

ILLINOIS COMMERCE COMMISSION

2021 Annual Report on Electricity, Gas, Water and Sewer Utilities



January 2022



STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

527 East Capitol Avenue
Springfield, Illinois 62701

160 North LaSalle
Chicago, Illinois 60601

January 20, 2022

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 2021 Annual Report on Electricity, Gas, Water, and Sewer Utilities. This Report covers the period of January 1, 2021 through December 31, 2021.

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

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

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

Additional information about the Commission and its activities is available from the Commission's website listed on the following page. The Illinois Commerce Commission stands ready to answer any follow-up questions that you may have or provide you with additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carrie K. Zalewski".

Carrie K. Zalewski
Chairman

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For any public utility service issue, for assistance, or information, or to file an informal complaint, please contact the ICC's Consumer Services Division. Toll-free: 800/524-0795 (In Illinois only) 800/858-9277 (TTY)

The ICC Online

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

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

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



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Year in Review

JANUARY

The Commission released a Notice of Inquiry (NOI) Summary Report on electric and natural gas service safety and reliability. The NOI was initiated by the Commission as a vehicle to gather information and more closely examine its rules and regulations, as well as the practices and procedures of public utilities, to ensure utility workers and the public remain safe.

FEBRUARY

ICC Commissioner Maria Bocanegra was chosen as the new chair of the National Association of Regulatory Utility Commissioners (NARUC) Committee on Water.

The Commission urged customers to follow winter energy-saving smart tips to keep utility bills down amid the backdrop of extreme weather events in Texas and other parts of the country that impacted wholesale energy prices.

Residential and business customers were reminded that, beginning February 27, 2021, mandatory 10-digit dialing would be required for all local calls made within the Illinois 217 Area Code (area code + the 7-digit telephone number). The switch was necessary to add another area code 447 to the region served by area code 217 to ensure a continuing supply of telephone numbers for the area. The 447 overlay did not require customers to change their existing area code or telephone number or increase the price of a local call.

ICC Chairman Carrie K. Zalewski was one of three experts chosen by the National Association of Regulatory Utility Commissioners (NARUC) to participate in a virtual exchange program (February 24-25) as part of a regional partnership with the Regional Energy Regulators Association of Southern Africa (RERA). The webinar series focused on the integration of renewable energy technologies and energy storage.

On behalf of the Federal Communications Commission, the ICC announced effective October 24, 2021, phone customers in the 309, 618 and 708 area codes would be required to use 10 digit dialing (or 1+10-digit) when making local calls to ensure users can dial 988 to reach the existing National Suicide Prevention Lifeline starting in July 2022.

MARCH

The first annual report issued by the Illinois Commerce Commission's Office of Diversity and Community Affairs found diverse spending by the state's largest investor-owned utilities has steadily grown from an average of 15% to nearly 33% percent of all procurement spending over the past five years, a collective increase in annual diverse spending of over \$2 billion. At the end of calendar year 2019, diversity spending among the 'Big 5' averaged 40% of their total procurement dollars. The report, which is

available on the ICC website, provides a summary and analysis of data from five years of reports submitted by the five public utilities with the largest numbers of customers in Illinois.

Michael Merchant was hired as the agency's new Executive Director. Merchant is the first African American male to hold the role of Executive Director at the Commission and is responsible for supervising the Commission Staff and overseeing management of the agency's budget.

The Commission unanimously approved historic consumer protection agreements to help electric, natural gas, water, and sewer residential customers hard hit by the ongoing COVID-19 pandemic to mitigate outstanding consumer debt and prevent disconnections before the voluntary winter moratorium on disconnections expires on March 31, 2021. To receive the benefits and prevent disconnection, customers were required to call their utility. The stipulated agreements were negotiated and signed by the ICC Staff, the state's largest public utilities, and participating consumer advocate groups.

ICC Commissioner Michael T. Carrigan was selected to participate in the National Association of Regulatory Utility Commissioners newly launched five-year Nuclear Energy Partnership with the U.S. Department of Energy Office of Nuclear Energy. This partnership enables state public service commissioners and commission staff from across the country to explore deeper issues related to zero-carbon nuclear power.

The Commission amended the Illinois Power Agency's Long-Term Renewable Resources Procurement Plan to allow for the completion and energization of renewable energy projects delayed due to COVID-19.

An investigation was initiated by the Commission into the value of solar for Commonwealth Edison Company's (ComEd) distribution generation customers and to verify whether the company calculated the 3% threshold correctly. State law requires the ICC to initiate an investigation when the total generating capacity of the electricity provider's net metering customers is equal to 3%.

The Notice of Inquiry Report on Electric Rate Design Issues for Transportation Electrification and Other Beneficial Electrification was released by the ICC. The NOI was initiated on August 19, 2020 to obtain information on the impact of electricity rate design on transportation electrification (TE), TE infrastructure adoption, and beneficial electrification (BE), and explore rate design options. The Commission also sought to identify the impact of rate design on electric service and electric service affordability.

APRIL

In recognition of National Safe Digging Month, the Commission reminded homeowners and excavators to call 811 before beginning any outdoor project that requires digging.

Amid the backdrop of extreme winter weather events in the U.S. South Central Region that left millions without electricity or heat, and sent natural gas prices skyrocketing to record levels, the Commission opened a Notice of Inquiry into Extreme Weather Preparedness to ensure Illinois consumers are protected.

The Notice of Inquiry Report on Utility Affordability was released by the Commission and posted on its website. Initiated in March 2020, the NOI sought comments from interested parties on reporting of data, rate structures, collection practices, safety, energy efficiency, renewable energy, access to assistance programs, and retail competition.

The Commission adopted Interim Orders allowing alternative electric and gas suppliers to resume in-store marketing and appointment-based solicitation of non-residential customers. The orders require extensive oversight and training of the employees and agents and compliance with all state and local requirements regarding social distancing and other matters related to disease control.

MAY

The Illinois Commerce Commission named Natalia Delgado as General Counsel for the agency. Delgado is the first Latina to hold the position and lead the Office of General Counsel.

ICC Chairman Carrie K. Zalewski was appointed to serve as a member of the NARUC Select Committee on Regulatory and Industry Diversity.

The National Association of Regulatory Utility Commissioners formally established a Commission Chairs' Council to serve the needs of public utility commission leaders. Carrie Zalewski was tapped to head the council.

JUNE

Graduate students at the University of Chicago Harris Public Policy Labs spent the 2021 winter quarter conducting research into the topic of carbon pricing in the electricity sector, and how it could potentially benefit Illinois. The students explored and analyzed relevant and environmental policies at the state and federal levels, and how carbon pricing could be implemented in regional transmission organizations before preparing and presenting their report to the ICC.

JULY

The Commission approved a settlement and release agreement under which Great American Power, an alternative electric retail supplier, agreed to pay a total of \$325,000 in refunds to customers and energy assistance for low-income residents. GAP also agreed to a Commission Compliance Plan which includes a five-year ban on all marketing and enrollments in Illinois and additional restrictions to further ensure appropriate market behavior by the Company in the future. The agreement was reached and signed by Commission Staff, the Illinois Attorney General, the Citizen's Utility Board and GAP following an investigation into allegations of non-compliance with state rules and regulations governing ARES.

Ameren Illinois Company (Ameren Illinois) received unanimous approval to create the Rider Optional Electric Vehicle Charging Program (Rider EVCP) to encourage the adoption of electric vehicles and the installation of charging stations across central and southern Illinois. The rider establishes voluntary electric rates for residential electric vehicle (EV) owners, for multifamily housing, for transit and educational facilities, and for commercial EV charging stations. The rates aim to encourage EV owners who charge their vehicles at home to do so during off-peak hours, when the increased demand from charging puts less stress on the grid.

AUGUST

The Commission voted unanimously to issue its Second Notice Order in a rulemaking proceeding amending Parts 466 and 467 of the Commission's rules on distributed generation interconnection. The rulemaking sought to provide greater clarity and transparency for ratepayers, solar developers and utilities regarding the costs and timelines for the interconnection of rooftop solar systems, behind-the-meter energy storage, and other small- and large-scale renewable generation arrays.

The Illinois Commerce Commission announced the addition of a 464-area code to south suburban Chicago counties presently served by the 708-area code. The 464 area code will "overlay" the existing territory in order to supplement the telephone number supply. The 464 area code will be available for assignment only when all assignable prefixes in the 708 have been exhausted which is not expected to occur until January of 2022.

The Commission announced a series of stakeholder workshops to discuss the grid-impact of EVs in Illinois. The workshops held on September 9 and October 17 covered issues such as EV rates, barriers to EV uptake, charging infrastructure, low-income EV adoption, and EVs as distributed energy resources. The Commission authorized First Notice Period in rule making proceedings amending Parts 412 and 512 that dictate how Alternative Retail Electric Suppliers (ARES) and Alternative Gas Suppliers (AGS) can operate and interact with customers in Illinois.

The ICC's Office of Retail Market Development (ORMD) reissued a corrected version of its 14th Annual Report to the Commission, General Assembly, and the Governor describing the competitive retail electric market in Illinois.

SEPTEMBER

The Commission approved a settlement and release agreement under which Star Energy Partners, LLC (Star Energy), an alternative electric retail supplier, agreed to pay a total of \$300,000 in refunds to customers and energy assistance for low-income residents. Star Energy also entered into a Commission Compliance Plan as part of the settlement, which includes an agreement to conduct no sales, marketing, or enrollments in Illinois for two years and restrictions to ensure compliance with state rules in the future. The agreement was negotiated and signed by the ICC Staff, the Illinois Attorney General, the Citizen's Utility Board and Star Energy.

The Illinois State Senate officially confirmed the appointment of Michael T. Carrigan as Commissioner of the Illinois Commerce Commission.

The Illinois Commerce Commission partnered with the National Association of Regulatory Utility Commissioners (NARUC) and the Universal Telephone Assistance Corporation (UTAC) to raise awareness about the National Telephone Discount Lifeline Program which helps those who need voice and broadband services but can't afford it.

The Commission held two Supplier Diversity Policy Sessions to allow the state's large regulated public utilities and Class 1 railroads to report on their supplier diversity efforts in 2020 and identify their procurement goals for 2021. The utilities reported significant progress on their supplier diversity achievements since mandated reporting began in the state six years ago. In 2020, the largest utilities combined annual supplier diversity spending has increased to around \$2 billion. The seven Class 1 Railroads doing business in Illinois reported collective diverse spending at \$1.5 billion.

OCTOBER

The Illinois Commerce Commission began the process of implementing key provisions of the newly enacted Climate and Equitable Jobs Act (Public Act 102-0662). The Commission approved several measures in furthering the goals of this Act including the initiation of workshops into beneficial electrification to increase EV adoption; initiation of an investigation into ComEd's conduct detailed in the federal Deferred Prosecution Agreement entered with the U.S. Attorney for the Northern District of Illinois; granting ICC Staff the authority to hire a management auditor to conduct an audit of ComEd; initiation of a workshop process to facilitate the development of performance and tracking metrics for ComEd and Ameren Illinois for a new performance-based ratemaking structure; directing ICC Staff to engage a facilitator to conduct the performance metric workshops, and directing Staff to file a report on the workshop process, metrics proposed, and any material issues that remain unresolved; initiation of Baseline Assessment Audits of Ameren Illinois and ComEd distribution systems; initiation of a docket requiring the utilities to accelerate repayment of excess deferred income taxes (EDIT) arising from the 2017 Tax Cuts and Jobs Act by December 31, 2025; initiation of a process to select an independent, third-party facilitator for multi-year integrated grid plan workshops; initiation of the process to hire a multi-year integrated grid plan auditor to assist the Commission with the distribution planning process and docketed proceedings; initiation of the process to hire technical and policy experts to support the Commission in the development of a renewable energy access plan; directing ICC Staff to develop selection criteria and requirements to engage a third-party program administrator to oversee the Intervenor Compensation Fund and based on those criteria and requirements select a third-party administrator for Commission approval; and establish an Interconnection Working Group to consider technical and other matters relating to interconnection of solar and other distributed generation resources.

