19-0186

Utility Services of Illinois, Inc.

Application for a Consolidated Certificate of Public Convenience and Necessity for its Northern Properties area in McHenry County, pursuant to Section 8-406 of the Illinois Public Utilities Act.

On February 22, 2019, Utility Services of Illinois, Inc. filed a verified Application requesting that the Commission enter an order pursuant to Section 8-406 of the Public Utilities Act, 220 ILCS 5/8-406, issuing a consolidated Certificate of Public Convenience and Necessity for the Whispering Hills Water System in McHenry and Lake County, Illinois.

On August 7, 2019, the Commission entered an Order consolidating the Certificates of Public Convenience.

4. Telecommunications

12-0095

Q LINK WIRELESS LLC

Application for Designation as an Eligible Telecommunications Carrier in the State of Illinois.

On February 3, 2012, Q Link Wireless LLC ("Q Link" or "Applicant") filed with the Commission an Application for designation as a Lifeline-only Eligible Telecommunications Carrier ("ETC") for the sole purpose of receiving federal Lifeline support. Q Link requested that the Commission designate it as a prepaid wireless ETC provider of voice and broadband services for the sole purpose of receiving federal universal service Lifeline support in certain rural and non-rural geographic areas throughout Illinois.

On May 13, 2019, the Commission entered an Order denying Q Link's Application. The Commission found that it would not be in the public interest to approve Q Link's Application to be a Lifeline provider in Illinois.

19-0152

Alexander County Emergency Telephone System Board Clay County Emergency Telephone System Board Gallatin County Emergency Telephone System Board Jackson County Emergency Telephone System Board Johnson County Emergency Telephone System Board Perry County Emergency Telephone System Board Pulaski County Emergency Telephone System Board Richland County Emergency Telephone System Board Saline County Emergency Telephone System Board Union County Emergency Telephone System Board Wabash County Emergency Telephone System Board White County Emergency Telephone System Board Williamson County Emergency Telephone System Board

-vs-

NG-911, Inc.

Verified Complaint pursuant to Section 10-108 of the Public Utilities Act Concerning Improper Billing for 9-1-1 Service.

The thirteen Complainants are Emergency Telephone Systems Boards (“ETSBs”) that contracted with the Respondent for 9-1-1 services. In April of 2011, each of the ETSBs and all of the ETSBs collectively as CSI- Counties of Southern Illinois entered into two contracts with NG concerning 9-1-1 services. The first contract was the 9-1-1 System Service Provider Agreement pursuant to which NG would provide to the ETSBs the majority of the services necessary for the ETSBs to provision 9-1-1 services to their respective constituents. The second contract was the Purchase and Maintenance Agreement pursuant to which, for purposes of the complaint, NG would maintain certain 9-1-1 related equipment and provide the additional emergency call routing function 9-1-1 service to the ETSBs. The ETSBs claimed that the Respondent listed specific charges under its tariffs that are improper and not rightfully assessed against the ETSBs.

On October 2, 2019, the Complainants filed a Motion to Withdraw the Complaint indicating that they have reached a settlement agreement with the Respondent on all issues. On October 17, 2019, the Commission granted the Motion to Withdraw.

5. Miscellaneous

18-1447

Illinois Commerce Commission On Its Own Motion

Amendment of 83 Ill. Adm. Code 220.

Part 220 sets forth requirements that public utilities subject to the rules must follow in reporting accidents to the Commission. The principal amendment to Part 220 changes Section 220.60, Instructions for Reporting, by increasing the monetary threshold in subsection (a) of Section 220.60 for required reports of accidents not involving death or

personal injury. The amendment raises the dollar amount from \$1,000 in damages to the property of the utility to \$20,000 in damages to utility property, to reflect current costs of critical accidents. The rulemaking also makes several other changes of a non-substantive nature to Section 220.60.

19-0033

Illinois Commerce Commission On Its Own Motion

Amendment of 83 Ill. Adm. Code 310.

Part 310 governs the circumstances in which the Commission waives the filing and approval of requirements for affiliate contracts and arrangements as contemplated by Section 7-101 of the Public Utilities Act (220 ILCS 5/7-101). The amendments update statutory citations and references in the rules to conform to current federal and state law, and they allow electronic alternatives to publication by newspaper for the competitive bidding process.

Appendix B | Acronyms

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
DCEO - Department of Commerce and Economic Opportunity
DG – Distributed Generation
EPA – Environmental Protection Agency
EV - Electric Vehicles
FERC - Federal Energy Regulatory Commission
GMI - Grid Modernization Index
GW - Gigawatts
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
kWh – Kilowatt Hour
LIHEAP - Low Income Home Energy Assistance Program
LTPP - Long-Term Procurement Plan
LTRRPP - Long-Term Renewable Resources Procurement Plan
MCPUC - 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
NARUC - National Association of Regulatory Utility Commissioners
NOI - Notice of Inquiry
ORMD - Office of Retail Marketing Development
P.A. - Public Act
PIPP - Percentage of Income Payment Plan
PJM – PJM Interconnection (a regional RTO)
PUA - Public Utilities Act
PV - Photovoltaic
QIP – Qualifying Infrastructure Plant
RES - Retail Electric Supplier (also referred to as 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
ZEC - Zero Emission Credits
ZES - Zero Emission Standard