The ICC approved a settlement agreement under which National Gas & Electric, LLC, an alternative retail electric supplier, agreed to pay \$1.25 million in refunds to customers and \$250,000 for energy assistance

for low-income residents. National Gas & Electric (NGE) also agreed to a Commission Compliance Plan which includes a three-year ban on marketing and enrollments in Illinois, and remediation steps to ensure appropriate behavior upon reentry in the market. The agreement was reached and signed by ICC Staff, the Illinois Attorney General, the Citizen's Utility Board and NGE.

The Notice of Inquiry Report on Extreme Weather Preparedness was released by the Commission and posted on its website. Initiated in April 2021, the NOI sought to collect information, particularly from entities not subject to the Commission's jurisdiction, on steps taken or that can be taken to ensure that all reasonable efforts are employed in Illinois to prevent widespread outages and extreme energy price increases especially during extreme weather events.

NOVEMBER

The Office of Retail Market Development released its seventh annual report to the Commission, General Assembly, and Governor providing an overview of the current state of the natural gas market in Illinois including active gas supplier activity and consumer switching trends.

The Illinois Commerce Commission informed low-income customers struggling to afford their electric and natural gas utility bills about changes in state law that offer relief from deposit and late payment fees and clarifies who is eligible for these new consumer protection benefits.

The ICC began to recruit and hire several professional legal, engineering, and financial positions within the agency's Public Utilities Bureau and Office of General Counsel to help the agency move forward with the implementation of the newly enacted Climate and Equitable Jobs Act.

The Commission announced the dates and times for the Illinois Energy Storage Webinar Series held in collaboration with the U.S. Department of Energy Office of Electricity Energy Storage Program and the Sandia National Laboratories. The six-part webinar series began in November and includes dates in December, and January 2022. The webinar series will explore the role of energy storage to unleash the power of renewables, relieving generation, transmission, and distribution demands, and hastening Illinois' energy transition to a decarbonized future.

The State's regional transmission organizations, local distribution companies and consumer advocates participated in the Commission's annual Winter Preparedness Policy Session to ensure readiness for extreme winter weather events.

DECEMBER

The Commission announced a hiring campaign to fill several professional legal, engineering, and financial positions within the agency's Public Utilities Bureau and Office of General Counsel to help the agency move forward with the implementation of the newly enacted Climate and Equitable Jobs Act.

Introduction

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

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

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

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

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

The following persons (listed alphabetically) are serving as members of the ICC as of the date of this annual report's submission.

Maria S. Bocanegra

Michael T. Carrigan

D. Ethan Kimbrel

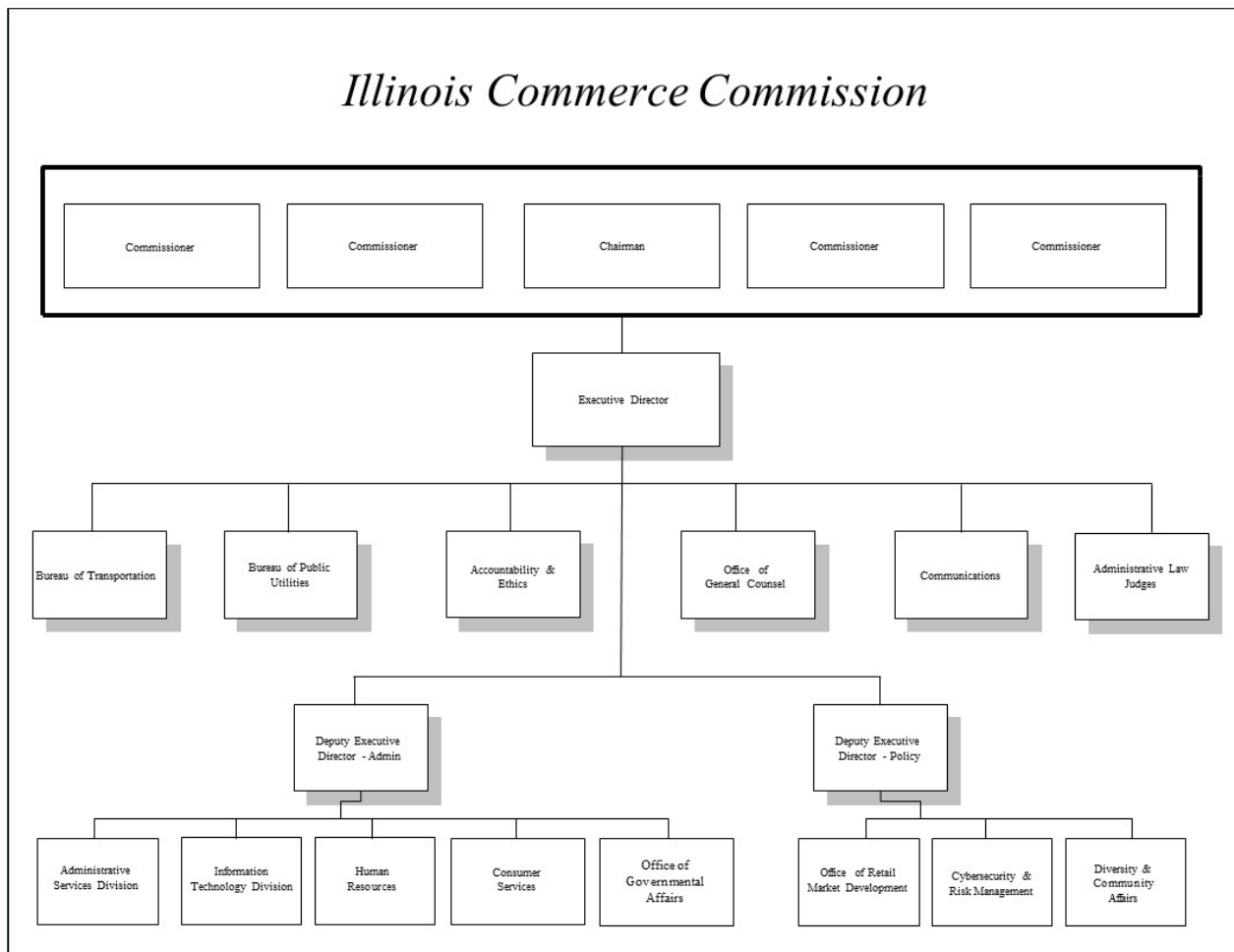
Carrie K. Zalewski

Mission Statement

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

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

Organizational Structure



Section 1 | A General Review of Agency Activities

Public Utilities Act Section 4-304 requires:

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

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

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

A. Review of Significant Commission Decisions

A review of significant Commission decisions and other regulatory actions taken in 2021 may be found in Appendix A of this report. While not exhaustive, these summaries provide a representative sampling of Commission actions. If the reader would like to know more about any of the cases discussed in this report, both the Commission's order and the record for decision are available for examination in the Commission's Springfield office. In any proceeding in which the Commission has entered an order on the merits, the best summary of positions advocated and reasons for the Commission's adoption of a position is contained in the order itself.

Copies of these documents are available free of charge to public officers. Others may obtain copies upon payment of the fee established in Section 2-201 of the PUA. Selected orders and other Commission documents may be found on the Commission's website (www.icc.illinois.gov) or in the Commission's electronic docketing system (www.icc.illinois.gov/e-docket). More information about the e-Docket system follows in the next section.

B. Pending Cases

As noted above, Section 4-304 of the PUA also requires a review of pending cases, including an analysis of the potential impact and a description of positions advocated by staff and major parties. The Commission believes that it is precluded from entering 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 2021 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 2021

Table 1-1, Utility Cases Monthly Report, shows the cases and filings for each month for the years 2016, 2017, 2018, 2019, 2020, and 2021. 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	2021	80	73	148	102	68	76	47	66	59	46	59	53	877	927
	2020	115	96	144	79	64	60	53	55	55	55	68	94	938	991
	2019	107	99	143	136	151	76	76	76	85	69	63	64	1,145	1,339
	2018	270	205	234	190	200	131	116	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
Filings/ Reports (SPI)	2021	905	964	1,696	1,426	1,036	920	607	526	612	690	527	609	10,518	10,279
	2020	1,035	914	1,417	1,203	962	852	665	461	641	652	418	495	9,715	10,461
	2019	825	772	1,306	1,466	1,211	896	848	689	668	806	513	554	10,554	9,926
	2018	673	527	1,045	873	841	579	659	606	488	674	564	459	7,988	7,336
	2017	574	440	993	692	415	530	543	500	419	524	352	460	6,442	6,709
	2016	252	303	394	651	474	495	556	489	510	597	440	473	5,634	4,923
Hearing & Commission Action Notices	2021	160	137	191	153	129	111	96	139	161	163	146	109	1,695	1,555
	2020	156	122	187	149	172	137	154	129	152	126	113	166	1,763	1,662
	2019	120	110	124	101	118	131	114	122	157	150	97	99	1,443	1,381
	2018	92	86	112	109	142	115	95	116	105	133	125	103	1,333	1,198
	2017	119	87	111	103	91	99	84	97	101	79	89	92	1,152	1,250

Illinois Commerce Commission
2021 Annual Report on Electricity, Gas, Water and Sewer Utilities

	2016	134	125	150	127	104	153	90	108	102	106	120	114	1,433	1,705
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Illinois Commerce Commission
2021 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
Supplemental/ Reopen Petitions	2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-	-	-	-	-	-	1
	2018	-	-	-	-	-	-	-	-	1	-	-	-	1	-
	2017	-	-	-	-	-	-	-	-	-	-	-	-	-	4
	2016	-	3	-	-	-	-	-	3	-	1	-	-	-	7
Petitions for Rehearing	2021	3	3	-	2	1	1	2	1	-	-	-	5	18	16
	2020	2	1	-	-	-	1	3	-	-	1	2	-	10	9
	2019	-	-	2	1	-	-	-	-	-	-	5	-	8	7
	2018	-	4	6	3	1	1	-	-	1	-	1	2	19	23
	2017	6	1	1	1	2	-	-	4	1	2	-	1	19	16
	2016	7	-	1	4	-	1	1	-	-	-	1	3	18	29
Notice of Appeals	2021	1	3	2	1	-	-	2	-	-	-	-	-	9	11
	2020	-	2	-	-	-	-	1	1	-	1	-	1	6	5
	2019	-	-	-	-	-	-	2	-	-	-	-	1	3	-
	2018	-	1	-	1	1	4	-	-	-	-	-	-	7	8
	2017	-	1	3	-	-	-	-	-	-	-	1	-	5	4
	2016	5	-	-	-	3	-	-	-	-	-	-	-	8	19
Cases Closed (Orders/ Commission Actions)	2021	51	58	89	128	124	67	75	43	77	33	65	63	873	885
	2020	73	50	74	150	68	72	63	45	77	69	57	57	855	1,010
	2019	76	107	104	108	162	82	81	96	68	134	89	55	1,162	1,346
	2018	305	306	173	210	277	131	138	115	130	113	104	107	2,109	1,982
	2017	33	57	59	74	84	44	27	40	25	23	46	419	931	636
	2016	38	73	79	73	56	80	29	50	83	32	33	58	684	701
Tariff Filings	2021	54	43	94	53	84	123	68	69	62	45	67	88	850	844
	2020	50	49	91	59	84	96	62	61	64	50	60	96	822	824
	2019	45	50	71	92	98	92	64	65	53	45	81	87	843	835
	2018	53	56	77	77	96	104	66	61	68	53	61	78	850	889
	2017	44	49	65	81	163	97	98	66	62	59	59	82	925	885
	2016	58	60	65	119	107	111	85	60	50	44	70	77	906	947

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.

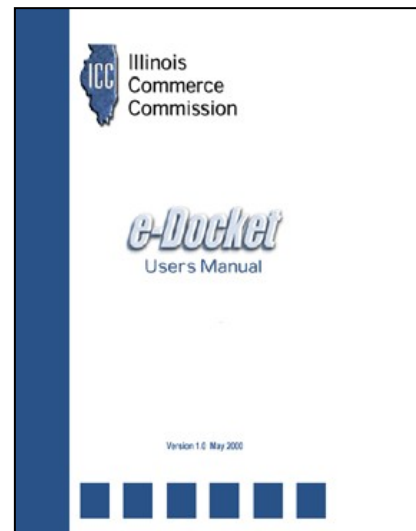
e-Docket is a web-based, automated information and records-keeping system. It was developed to process and manage public information about the Commission's official cases and rulemaking proceedings. A person using e-Docket may conduct searches in two ways:

- **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 2021**

	Chairman & Commissioners		Public Utility Division		Transportation Division		Total	
	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$
Public Utility Fund	17	1,982,300	149	30,322,300	0	0	166	32,304,600
Transportation Fund	1	167,800	0	0	70	19,183,300	71	19,351,100
Underground Utilities Damage Prevention Fund	0	0	0	301,000	0	0	0	301,000
Wireless Carrier Reimbursement Fund	0	0	0	3,000,000	0	0	0	3,000,000
Illinois Telecommunications Access Corporation Fund	0	0	0	3,000,000	0	0	0	3,000,000
Total	18	2,150,100	149	36,623,300	70	19,183,300	237	57,956,700

Headcount is shown at the authorized level for FY21.

Budget \$ shown represents the FY21 appropriation.

From Form 150A

(1-d) a description of any significant changes in Commission policies, programs or practices with respect to agency organization and administration, hearings and procedures or substantive regulatory activity. During 2021, there were changes in Commission policies, programs, or practices with respect to agency organization and administration, hearings and procedures or substantive regulatory activity.

G. Agency Organization and Administration

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

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

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

The Climate and Equitable Jobs Act (CEJA) which was signed into law on Sept 15, 2021 puts Illinois on a path toward 100% clean energy, invests in training a diverse workforce for the jobs of the future, institutes key ratepayer and residential customer protections, and prioritizes meaningful ethics and transparency reforms. The Act requires the ICC to create a new Integrated Distribution Planning Division to develop a comprehensive plan for the state's grid, and an Ethics and Accountability Division to ensure Illinois' public utility companies are held to the highest level of ethical standards.

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 Illinois, 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 filing.³
- Procurement of “standard products” must be made through sealed-bid, pay-as-bid Request for Proposals (RFP) processes.

¹ 20 ILCS 3855/1-75

² 220 ILCS 5/16-111.5

³ The Commission issued its final order approving the IPA’s 2021 Electricity Procurement Plan on November 5, 2020 (Docket No. 20-0717).

- The RFP process is conducted by an IPA-hired and Commission-approved “procurement administrator.” At present, the IPA’s procurement administrator is the consulting firm of NERA Economic Consulting.
- The RFP process is monitored by a Commission-hired “procurement monitor.” At present, the Commission’s procurement monitor is the consulting firm of Bates White LLC.
- The procurement administrator and monitor independently submit to the Commission confidential reports within two business days after the receipt of bids.
- The Commission reviews the confidential reports and either accepts or rejects the recommendations of the procurement administrator within two business days after receipt of the reports.
- If, by the above action, the Commission approves of utilities entering into contracts, then contracts with winning bidders are executed within three business days.

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

1. Standard blocks of power entered into by Ameren to establish fixed-quantity price hedges vis-à-vis 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.⁶
4. Capacity contracts to enable Ameren to satisfy resource adequacy requirements of MISO over portions of a one to two-year period.⁷

The results of previous procurements can be found at <https://www.icc.illinois.gov/programs/electricity-procurement-process>.

⁴ MISO is the Midcontinent Independent Transmission System Operator, Inc. It is the regional transmission organization (RTO) to which Ameren and MidAmerican belong. MISO coordinates the movement of power in 15 U.S. states and the Canadian province of Manitoba. www.misoenergy.org

⁵ PJM is the PJM Interconnection, which is the RTO to which ComEd belongs. PJM coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia. Originally, it operated within Pennsylvania, New Jersey, and Maryland; hence the name, PJM. www.pjm.com

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

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

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 program in May 2002. All customer classes are now eligible to choose alternative retail electric suppliers (ARES). As of December 2021, there were 101 suppliers certified to serve customers, although 11 of those sought Commission authority to serve themselves or affiliates. Of those 101 certified to serve customers, 78 are certified to serve residential customers. As of November, there were 79 active suppliers in the ComEd territory and 43 active suppliers in the Ameren Illinois territory.

As of May 31, 2021, approximately 1.57 million residential customers were purchasing power and energy from a retail electric supplier (RES) and approximately 223,103 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, 2021. Detailed electric customer switching statistics can be viewed on the Commission's website at <https://www.icc.illinois.gov/industry-reports/electric-switching-statistics>.

In 2007, larger commercial customers were benefiting through electric competition, but little competitive activity occurred in the residential and smaller commercial customer classes at the time. At this time, the Illinois General Assembly passed P.A. 94-1095 (the "Retail Electric Competition Act"), reiterating "its findings from the Electric Service Customer Choice and Rate Relief Law of 1997 that the Illinois Commerce Commission should promote the development of an effectively competitive retail electricity market that operates efficiently and benefits all consumers." P.A. 94-1095 created the Office of Retail Market Development (ORMD) to actively seek out ways to promote retail competition in Illinois to benefit all consumers. The ORMD facilitated the implementation of P.A. 95-0700 requiring ComEd and Ameren Illinois to provide utility consolidated billing to RES and to provide for the purchase of RES receivables. Ameren implemented a utility consolidated billing and purchase of receivables program at the end of 2009 and ComEd did so in the beginning of 2011.

In the Commission's Order approving Ameren Illinois' consolidated billing and purchase of receivables program, the Commission concluded that "consumer education and protection are both very important to any program implementing customer choice, particularly for smaller customers." In December 2012,

the Commission entered a final Order adopting Illinois Administrative Code Part 412, which specified a number of RES disclosure requirements and similar consumer protections.

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

Amendments to Part 453 took effect on November 1, 2017, and amendments to Part 412 took effect on May 1, 2018. Since having gone into effect, ORMD provided an Agent Training Workshop in June of 2018 to discuss with RES the best practices for agent training and to ensure they are complying with the regulations. ORMD has also been able to increase its enforcement capabilities and investigate actors that are not complying with various marketing and sales regulations in Part 412. Since the Part 412 amendments took effect, Commission Staff has issued a Notice of Apparent Violation to several ARES and initiated formal investigative proceedings concerning several other ARES.

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

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

Residential switching activity is, at least in part, due to municipal aggregation programs by many communities throughout the state. To date, 828 communities have passed municipal aggregation referenda and more than 535 are currently active programs.

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

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

1. Electricity

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

- Ameren Illinois Company (Ameren Illinois)
- Commonwealth Edison Company (ComEd)

- MidAmerican Energy Company (MidAmerican)
- Mt. Carmel Public Utility Company (Mt. Carmel)

Municipal systems and electric cooperatives also provide electric service in Illinois; these municipal systems and electric cooperatives are not subject to regulation by the Commission.⁸

A detailed presentation of the 2020 sales statistics presented below can be found in the Commission’s “Comparison of Electric Sales Statistics for Calendar Years 2020 and 2019” 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 4,075,079 customers in northern Illinois, including the Chicago metropolitan area. MidAmerican serves 85,641 customers in northwestern Illinois.

For 2016 through 2020, 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)**

	2016	2017	2018	2019	2020
ComEd	10.91	11.64	11.88	11.86	12.03
MidAmerican	7.94	8.35	7.98	7.60	7.19

b) Central Illinois and Southern Illinois

Two investor-owned public utilities provide electric service to central and southern Illinois: Ameren Illinois and Mt. Carmel. Ameren Illinois serves 1,225,204 customers in central and southern Illinois. Mt. Carmel serves 5,267 customers in southeastern Illinois.

For 2016 through 2020, 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)**

	2016	2017	2018	2019	2020
Ameren Illinois	9.36	9.38	9.00	8.64	9.16
Mt. Carmel	12.59	13.89	14.66	14.45	14.32

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

⁸ Data concerning quality, availability, and price for these municipal electric systems and electric cooperatives are not reported to the Commission and are not included in this report.

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 Mt. Carmel filed annual electric reliability reports in 2021 for the calendar year 2020. 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 2016 through 2020. 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)**

	2016	2017	2018	2019	2020
Ameren Illinois	168	164	189	149	204
ComEd	113	116	150	105	440
MidAmerican	145	86	117	150	794
Mt. Carmel	117	60	94	77	91

The following table presents the annual System Average Interruption Frequency Index (SAIFI) each utility reported for the years 2016 through 2020. 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)**

	2016	2017	2018	2019	2020
Ameren Illinois	1.42	1.17	1.10	1.20	1.10
ComEd	0.76	0.73	0.74	0.72	0.76
MidAmerican	1.76	1.40	1.09	1.56	2.85
Mt. Carmel	1.89	2.99	2.98	1.88	1.14

2. Natural Gas

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

- Ameren Illinois Company (Ameren Illinois)
- Consumers Gas Company (Consumers Gas)
- Illinois Gas Company (Illinois Gas)
- Liberty Utilities (Midstates Natural Gas) Corp. (Liberty Utilities)
- MidAmerican Energy Company (MidAmerican)
- Mt. Carmel Public Utility Company (Mt. Carmel)
- Northern Illinois Gas Company (Nicor Gas)
- North Shore Gas Company (North Shore Gas)
- Peoples Gas Light and Coke Company (Peoples Gas)

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

During 2021, 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, North Shore Gas, and Peoples Gas are allowed to purchase gas directly from wholesale suppliers. During 2022, sufficient supplies of natural gas are expected to be available to all customers.

A detailed presentation of the 2020 sales statistics presented below can be found in the Commission's "Comparison of Gas Sales Statistics for Calendar Years 2020 and 2019" 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 (MidAmerican)
- Northern Illinois Gas Company (Nicor Gas)
- North Shore Gas Company (North Shore Gas)
- Peoples Gas Light and Coke Company (Peoples Gas)

Nicor Gas is the largest gas distribution company in the State and provides service to 1,991,790 customers in northern Illinois. Peoples Gas, which serves the City of Chicago, has 804,364 customers. North Shore Gas serves 148,421 customers in communities north of the Chicago area. Finally, MidAmerican serves 65,652 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 2016 through 2020, these four utilities charged the following average prices shown in cents per therm:

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

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

	2016	2017	2018	2019	2020
MidAmerican	52.66	58.30	53.90	47.08	44.74
Nicor Gas	50.26	57.65	53.59	54.91	54.88
North Shore Gas	72.89	82.17	72.01	68.47	65.37
Peoples Gas	92.96	106.00	96.77	92.56	93.71

b) Central and Southern Illinois

Ameren Illinois provides gas service to 805,031 customers in central and southern Illinois, making it the second largest gas utility in the State. Liberty Utilities provides service to 21,286 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, Illinois Gas, and Mt. Carmel. Illinois Gas serves 9,427 customers in the Lawrenceville-Olney area. Consumers Gas serves 5,224 customers in the Carmi area. Finally, Mt. Carmel serves 3,412 customers in the Mt. Carmel area.

For 2016 through 2020, these five utilities charged the following average prices shown in cents per therm:

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

	2016	2017	2018	2019	2020
Ameren Illinois	96.18	100.39	91.90	88.49	90.22
Consumers Gas	63.03	74.26	70.15	67.98	65.91
Illinois Gas	69.97	76.94	70.75	68.72	61.95
Liberty Utilities	95.79	107.14	97.04	103.75	83.91
Mt. Carmel	101.47	113.31	101.86	102.49	95.55

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 2020 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 2020**

	Ameren Illinois	Consumers Gas	Illinois Gas	Liberty Utilities	Mid-American	Mt. Carmel	Nicor Gas	North Shore Gas	Peoples Gas
Residential Sales	99.14	74.27	72.22	93.23	63.44	100.43	56.41	67.15	104.26

Small (or Commercial) Sales	87.91	64.37	60.92	75.09	48.83	86.22	50.33	58.39	69.70
Large (or Industrial) Sales	22.05	44.59	44.13	44.52	25.15	-	42.24	-	51.91
Other Sales To Public Authorities	70.06		-	-	-	-	-	-	-
Total Sales To Ultimate Customers	90.22	65.49	61.95	83.91	56.80	95.55	54.88	65.37	93.71

3. Water and Sewer Utilities

a) Overview

The Commission currently regulates five water, one sewer, and four combined water and sewer investor-owned utilities. While the number of investor-owned utilities is a small percentage of the 1,756 community public water suppliers and 850 public sanitary sewage systems with treatment facilities in the state of Illinois, these investor-owned utilities provide water service to approximately 367,000 customers and sewer service to approximately 88,000 customers. Investor-owned water utilities serve 8.0 percent of all persons in Illinois receiving water service from community public water supplies. These investor-owned water and sewer utilities serve customers in 42 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 355,256. 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 2021:

- In April, Illinois-American Water Company (Illinois-American Water) filed an application to acquire the water and wastewater systems of the Village of Mt. Pulaski in Logan County (Docket No. 21-0309).
- In April, the Commission approved Illinois-American Water's application to provide water treatment and distribution service and wastewater collection and treatment service to the Village of Livingston and its environs in Madison County (Docket No. 20-0680).

- In June, Illinois-American Water filed an application to acquire the water and wastewater systems of the Village of Hardin in Calhoun County (Docket No. 21-0511).
- In July, Illinois-American Water filed an application to acquire the water system of the Country Meadows Mobile Home Park in St. Clair County (Docket No. 21-0548).
- In July, the Commission approved Utility Services of Illinois' petition to acquire the water and wastewater systems of Rockvale Corporation, a small investor-owned utility (Docket No. 20-0894).
- In July, the Commission approved Utility Services of Illinois' petition to acquire the water system of Cedar Water Company, a small investor-owned utility (Docket No. 20-0895).
- In July, the Commission approved Aqua Illinois, Inc.'s (Aqua Illinois) petition to acquire the wastewater system of the Village of Bourbonnais in Kankakee County (Docket No. 20-0866).
- In December, Illinois-American Water filed an application to acquire the water and wastewater systems of the Royal Oaks and Four Seasons Mobile Home Communities in Peoria County (Docket No. 21-0836).

b) Regulatory Activities

In December 2021, the Commission issued an order in response to Utility Services of Illinois' request for a general increase in water and sewer rates for all of its service areas (Docket No. 21-0198).

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 has purchased sewage treatment surcharges; Aqua Illinois, Illinois-American Water, and Utility Services of Illinois, have purchased water surcharges; and Aqua Illinois, Illinois-American Water, and Utility Services of Illinois, have QIP surcharges.

c) Discussion of Water and Sewer Utilities

Water supplies for investor-owned water utilities were generally adequate in 2021.

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).

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

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

The table below presents a comparison of monthly bills for residential customers of investor-owned water utilities providing service to areas with 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, 2021

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	1,832	\$ 32.96	\$ 65.78	\$ 106.79
Kankakee	31,025	33.29	66.50	108.01
North Maine	4,778	13.77	57.57	112.32
Peotone	1,565	31.52	62.71	101.69
University Park	2,559	32.96	65.78	106.79
Willowbrook	1,045	32.96	65.78	106.79
<i>Illinois-American Water</i>				
Chicago Metro				

Well Water	1,621	32.17	57.87	90.01
Lake Water				
Chicago Suburban	4,399	42.54	71.64	108.03
DuPage County	6,457	37.23	83.19	140.65
Fernway	2,029	35.48	74.07	122.31
Santa Fe /Bolingbrook/Homer Glen	31,306	38.60	90.02	154.31
South Beloit	2,918	32.30	58.35	90.90
Sterling	6,599	32.13	57.72	89.70
Streator	7,711	32.13	57.72	89.70
Utility Services of Illinois				
Galena Territory	2,277	35.51	73.70	121.43
Lake Holiday	1,883	35.51	73.70	121.43
Whispering Hills	2,342	35.51	73.70	121.43
CENTRAL				
Aqua Illinois				
Vermilion	19,565	32.98	65.89	107.03
Illinois-American Water				
Champaign	57,443	32.58	58.29	90.42
Lincoln	5,780	29.20	46.59	68.32
Pekin	14,076	29.23	40.49	54.55
Peoria	55,498	32.17	57.87	90.01
Pontiac	4,517	32.17	57.87	90.01
SOUTHERN				
Illinois-American Water				
Alton	19,134	32.36	58.06	90.20
Interurban	67,670	32.30	58.01	90.14
Jerseyville	3,854	27.68	53.39	85.82

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 but one 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," November 10, 2021, pp. 4-5.)

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

**TABLE 2-9
STANDARD AND POOR'S ELECTRIC UTILITY ISSUER CREDIT RATINGS
NOVEMBER 2017 THROUGH NOVEMBER 2021**

	2017	2018	2019	2020	2021
Electric Utility Industry Avg.	BBB+	BBB+	BBB+	BBB+	BBB+
Ameren Illinois	BBB+	BBB+	BBB+	BBB+	BBB+
ComEd	BBB	BBB	A-	BBB+	BBB+
MidAmerican	A	A	A	A	A

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

TABLE 2-10
STANDARD AND POOR'S GAS UTILITY ISSUER CREDIT RATINGS
NOVEMBER 2017 THROUGH NOVEMBER 2021

	2017	2018	2019	2020	2021
Gas Distribution Industry Avg.	A-	A-	A-	A-	A-
Nicor Gas	A-	A-	A	A	A-
North Shore Gas	A-	N/A	N/A	N/A	N/A
Peoples Gas	A-	A-	A-	A-	A-

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

TABLE 2-11
STANDARD AND POOR'S WATER UTILITY ISSUER CREDIT RATINGS
NOVEMBER 2017 THROUGH NOVEMBER 2021

	2017	2018	2019	2020	2021
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 2021, the IPA conducted the following procurement events on behalf of Ameren (AIC), ComEd, and MidAmerican (MEC):

**TABLE 3-1
IPA PROCUREMENT EVENTS CONDUCTED IN 2021 ON BEHALF OF THE ELECTRIC UTILITIES AS BUYERS**

Bid Day	ICC Approval	Product Type	Delivery Period	Buyer(s)
4/5/2021	4/9/2021	Standard Energy Blocks	2021-2024	AIC, ComEd, MEC
4/9/2021	4/15/2021	Zonal Resource Credits	2022-2024	AIC
9/13/2021	9/16/2021	Standard Energy Blocks	2021-2024	AIC, ComEd
9/9/2021	9/15/2021	Zonal Resource Credits	2022-2024	AIC

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

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

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

P.A. 99-0906, effective June 1, 2017, revised Illinois’ Renewable Portfolio Standards (RPS). Under the prior Illinois RPS, compliance and planning depended on how a customer’s supply requirements were met, with three separate compliance methods for load service by default utility supply service, hourly-pricing customers, and load served by RES. Changes to the RPS through P.A. 99-0906 transitioned the State’s RPS to a streamlined, centralized planning and procurement process, with RPS targets and available budgets determined based on an electric utility’s load for all retail customers. P.A. 99-0906 requires the IPA to develop a Long-Term Renewable Resources Procurement Plan (LTRRPP), the first of which was approved by the ICC in April of 2018 and an updated plan was approved by the Commission in February 2020. Competitive procurements pursuant to the LTRRPP took place in 2018 and 2019. In

2021, the IPA conducted one competitive renewable procurement with bids due March 12, 2021, but the procurement did not result in any winning projects.

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

Public Act (P.A.) 102-0662 took effect September 15, 2021. This Act further revised the RPS. In order to provide the IPA time to incorporate changes in the law, the Act revised the timeline for the IPA's next update to the LTRRPP. Therefore, the update of the LTRRPP scheduled to be filed by the IPA with the Commission in 2021 will now be filed with the Commission in 2022.

Additionally, P.A. 102-0662, required the IPA to develop a carbon mitigation credit procurement plan to include carbon mitigation credits generated from carbon-free energy resources sufficient to achieve standards specified in the Act. The IPA submitted its plan to the ICC September 29, 2021 and the Commission approved it November 10, 2021. The carbon mitigation procurement event was held November 23, 2021 and the Commission approved the procurement administrator's selection of winning carbon-free energy resources December 1, 2021.

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 photovoltaic (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 2021, a quantity of 28,374 residential customers installed PV systems in the service territories of the four electric utilities regulated by the Commission. The total capacity of residential PV systems is close to 211 Megawatts (MWs). About 394 small business customers had installed PV systems; the total capacity of these systems is about 9.74 MWs.

TABLE 3-2
ADOPTION OF PV SYSTEMS BY RESIDENTIAL AND SMALL BUSINESS CUSTOMERS IN ILLINOIS, BY ELECTRIC UTILITY SERVICE TERRITORY, 2021 (NUMBER OF CUSTOMERS AND MW CAPACITY OF PV SYSTEMS)

	Residential Customers		Small Business Customers		Community Solar	
	Number of Customers	Capacity of PV System (MW)	Number of Customers	Capacity of PV System (MW)	Number of Subscribers	Capacity of PV System (MW)
Ameren Illinois	5,354	47.16	243	8.36	6,089	38.583
ComEd	22,750	161.34	122	1.03	13,979	74.66
MidAmerican	249	2.07	21	0.16		
Mt. Carmel	21	0.26	8	0.19		
Total	28,374	210.83	394	9.74	20,068	113.24

The adoption rate of solar PV systems may be affected by a prospective customer’s estimate of the economic cost of installing and operating a PV system. The cost estimate may be influenced by a number of factors, including Federal and State tax credits and rebates. Customers who installed PV systems in 2021 were eligible for a 26% federal tax credit. Residential customers that install PV systems in 2022 will be eligible for a 26% federal tax credit. Residential customers that install PV systems in 2023 will be eligible for a 22% federal tax credit. Commercial customers that install PV systems in 2022 will be eligible for a 22% federal tax credit. Commercial customers that install PV systems in 2023 will be eligible for a 10% federal tax credit. Currently, the federal tax credit is set to expire for residential customers at the end of 2023 and will remain at 10% for commercial customers.

Additionally, the IPA administers a bidding process for the procurement of RECs from PV systems. P.A. 99-0906, through the 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 since the program began and many of these may not become operational until 2022. The programs are, thus, likely to increase PV system deployment relative to the numbers shown in the table above.

D. Cogeneration

1. Commission Rule

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

Pursuant to the rules, a utility must purchase cogenerated power at a price commensurate with the utility's avoided cost. The 2021 avoided costs as filed by Illinois electric utilities pursuant to 83 Ill. Adm. Code 430.110 are:

**TABLE 3-3
ILLINOIS ELECTRIC UTILITIES AVOIDED COST RATE STRUCTURE FOR 2021 (CENTS PER KWH)**

	Summer Rates		Winter Rates	
	On-Peak	Off-Peak	On-Peak	Off-Peak
Ameren Illinois	3.58	2.360	3.117	2.660
ComEd	3.013	2.184	2.968	2.280
MidAmerican	2.440	1.580	2.320	1.620
Mt. Carmel	4.495	4.495	4.495	4.495

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

2. Special Rates

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

E. Energy Efficiency Programs

Sections 8-103, 8-103B, and 8-104 of the PUA respectively require electric and gas utilities and the Department of Commerce and Economic Opportunity (DCEO) to submit multi-year energy efficiency plans for Commission approval. P.A. 99-0906 changed the timing of these plans. Prior to January 1, 2018, utilities submitted three-year plans based upon June 1 – May 31 delivery years. P.A. 99-0906 requires plans of varying durations with the first plans covering the four calendar years between and including 2018 and 2021. Section 8-408 of the PUA authorizes MidAmerican to offer voluntary energy efficiency plans. The status of recent Commission proceedings initiated to consider these energy efficiency plans is summarized in the table below.

**TABLE 3-4
ENERGY EFFICIENCY PROGRAM PLANNING**

Docket	Utility	Planning Period	Initiated	Status
21-0158	Ameren Illinois	2022, 2023, 2024, 2025	3/1/2021	Closed
21-0155	ComEd	2022, 2023, 2024, 2025	3/1/2021	Closed
21-0154	Nicor Gas	2022, 2023, 2024, 2025	3/1/2021	Closed
21-0159	Peoples/North Shore Gas	2022, 2023, 2024, 2025	3/1/2021	Closed
19-0734	MidAmerican	2020, 2021, 2022, 2023	7/11/2019	Closed

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

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

**TABLE 3-5
ENERGY EFFICIENCY SAVINGS 2008-2017**

Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
10-0519	Ameren Illinois	2008-2009	89,955 MWh	Yes	8/30/2010	6/6/2012
	Ameren Illinois	2009-2010	129,748 MWh	Yes	8/30/2010	6/6/2012
11-0592	Ameren Illinois	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 Illinois	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 Illinois	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
14-0595	Ameren Illinois	2012-2013	366,726 MWh	Yes	9/30/2014	1/10/2018
	DCEO (Ameren Territory)	2012-2013	34,724 MWh	No	9/30/2014	1/10/2018
	Ameren Illinois	2012-2013	6,914,780 therms	Yes	9/30/2014	1/10/2018
	DCEO (Ameren Territory)	2012-2013	1,836,138 therms	Yes	9/30/2014	1/10/2018
20-0585	Ameren Illinois	June 2014 - Dec. 31, 2017	768,479 MWh	Yes	7/20/2020	1/20/2021
	Ameren Illinois	June 2014 - Dec. 31, 2017	22,167,694 therms	Yes	7/20/2020	1/20/2021

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Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
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
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
20-0486	ComEd	June 2014 - Dec. 31, 2017	2,563,468 MWh	Yes	5/28/2020	12/16/2020
15-0297	Nicor Gas	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
20-0407	Nicor Gas	June 2014 - Dec. 31, 2017	43,448,921 therms	Yes	4/21/2020	8/12/2020
15-0298	North Shore Gas	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 Gas	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
20-0448	North Shore Gas	June 2014 - Dec. 31, 2017	5,441,047 therms	Yes	5/11/2020	11/18/2020
	Peoples Gas	June 2014 - Dec. 31, 2017	28,375,556 therms	Yes	5/11/2020	11/18/2020
	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

Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
19-0684	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 3-6
ENERGY EFFICIENCY SAVINGS 2018-2019**

Docket	Utility	Compliance Period	CPAS* Achieved	CPAS Goal Achieved?	Annual Achieved Incremental Savings**	AAIG Achieved?	Initiated	Closed
19-0632	Ameren	2018	1,996,596 MWh	Yes	154,490 MWh	Yes	5/31/2019	11/14/2019
19-0580	ComEd	2018	6,418,624 MWh	Yes	1,230,975 MWh	Yes	5/23/2019	11/26/2019
20-0477	Ameren	2019	2,166,595 MWh	Yes	169,999 MWh	No	5/26/2020	12/2/2020
20-0475	ComEd	2019	7,514,026 MWh	Yes	1,095,402 MWh	Yes	5/21/2020	12/2/2020
21-0467	Ameren	2020	2,410,405 MWh	Yes	243,809 MWh	Yes	5/27/2021	12/1/2021
21-0472	ComEd	2020	8,676,070 MWh	Yes	1,162,045 MWh	Yes	6/1/2021	11/18/2021

*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 3-7 below summarizes the amount of money spent on energy efficiency by the utilities in Illinois.

**TABLE 3-7
ENERGY EFFICIENCY SPEND (IN THOUSANDS)**

Program Year	Ameren Illinois	ComEd	Nicor Gas	North Shore Gas	Peoples Gas	MidAmerican	Statewide Energy Efficiency Spend
6/1/08-5/31/09	\$14,120	\$34,306	n/a	n/a	n/a	\$3,876	\$52,302
6/1/09-5/31/10	\$31,223	\$63,543	n/a	n/a	n/a	\$4,875	\$99,641
6/1/10-5/31/11	\$47,362	\$104,350	n/a	n/a	n/a	\$5,074	\$156,786
6/1/11-5/31/12	\$62,553	\$141,723	\$21,109	\$1,274	\$7,059	\$4,768	\$238,486
6/1/12-5/31/13	\$66,977	\$140,952	\$41,307	\$2,948	\$20,482	\$4,059	\$276,726
6/1/13-5/31/14	\$72,488	\$185,129	\$79,261	\$6,051	\$28,292	\$5,169	\$376,389
6/1/14-5/31/15	\$94,352	\$201,128	\$37,692	\$4,067	\$20,818	\$9,196	\$367,253
6/1/15-5/31/16	\$87,589	\$218,099	\$29,699	\$3,847	\$19,250	\$10,851	\$369,334
6/1/16-12/31/17	\$154,522	\$337,672	\$62,894	\$6,830	\$37,362	\$18,053	\$617,334
2018	\$119,197	\$352,988	\$29,053	\$4,035	\$24,625	\$9,393	\$539,291
2019	\$111,103	\$351,382	\$41,137	\$3,956	\$26,621	\$6,157	\$540,356
2020	\$113,376	\$346,480	\$43,780	\$3,710	\$29,348	\$4,333	\$541,027
2021*	\$114,422	\$351,334	\$40,139	\$4,141	\$27,493	\$5,386	\$542,914

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

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

*Plan budgets.

Section 4 | Availability of Utility Services

(4) A discussion of utility services available to Illinois customers of investor-owned public utilities during 2021 including:

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

(b) new laws to expand consumer protections followed by a list of existing rules designed to promote and preserve the availability and affordability of utility services.

(a) During the initial surge of COVID-19 the Commission issued an Emergency Order to temporarily halt disconnections and late payment fees. Then consumer advocates, utilities, and ICC Staff negotiated stipulated agreements that established more lenient credit and collection practices to provide relief to customers. These agreements, approved by the Commission, included reconnection of previously disconnected customers, waiver of reconnection fees, and established bill payment assistance programs for low-income customers and those experiencing financial hardships. To assist the Commission in understanding the effects of COVID-19 on utility customers, monthly data reporting requirements were established. Ongoing consequences of COVID-19 caused the Commission to reopen its order in Docket 20-0309 to reconsider the end of stipulated agreements which provided more flexible credit and collection activities. On March 18, 2021, the Commission issued an order on reopening to approve new stipulated agreements for 2021.

Separately, the Commission initiated a deeper exploration of utility affordability in its first Notice of Inquiry (NOI) of 2020. The NOI sought comments from interested parties on reporting of data, rate structures, collection practices, safety, energy efficiency, renewable energy, access to assistance programs, and retail competition. The results of the NOI are available in a report posted in April 2021 on the Commission's website that include an executive summary, and extensive review of the participants' comments and recommendations.

(b) New additions to the Public Utilities Act in P.A. 102-0662 effective September 15, 2021 expand the availability and affordability of residential utility services: expands the definition of low-income applicants and customers; prohibits electric and natural gas utilities from requiring a deposit from low-income applicants and customers (except for tampering) and requires utilities to refund deposits to those customers; prohibits utilities from assessing late payment fees to low-income applicants and customers; and prohibits credit card convenience fees for utility payments. Specific disconnection and credit and collections reporting is required to be provided by electric, natural gas, water, and sewer utilities to assist in understanding issues and policy making.

The Commission has long-standing rules and regulations concerning the termination and reconnection of space heating service during the winter months. Many of these rules have since been enacted into law. In addition, the Commission has continued to refine its other rules regarding utility credit and collection activities to help Illinois utility consumers make timely payments on their obligations to utility companies and thus avoid termination of utility service. The following discussion is a synopsis of current

regulations designed to promote and preserve the availability and affordability of residential utility services.

1. Temperature-based Termination of Service

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

If gas or electricity is used as the only source of space cooling or to control or operate the only space cooling equipment at a residence or master-metered apartment building, then a utility with over 100,000 residential customers may not terminate gas or electric utility service to the residential user, including all tenants of master-metered apartment buildings on a day when the National Weather Service forecasts that the temperature for the next 24 hours will be 95 degree or above, or on a day before a holiday or weekend when the weather is forecasted to be 95 degrees or above any time during the holiday weekend.

2. Disconnection of Service to Military Personnel on Active Duty

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

3. Disconnection of Service to Customers Receiving LIHEAP funds

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

4. Disconnection of Service to Certain Electric Space-Heating Customers

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

5. Initial Credit and Deposit Requirements

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

6. Preferred Payment Date

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

7. Deferred Payment Arrangement

This arrangement allows a customer who owes the utility for a past due bill to maintain utility service by paying the past due amount in installments over a period of four to twelve months while continuing to

pay current bills as they become due. Depending on the outstanding amount, the amount of the current bills, and the customer's income, this rule helps many customers, but it falls short of assisting those customers who simply have utility bills that are greater than their income can afford. Commission rules do allow for reinstatement after default and renegotiation of the payment agreement if the customer's financial circumstances change for the worse.

8. Reconnection

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

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

9. Financial Assistance

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

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

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

A. The Financial Impact of Uncollectible Expenses

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

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

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

B. Consumer Education Activities

1. Electric Customer Choice—"Plug In Illinois"

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

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

2. Natural Gas Choice

In some parts of Illinois, natural gas utilities voluntarily offer their residential and small retail commercial customers the opportunity to choose their supplier of natural gas. Alternative Gas Suppliers (AGS) offering service to these customers must be certified by the ICC. In accordance with Section 19-125 of the PUA, the Commission web site includes consumer education information to help residential and small commercial customers understand their gas supply options and their rights and responsibilities. The educational information includes choices available, guidance for selecting an AGS, comparisons of the prices and terms of products offered by alternative suppliers and procedures for consumers to address complaints.

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

Section 5 | Implementation of the Commission's Statutory Responsibilities

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

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

A. Commission Reorganization

During 2021 the Commission made several organizational changes as a result of its statutory responsibilities. Pursuant to new Section 16-108.19 of the Public Utilities Act (PUA), which was added to the PUA by P.A. 102-0662, the Commission created the Division of Integrated Distribution Planning within the Public Utilities Bureau. Pursuant to new Section 4-604 of the PUA, which was added to the PUA by P.A. 102-0662, the Commission created the Division of Ethics and Accountability. During 2021, the Commission also established an Electrical Inspection program designed to carry out its safety and reliability oversight of electric distribution utilities.

(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 2021.

4. Section 9-213 Activities

No actions were taken during 2021.

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 The Liberty Consulting Group (Liberty) to conduct this investigation on May 5, 2014. Liberty's investigation involved two phases. The first phase involved Liberty's investigation of SMP

planning and execution. Specifically, Liberty investigated Peoples Gas' management, control, and oversight of the SMP and how these key obligations affect costs and schedule. Phase 2 involved Liberty overseeing Peoples Gas' implementation of the recommendations from the Phase 1 report. The Commission received Liberty's Final Report for phase one of the investigation on May 5, 2015, which contained 95 recommendations for improvement of the SMP. The second phase of the investigation ended in May 2017. The Second Phase also required Liberty to provide quarterly reports. The Commission received the eighth and final quarterly Second Phase report in December of 2017.

The Commission initiated Docket No. 16-0376 to investigate the cost, scope, schedule and other issues related to the Peoples Gas' SMP and establish program policies and practices pursuant to Section 8-501. The Commission entered an Order in Docket No. 16-0376 on January 10, 2018. This Order provides for a consultant pursuant to Section 8-102 of the Public Utilities Act to assist the Commission in reviewing SMP costs contained in QIP reconciliation proceedings. The Executive Director, on October 17, 2019, signed a contract to engage Liberty to assist the Commission in reviewing SMP costs contained in QIP reconciliation proceedings. Liberty's work is ongoing.

Subsection (g) of new Section 4-604 of the PUA, which was added to the PUA by P.A. 102-0662, requires the Commission to perform a management audit of each public utility that has entered into a Deferred Prosecution Agreement (DPA) for a felony offense and authorizes the ICC to select a third-party auditor to conduct said audit. ComEd entered a DPA on July 17, 2020. The initiation of the management audit must occur no later than 18 months after September 15, 2021. At its Regular Open Meeting on October 14, 2021, the Commission directed Staff to conduct a competitive solicitation to hire a management auditor to perform a management audit of ComEd pursuant to subsection (g) of Section 4-604 of the PUA. Efforts to hire the management auditor are ongoing.

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 2021.

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 2021.

No actions were taken during 2021.

F. Cost-Based Rates

The PUA considers cost-based rates an important component of equity for ratepayers. Specifically, the Act states that the cost of supplying public utility services should be allocated to those who cause the costs to be incurred [Section 1-102(d)(iii)]. 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 2021. The following is a list of the gas and electric rate cases handled by the Commission in 2021 (See Section 2 for list of water and sewer rate cases handled in this period).

1. Gas

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

In October 2020, North Shore Gas filed a gas rate case (Docket No. 20-0810). The Commission entered a final order on September 8, 2021 and an amendatory order on September 15, 2021.

In November 2020, Consumers Gas filed a gas rate case (Docket No. 20-0851). The Commission entered a final order on August 18, 2021.

In January 2021, Nicor Gas filed a gas rate case (Docket No. 21-0098). The Commission entered a final order November 18, 2021.

2. Electricity

Sec. 16-108.5 Electric Formula Rate Cases & Reconciliations

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

In April 2021, ComEd filed its formula rate update (Docket No. 21-0367) for its distribution delivery services. The Commission entered an order on December 1, 2021.

In April 2021, Ameren Illinois filed its formula rate update (Docket No. 21-0365) for its distribution delivery services. The Commission entered an order on December 13, 2021.

G. Mergers

In September 2021, Docket No. 21-0710 Connect Holding LLC (Connect Holding); Madison River Communications Corp; Gallatin River Holdings, LLC; and Gallatin River Communications L.L.C. (CenturyLink GRC) requested an order approving the transfer of control of Madison River

Communications Corp., and thus its indirect wholly owned subsidiary CenturyLink GRC, to Connect Holding. The case is ongoing.

H. Asset Transfers or Sales

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

I. Informational Filings

There were no informational notices filed with the Commission during 2021.

J. Decommissioning

During 2021, 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 2021 and were applied throughout the year. There were no closed meetings in 2021.

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 pending appeals filed in 2021; previously filed appeals pending further action as of December 31, 2020 or appeals upon which judicial decisions were received in 2021. 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 2021 Pending In the Appellate or Circuit Court Without Decision

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

- 1) *Save Our Illinois Land, et al. v. Illinois Commerce Commission, et al.*
Appellate No. 4-21-0008
ICC No. 19-0673

Nature of the Appeal: Appeal from Commission order authorizing Dakota Access, LLC and Energy Transfer Crude Oil Company, LLC (Joint Petitioners) to install additional pumping station facilities on their existing certificated common carrier pipelines in Illinois pursuant to PUA § 8-503.

Issues: (1) whether the Commission properly applied PUA § 8-503 to authorize the improvements where Joint Petitioners already possessed PUA § 15-401 Certificates in Good Standing to operate as a common carrier by pipeline; (2) whether the Commission's findings that the improvements were necessary and ought to be made were supported by substantial evidence and (3) whether the Commission's finding that Joint Petitioners did not discriminate in violation of the Interstate Commerce Act, 49 U.S.C.A. §15505 or PUA § 8-101 was supported by substantial evidence.

Status: On October 12, 2021 the Appellate Court heard oral argument. The parties await the court's opinion.

- 2) *Illinois Competitive Energy Association, and Retail Energy Supply Association v. Illinois Commerce Commission, Northern Illinois Gas Company (Nicor Gas), et al.*
Appellate No. 2-21-0415
ICC No. 20-0606

Consolidated with:

Caterpillar Inc., et al., v. Illinois Commerce Commission, et al.

Appellate No. 2-21-0420

ICC No. 20-0606

Nature of the Appeals: Appeals from the Commission's order approving Nicor Gas's tariff filing that addressed matters arising from a prior study of Nicor Gas's underground natural aquifer storage reservoirs presented in ICC Docket No. 18-1775.

Issues: (1) Whether The Commission's finding that Nicor Gas's proposed storage parameters and charges for use exceeding same is just and reasonable; (2) whether the Commission's decision to approve Nicor Gas's tariff was supported by substantial evidence and sufficiently detailed to allow for judicial review.

Status: The parties are briefing the issues.

2. Under Other Utility-Related Acts

1) *The City of Mascoutah v. Illinois Commerce Commission, et al.*

Circuit Court Nos. 20 MR 0268 and 20 MR 0305

Appellate No. 05-20-0386

ICC No. 18-1624

Nature of the Appeal: The City of Mascoutah petitioned the Commission for extraterritorial eminent domain authority pursuant to the Municipal Code, 65 ILCS 5/11-117-1. The Commission concluded that the standards in PUA §§ 8-406, 406.1 and 8-509, that govern public utilities' requests for eminent domain authority, also applied to the city's request. The Commission found that the city failed to meet these standards and denied the petition. The city challenged the Commission's application of the PUA's standards to its request for eminent domain authority and sought review pursuant to PUA § 10-201 in the Appellate Court. The city also sought review pursuant to the Administrative Review Law and/or the common law writ of certiorari in the Circuit Court of St. Clair County.

Issues on Appeal: (1) Whether the Appellate Court had jurisdiction pursuant to PUA § 10-201 to entertain the city's appeal; (2) whether the Commission properly applied provisions of the PUA related to standards governing public utilities' exercise of eminent domain authority to public utilities to evaluate

Status: The Appellate Court dismissed the appeal holding it lacked jurisdiction to hear the appeal because the city's request for eminent domain authority was based on § 11-117-1 of the Municipal Code not the PUA. 2021 IL App (5th) 200386, modified on reh'g, 2021 IL App (5th) 200386. The city's circuit court complaints remain pending in the circuit court but are currently stayed.

B. Appeals Dismissed In 2021 Without Decision on the Merits and with No Further Action Expected

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

- 1) *Steve Yun vs. Illinois Commerce Commission and Illinois-American Water Company*
Appellate No. 3-21-0004
ICC No. 18-1040

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

Issue on Appeal: Whether the petitioner timely filed his petition for review pursuant to Illinois Supreme Court Rule 335.

Status: On February 15, 2021, the Appellate Court granted the Commission's motion to dismiss on the basis that the petition for review was untimely. The court issued its mandate on March 30, 2021.

- 2) *People of the State of Illinois ex rel. Kwame Raoul, Attorney General of the State of Illinois v. Illinois Commerce Commission, Commonwealth Edison Company (ComEd), et al.*
Appellate No. 1-21-0175
ICC No. 20-0393

Nature of the Appeal: Appeal from a Commission order that approved ComEd's formula rate update that: (1) approved a 38-year amortization period for unprotected property-related, Excess Deferred Income Tax (EDIT); (2) established a depreciation rate; and (3), approved \$1.6 billion in plant additions.

Issue on Appeal: Before briefing, the Attorney General voluntarily dismissed the appeal.

Status: On August 16, 2021, the Appellate Court granted the Attorney General's motion to voluntarily dismiss the appeal.

- 3) *People of the State of Illinois ex rel. Kwame Raoul, Attorney General of the State of Illinois v. Illinois Commerce Commission, Ameren Illinois Company (Ameren), et al.*
Appellate No. 4-21-0105
ICC No. 20-0381

Nature of the Appeal: The Attorney General initiated an appeal from an order wherein the Commission approved Ameren Illinois's formula rate update proceeding including a 35-year amortization period for unprotected property-related Excess Deferred Income Tax (EDIT).

Issue on Appeal: Before briefing, the Attorney General filed a motion to voluntarily dismiss the appeal.

Status: On August 25, 2021, the Appellate Court granted the Attorney General’s motion to voluntarily dismiss the appeal and issued the mandate on September 30, 2021.

- 4) *Ameren Illinois Company v. Illinois Commerce Commission, et al.*
Appellate No. 5-21-0049
ICC No. 20-0738

Nature of the Appeal: Appeal from Commission’s order following an investigation of Ameren Illinois’s Rider Net Metering and the Commission’s determination as to the proper calculation of the 5% threshold under Section 16-107.5(j) of the Public Utilities Act.

Issues on Appeal: Following passage of the Future Energy Jobs Act, P.A. 99-0906 (FEJA), Ameren Illinois filed its Rider NM – Net Metering tariff with the Commission and the Commission approved the rider. Rider NM established the billing methodologies applied to net metering customers, including a provision of kilowatt-hour or energy credits by the electricity provider (supply netting) and delivery service credits provided by the electric utility (delivery service netting) for the net amount of electricity exported to the grid by the customer. Rider NM also provided for changes to the billing methodologies for net metering after distributed generation reached a “threshold date.” Under the then effective version of PUA § 16-107.5(j), the “threshold date” was defined as the date on which the load of an electricity provider’s net metering customers equaled 5% of the total peak demand supplied by that electricity provider in the previous year.

The parties contested which customers’ generating capacity should be considered in the both the numerator and denominator to correctly determine whether the 5% threshold had been reached. The Commission found the language of PUA § 16-107.5(j) ambiguous and held that Ameren Illinois’s Rider NM incorrectly calculated the 5% threshold and directed Ameren Illinois to file a revised Rider NM.

Status: While the appeal was pending, the General Assembly passed the Climate and Equitable Jobs Act (SB 2408) which, inter alia, substantially amended PUA § 16-107.5(j) effectively mooting the appellate issues. Accordingly, Ameren Illinois moved to voluntarily dismiss the appeal. The court granted the motion on October 21, 2021 and issued its mandate on December 14, 2021.

2. Under Other Utility-Related Acts

None.

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

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

- 1) *LifeEnergy, LLC vs. Illinois Commerce Commission, et al.*

Appellate No. 02-20-0411
ICC No. 18-1540

Nature of the Appeal: Following an investigation into Life Energy, LLC,'s an alternative retail energy supplier, marketing practices pursuant to PUA § 10-101, the Commission found violated Part 412 of the Commission's Rules. 83 Ill. Admin. Code § 412. The Commission directed LifeEnergy to issue refunds to customers obtained in violation of Part 412 and imposed a \$1 million penalty.

Issues: (1) whether the Commission's factual findings that LifeEnergy violated Part 412 were supported by substantial evidence; (2) whether the Commission abused its discretion by imposing a \$1 million penalty; (3) whether LifeEnergy had adequate notice of the Part 412 violations to satisfy due process; and (4) whether LifeEnergy had forfeited its notice and due process arguments.

Status: In its opinion, 2021 IL App (2d) 200411, the Appellate Court held the Commission's finding were supported by substantial evidence; the Commission did not abuse its discretion by imposing a \$1 million dollar penalty; LifeEnergy forfeited any claim of a due process violation under the invited error doctrine, and assuming it had not forfeited its argument, the notice it received satisfied the requirements of due process.

Should LifeEnergy intend to file a petition for rehearing with the Appellate Court, it must do so by January 4, 2022 or, alternatively, file a petition for leave to appeal to the Illinois Supreme Court by January 18, 2022.

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 2021. (A rule 23 order decides a case on its merits but has limited effect as precedent in other cases.)

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

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

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

Issue on Appeal: The Commission determined that the utility had overbilled a customer but corrected any overbilling. On appeal, the customer asserted the Commission incorrectly denied his claim.

Status: The Appellate Court found the Commission's decision was supported by substantial evidence and affirmed in a Supreme Court Rule 23 Order issued on May 26, 2021. On November 18, 2021, the court issued its mandate.

- 2) *People of the State of Illinois ex rel. Kwame Raoul, Attorney General v. Illinois Commerce Commission and Commonwealth Edison Co. (ComEd), et al.*
Appellate No. 1-20-0366
ICC No. 19-0837

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

Issues: (1) The federal Tax Cuts and Jobs Act of 2017 reduced ComEd's corporate income tax rate from 35% to 21% causing it to realize Excess Deferred Income Taxes (EDIT). The parties disputed the proper amortization period over which the EDIT should be returned to ComEd's customers: ComEd asserted 39.47 years based on the Average Rate Assumption Method (ARAM) and the Attorney General, the Illinois Industrial Energy Consumers, and the Citizens Utility Board, advocated for a 5-year period. (2) Whether the Commission's approval of ComEd's inclusion of forecasted plant additions in its rate based was supported by substantial evidence.

Status: On June 25, 2021 the court issued its opinion, 2021 IL App (1st) 200366, and affirmed the Commission's order. The Appellate Court found that: (1) ComEd's 39.47-year amortization period was reasonable; and (2), where it was undisputed that the challenged projects were expected to go online, it was most appropriate to make any necessary adjustments through the annual reconciliation process.

On July 27, 2021, the Illinois Supreme Court granted the Attorney General's motion for extension of time to file Petition for Leave to Appeal (PLA) until September 3, 2021. On August 25, AG filed notice of intent not to file PLA. The Supreme Court dismissed the case on September 29, 2021. The Appellate Court issued the mandate on November 15, 2021.

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

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

Issues: In its Rule 23 Order, 2021 IL App (4th) 200105-U, the court addressed the following issues: (1) The federal Tax Cuts and Jobs Act of 2017 reduced the Ameren's corporate income tax rate from 35% to 21% resulting in Excess Deferred Income Taxes (EDIT). The parties disputed the proper amortization period to be applied to the refund the EDIT: Ameren asserted 35 years based on the Average Rate Assumption Method (ARAM), the People

advocated for a 5-year period and the Citizens Utility Board argued a 7-year period was appropriate. Consistent with its past precedent, the Commission held a 35-year amortization period was appropriate. (2) The Attorney General also asserted Construction-Work-In-Progress related to Accumulated Deferred Income Tax (CWIP-Related ADIT) should be included in Ameren's rate base deduction. The Commission disagreed.

Status: The court affirmed and held the Commission's order adopting a 35-year amortization period based on the ARAM method for unprotected property-related EDIT was reasonable and supported by substantial evidence. The court similarly held that the Commission's holding that it was proper to exclude rate base CWIP-related ADIT where the corresponding CWIP was not included in rate base because the project was not yet placed in service was reasonable and supported by the evidence.

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 2021, 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 2021, 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 2021 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 2021, 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 2021 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 2021 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 2021 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 2021 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 2021 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 2021 and no further actions are anticipated.

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

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

The report was sent to the General Assembly in October 2016. It is available on the Commission's website in the Reports Section: www.icc.illinois.gov/reports. No actions were taken in 2021 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 2021 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 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 2021 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 Federal Energy Regulatory Commission (FERC) regulates, among other things, the rates for wholesale electricity sales by public utilities and transmission of electricity in interstate commerce, the transmission and sale of natural gas for resale in interstate commerce, and the transportation of natural gas by interstate pipelines. The primary goal of the ICC's Federal Policy Program is to ensure that the rules, policies, rates, and terms and conditions of service that the FERC establishes for electric transmission service, 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 light of recent severe winter weather events and the increased use of natural gas as an electricity generation fuel, 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. Spurred by low gas prices, natural gas-fired generation capacity has been increasing in recent years, replacing retiring coal-fired capacity. In 2020, natural gas accounted for roughly 40 percent of all power generation, nearly equal to the shares of coal and nuclear, the next two largest sources, combined. However, in 2020 due to reduced demand (COVID-19) and warmer than normal weather, the nearly 15-year trend of increased natural gas production reversed itself with the number of rigs drilling for natural gas eventually reaching a record low. In 2021, newly added liquified natural gas (LNG) export capacity and price increases in foreign natural gas/LNG markets have pushed natural gas exports to record levels. 2021 also saw an increase in pipeline exports of natural gas. The high level of U.S. exports, combined with the relatively flat level of production, has resulted in increased expected average natural gas prices for the winter of 2021-22 to levels not seen in over a decade.

This recent trend in increasing natural gas prices has reversed the push for new natural gas-fired generation, resulting in the expectation that coal will account for an increased share of power

generation in the short-term. All told, the U.S. Energy Information Administration (EIA) expects U.S. natural gas consumption in 2022 to increase slightly from 2021, but to still remain lower than 2020 levels.

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

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

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 2021, 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 regional transmission organizations (RTOs); (3) the production and deliverability of wind and solar energy in the Midwest, Eastern and Southern United States; (4) improving the integration of smart grid technologies and demand response in electricity markets; and (5) becoming more accessible to the public and responsive to its concerns. The FERC has also continued its focus on addressing issues regarding price formation in the energy and ancillary services markets operated by RTOs or independent system operators (ISOs) and the reliability of the bulk power system.

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

likely that the FERC, the RTOs and their members will continue to address these issues well into the future.

In 2020, the generation of renewable energy in the U.S. continued to grow, reaching a record 21 percent of total U.S. energy generation. Accordingly, the production and transmission of renewable energy continues to be a major topic of emphasis for the FERC. Renewable energy resources have the potential to be a cost-effective means of reducing greenhouse gas emissions and increasing the diversity of generating unit types. The Climate and Equitable Jobs Act that was signed into law in 2021 contained numerous new policies regarding the regulation and funding of renewables, decarbonization, electric vehicles, energy storage, energy efficiency, utility rates and operations. The ICC generally supports the integration of renewable energy resources into established wholesale electricity markets, and transmission will be critical to that integration.

Renewable resources can often require the construction of high voltage transmission facilities to move renewable energy from production areas to consumers – mostly to the east of Illinois – and to address reliability concerns associated with the increased use of intermittent resources. Some high voltage projects are also constructed for the purpose of addressing transmission constraints in the South/East, and some east coast states are launching offshore wind projects. The manner in which the costs of these transmission projects are allocated continues to present concerns for Illinois and given the continued push for solar, wind and battery resources to supplant existing fossil fuel plants, and as indicated by the FERC's broad ANOPR on transmission issues, there is a strong likelihood that the FERC will continue to address these cost allocation issues in the coming years.

In 2020, the FERC issued Order 2222, that is intended to allow distributed energy resources (DERs) to participate in the organized markets for electric energy, capacity and ancillary services operated by RTOs. DERs such as electric storage resources, distributed generation, demand response, energy efficiency, thermal storage and electric vehicles would be aggregated into a larger, single resource that would compete with more conventional resources in the RTO markets. DER aggregations have the potential to be financed and deployed quickly to meet existing or emerging opportunities, as well as create more value for existing DERs, such as consumer-located batteries, rooftop solar arrays, electric vehicles and other emerging technologies. Order 2222 does have the potential to create jurisdictional issues between states and FERC, as the order requires most distribution utilities to allow DERs on their systems to participate in wholesale markets through DER aggregations. Fully realizing the promise of Order No. 2222 will require coordination between the FERC, public utility commissions, RTOs, and distribution utilities. To that end, FERC is requiring RTOs to adopt rules setting forth a process for distribution utility review of DERs, operational coordination, data sharing, etc. The RTOs are involving stakeholders, including state agencies like the ICC, in drafting those rules, due in early 2022.

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. Efficient price formation is critical because Illinois' retail market relies on a competitive wholesale market to discipline electricity prices.

The use of capacity markets to ensure resource adequacy continue to be an issue for RTOs and their members. In the case of PJM, the FERC reversed its efforts to expand PJM's minimum offer price rule (MOPR) for all resources receiving State subsidies and instead directed PJM to initiate a series of stakeholder processes to address certain parts of PJM's capacity market, including the MOPR. The MOPR process resulted in a scaled back market power review process that went into effect in November 2021 and is currently under legal review. This proceeding and others will likely have a significant impact on Illinois' policies regarding renewable and nuclear generation resources, and the capacity market issues have led to ongoing delays in some capacity auctions. The ICC continues to be an active participant in these proceedings, including ongoing discussions with other states about how to best support renewable resources in the capacity market.

With respect to MISO, the design of the capacity market fails to provide the efficient, long-term investment signals necessary to ensure resource adequacy within the Illinois zone. This is primarily because MISO's capacity auction uses a vertical demand curve and a prompt delivery year design, which is suitable for traditional vertically integrated states that practice integrated resource planning, but presents a challenge for states such as Illinois, where generators are not under the jurisdiction of a regulatory agency like the ICC. Without proper price signals, MISO's capacity market can hinder long-term contracting and investment decisions by making it extremely difficult for potential investors to forecast the capacity market revenues, which undermines the effectiveness of the capacity market in maintaining adequate resources. Notably, MISO has acknowledged that its capacity construct presents concerns for retail access states and generation resources in southern Illinois have cited MISO's perennially low capacity auction clearing prices as a key reason behind retirement decisions. While the Illinois zone currently has sufficient capacity to meet its resource adequacy obligations, the shortcomings of MISO's capacity auction design could potentially become an issue for Illinois in the future. In an attempt to address these concerns, MISO has proposed a seasonal capacity construct, a more robust capacity accreditation process, and a Minimum Capacity Obligation (MCO) requirement that would require load serving entities in MISO to procure 50 percent of its capacity obligation prior to the annual capacity auction. The ICC has filed comments with the FERC opposing MISO's MCO proposal on the grounds that it is unduly discriminatory, will likely result in higher prices for consumers in Illinois, and will have negative impacts on Illinois' efforts to establish a competitive retail market. The FERC will likely issue an order on MISO's proposal in early 2022.

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

An electric utility shall provide the components of delivery services that are subject to the jurisdiction of the Federal Energy Regulatory Commission at the same prices, terms and conditions set forth in its applicable tariff as approved or allowed into effect by that Commission [FERC]. The Commission [ICC] shall otherwise have the authority pursuant to Article IX to review, approve, and modify the prices, terms and

conditions of those components of delivery services not subject to the jurisdiction of the Federal Energy Regulatory Commission.

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

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

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

Section 9 | Recommendations for Proposed Legislation

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

The Commission's legislative agenda for the 102nd General Assembly is currently being formulated. A detailed discussion of specific proposals currently under consideration would be premature at this time.

Appendix A | Summary of Significant Commission Decisions

A. CASE SUMMARIES FOR 2021 ANNUAL REPORT

1. Electric

18-1653/ Illinois Commerce Commission

18-1773 On Its Own Motion

(Cons.) -vs-

Star Energy Partners LLC

National Gas & Electric, LLC

Great American Power, LLC

Citation for failure to Comply with 83 Ill. Adm. Code Part 412/Investigation into Sales, Solicitation, Marketing and Enrollment Policies, Practices, Procedures and Materials.

The Commission initiated three separate investigations into the marketing practices of alternative retail electric suppliers (ARES) - National Gas & Electric, Inc., Star Energy, Inc., and Great American Power, Inc. - alleging violations of the Public Utilities Act and Part 412 of the Commission's rules addressing the sale and marketing of electricity supply. The three cases settled and the Commission entered a Compliance Plan in each investigation which included monies to be paid to the Illinois LIHEAP Program.

19-0995 Illinois Power Agency

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

On May 27, 2021, the Commission entered an Order on Reopening that adopted modifications to the Illinois Power Agency's (IPA) Revised Long Term Renewable Resources Procurement Plan to address widespread project energization delays resulting from the COVID-19 pandemic which resulted in a funding deficit for the available renewable portfolio standard budget for the 2021-2022 delivery year.

20-0310 Illinois Commerce Commission

On Its Own Motion

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

On March 18, 2020, the Commission entered an Emergency Interim Order prohibiting ARES from conducting in-person marketing for the duration of the COVID-19 pandemic. On September 30, 2021, the Commission entered its Seventh Interim Order, permitting the resumption of in-person sales by ARES provided the sales agent has been vaccinated or produced a negative COVID-19 test prior to each solicitation visit. Agents must also wear face coverings and comply with local and state laws regarding the pandemic.

20-0389 Illinois Commerce Commission

On Its Own Motion

-vs-

Ameren Illinois Company d/b/a Ameren Illinois

Investigation under Section 16-107.6(e) of the Public Utilities Act into an annual process and formula for the calculation of distributed generation rebates.

This proceeding was initiated in response to the statutory mandate that the Commission conduct an investigation to calculate the “value of rebates” for Ameren Illinois retail customers with distributed generation (DG) facilities, as provided by Section 16-107.6(e) of the Public Utilities Act. 220 ILCS 5/16-107.6(e). With the signing into law by Governor JB Pritzker of Public Act 10-0662 (P.A. 102-0662) on September 15, 2021, the Commission’s stated legal authority for this proceeding was superseded. Among other things, P.A. 102-0662 amends Section 16-107.6(e) of the Public Utilities Act by deleting it in its entirety (with the exception of the words “the Commission shall open an” and “investigation into”) and replacing it with new provisions. Therefore, the Commission dismissed this proceeding by Order dated November 18, 2021.

20-0426 Ameren Illinois Company d/b/a Ameren Illinois

Proposed Creation of Rider Modernization Action Plan – Reconciliation (“Rider MAP-R”). (tariffs filed April 14, 2020)

On March 4, 2021, the Commission approved Rider MAP-R which provides a mechanism for Ameren Illinois to implement reconciliation provisions for the time period after the sunset date of formula rates pursuant to the Public Utilities Act or if Ameren Illinois elects to no longer recover its delivery services costs through formula rates prior to the sunset date. Rider MAP-R will become inoperative should Ameren elect not to file an Article IX rate case prior to March 31, 2023.

20-0594 Swinerton Builders (Inc.)

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

On April 29, 2021, the Commission approved the application of Swinerton Builders (Inc.) for certification as a utility scale solar project pursuant to Section 16-128A of the Public

Utilities Act. The Order found that Swinerton Builders (Inc.) demonstrated that it possesses sufficient certification and experience to provide services as an Installer of Utility-Scale Solar Projects in the State of Illinois.

20-0710 Ameren Illinois Company d/b/a Ameren Illinois

Proposed Creation of Rider Optional Electric Vehicle Charging Program (“Rider EVCP”) (tariffs filed August 19, 2020)

On July 8, 2021, the Commission approved Ameren Illinois’s request to create Rider EVCP to encourage the adoption of electric vehicles and the installation of charging stations across central and southern Illinois. Rider EVCP includes six electric transportation programs: (1) Residential Home Charging; (2) Multi-Facility Charging; (3) Education Facility Charging; (4) Transit Facility Charging; (5) Corridor Facility Charging; and (6) Non-Corridor Facility Charging. The Commission is requiring additional reporting by Ameren Illinois regarding Rider EVCP, including information about its customer education expenses, copies of customer education marketing collateral, findings from Ameren Illinois’s evaluation of customer education and outreach efforts, and findings from an independent evaluation of the program.

20-0832 Commonwealth Edison Company

Revenue-neutral tariff changes related to rate design. (tariffs filed October 22, 2020)

On May 27, 2021, the Commission entered an Order approving revenue-neutral tariff changes related to cost allocation and rate design for Commonwealth Edison Company (ComEd). The Commission adopted a modified formula for calculating the railroad class flow-through adjustment, directed ComEd to evaluate and present a proposal in its next rate case on how to reduce or phase-out the flow-through adjustment if warranted, and directed ComEd to initiate a working group to determine the appropriate compensation for prior use of railroad facilities. The Commission ordered ComEd to take the next planned step towards full revenue responsibility for the railroad class. The Commission further directed Commission Staff to prepare a report describing the issues and setting forth parameters of a possible future proceeding regarding Commission Staff’s recommendation that ComEd initiate a process to take over ownership of residential customer-owned primary overhead facilities. Subsequently, Commission Staff prepared such a report and the Commission initiated Docket No. 21-0719, which is still pending.

21-0155 Commonwealth Edison Company

Approval of the Energy Efficiency and Demand Response Plan Pursuant to Section 8-103B of the Public Utilities Act.

On June 24, 2021, the Commission entered an Order approving ComEd’s Energy Efficiency Plan for Years 2022 through 2025. ComEd’s Plan 6 introduces new and innovative programs and dedicates the largest budget in an energy efficiency plan to assist ComEd’s low income customers.

21-0158 Ameren Illinois Company d/b/a Ameren Illinois

Approval of the Energy Efficiency and Demand-Response Plan Pursuant to 220 ILCS 5/8-103B and 220 ILCS 5/8-104.

On July 22, 2021, the Commission entered an Order approving Ameren Illinois's 2022 Energy Efficiency and Demand-Response Plan. Ameren Illinois, Commission Staff, the Attorney General, Citizens Utility Board, Community Organizing and Family Issues, and the Natural Resources Defense Council all participated in this docket and entered a Stipulation reflecting agreements to be incorporated into the 2022 Plan. The Commission found the terms of the Stipulation to be reasonable, consistent with Section 8-103B of the Public Utilities Act, supported by the evidence in the record, and the Commission approved the Stipulation and Ameren's 2022 Plan.

21-0365 Ameren Illinois Company d/b/a Ameren Illinois

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

On December 13, 2021, the Commission entered an Order establishing updated delivery service charges for Ameren Illinois customers. The Commission established Ameren Illinois's 2022 Rate Year Net Revenue Requirement and reconciled the revenue requirement in effect for 2020 with actual costs for 2020. The Commission approved annual tariffed operating revenues of \$1,018,854,000. Updated charges are applicable to delivery services provided by Ameren Illinois beginning in January 2022.

21-0367 Commonwealth Edison Company

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

On December 1, 2021, the Commission entered an Order establishing updated delivery service charges for ComEd customers. The Commission determined ComEd's 2022 Rate Year Net Revenue Requirement and the original costs of electric plant in service as of December 31, 2020. The Commission approved annual tariffed operating revenues of \$2,711,705,000. Updated charges are applicable to delivery services provided by ComEd beginning in January 2022.

21-0368 Commonwealth Edison Company

Annual Update to DG Rebate Revenue Requirement and Determination of DG Adjustments Pursuant to Section 16-107.6(h) of the Public Utilities Act.

On September 30, 2021, the Commission entered an Order approving ComEd's reconciliation of actual costs as to 2020 and Net Distributed Generation ("DG") Rebate Revenue Requirement and updated DG Rebate Adjustments applicable to customer bills for the 2022 Application Year under Rider DG Rebate Adjustment and pursuant to Section 16-107.6 of the Public Utilities Act. The Commission further approved an overall Net Revenue Requirement for the 2022 Application Year of \$8,313,000.

21-0467 Ameren Illinois Company d/b/a Ameren Illinois

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

On December 1, 2021, the Commission entered an Order approving Ameren Illinois’s updated cost inputs for the Rider EE – Energy Efficiency and Demand Response formula rate and the reconciliation and revenue requirement. Ameren Illinois achieved 2,410,405 megawatt hours (“MWh”) of cumulative persisting annual savings, which is 103% of the 2020 cumulative persisting annual savings goal of 2,331,191 MWh and 243,809 MWh of savings applicable toward the 2020 applicable annual incremental goal of 172,011 MWh, which is 142% of the applicable annual incremental goal. Ameren Illinois’s EE rate base as of December 31, 2021, is \$202,269,000 and the rate of return Ameren Illinois should be allowed on its EE rate base is 5.783% for the filing year and 6.206% for the reconciliation year with a total revenue effect of return of 7.294% and 7.886%. The reconciliation year contains an 83 basis point Annual Performance Modifier.

21-0472 Commonwealth Edison Company

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

On November 18, 2021, the Commission entered an Order approving ComEd’s updated cost inputs for the Rider EE formula rate and the Company’s reconciliation and revenue requirement. ComEd achieved 8,676,070 MWh of cumulative persisting annual savings, which is 501,593 MWh above the applicable cumulative persisting annual savings goal of 8,174,477 MWh, or 106.1% and 1,162,045 MWh of savings toward the calendar year 2020 applicable annual incremental goal of 1,021,810 MWh, which is 113.7% of such goal. ComEd’s EE rate base is \$719,428,000 for the 2020 Reconciliation Year Revenue Requirement and the rate of return the Company should be allowed on its EE rate base is 6.26% and 5.72% with a total revenue effect of return of 8.46% and 7.83%.

21-0547 Commonwealth Edison Company

Verified Petition in Compliance with Rider NAM.

ComEd filed a Petition in compliance with Rider Non-AMI Metering which governs the provision of metering service to retail customers whose service is not measured by advanced metering infrastructure (AMI) metering. The Commission’s Order found the investigation and reevaluation of Rider NAM to be just and reasonable and approved ComEd’s proposed tariff amendments.

21-0717 Illinois Power Agency

Petition for Approval of the 2022 IPA Electricity Procurement Plan pursuant to Section 16-111.5(d)(4) of the Public Utilities Act.

On November 4, 2021, the Commission entered an Order approving the IPA's 2022 Power Procurement Plan. The Commission found the 2022 Plan and load forecasts were appropriate and will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability.

21-0718 Illinois Power Agency

Petition for Approval of the IPA's Carbon Mitigation Credit Procurement Plan pursuant to Section 1-75(d-10) of the Illinois Power Agency Act.

On November 10, 2021, the Commission entered an Order approving the IPA's Carbon Mitigation Credit Procurement Plan (CMC Plan), which sets forth the IPA's proposals for the procurement of CMCs – tradable credits, each of which represents the carbon emission reduction attributes of one megawatt-hour (MWh) of energy produced from a carbon-free energy resource – through a competitive procurement process to secure five-year CMC delivery contracts between carbon-free energy resources and ComEd. The Order found that the IPA's CMC Procurement Plan is likely to result in the procurement of cost-effective carbon mitigation credits and should be approved without modification pursuant to Section 1-75(d-10)(3)(E) of the Illinois Power Agency Act.

2. Gas

19-0294 Northern Illinois Gas Company d/b/a Nicor Gas 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.

Northern Illinois Gas Company (Nicor Gas) filed its annual reconciliation of Qualifying Infrastructure Plant (QIP) to review the prudence and accuracy of Nicor Gas's QIP expenses in calendar year 2018. The Order approved Nicor Gas's expenditures of various capital improvements as prudent and reasonable, and appropriately accounted-for.

20-0308 Ameren Illinois Company d/b/a Ameren Illinois

Proposed General Increase in Rate and Revisions to Other Terms and Conditions of Service. (Tariffs filed February 21, 2020)

On January 13, 2021, the Commission approved approximately \$76 million in additional revenue for Ameren Illinois for natural gas delivery service. Ameren Illinois originally requested an approximate \$102 million increase. The Commission rejected Ameren Illinois's request for a 10.50% return on equity and instead found that a 9.67% return on equity is reasonable, supported by the record, and consistent with the governing legal standard. The Commission further adopted a common equity ratio of 52%.

20-0311 Illinois Commerce Commission

On Its Own Motion

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

On March 18, 2020 the Commission entered an Emergency Order prohibiting alternative gas suppliers (AGS) from conducting in-person marketing for the duration of the COVID-19 pandemic. In 2021, the Commission entered several Interim Orders modifying the initial Emergency Order on behalf of specific AGS. On September 30, 2021, the Commission entered a Fifth Interim Order that modified the Emergency Order by allowing in-person solicitation by all AGS in Illinois subject to certain conditions.

20-0606 Northern Illinois Gas Company d/b/a Nicor Gas Company

Proposed Revenue-Neutral Tariff Filing to Address Issues Arising From the Storage Study Presented in Docket No. 18-1775. (tariffs filed on June 30, 2020)

Nicor Gas filed tariffs to revise its Transportation program in compliance with the Commission's directive in its 2018 rate case based on a study assessing the implications of how Transportation customers currently use storage. The Commission approved Nicor Gas's proposed tariff changes, with some modifications, finding that adjustments were warranted to prevent a degradation in Nicor Gas's storage assets.

20-0722 Northern Illinois Gas Company d/b/a Nicor Gas Company

Petition for Approval of an Alternative Rate Regulation Program Pursuant to Section 9-244 of the Public Utilities Act.

On June 24, 2021, the Commission entered an Order approving Nicor Gas's proposed alternative rate regulation program, Renewable Natural Gas Interconnection Pilot Program and accompanying Rate 81, with modifications. Nicor Gas was directed to file annual reports on the pilot program for the duration of any Interconnection Agreements entered and reporting on the metrics as agreed to with Commission Staff. The Order also reduced the total investment cap to \$16 million with a \$3.2 million per-project limit, which will allow for the same number of projects as originally proposed by Nicor Gas. The Commission found that Nicor provided sufficient evidence to show that, as modified, the proposed Pilot satisfies Section 9-244(b)(8) of the Public Utilities Act.

20-0810 North Shore Gas Company

Proposed increase in rates for gas distribution service. (tariffs filed October 15, 2020)

On November 5, 2020, North Shore Gas Company (North Shore Gas) filed with the Commission proposed amended tariffs establishing revised rates and other terms and conditions for gas delivery service. The Commission's Final Order, which was entered on September 8, 2021 (Amendatory Final Order September 15, 2021), found a just and reasonable return which North Shore should be allowed to earn on its net original cost

rate base is 6.63%. This rate of return incorporates a return on common equity of 9.67%, on long-term debt of 4.01%, and on short-term debt of 0.88%. The Commission authorized an annual base rate revenue of \$94,982,000 and net annual operating income of \$23,430,000, which represents a gross increase of \$4,084,000.

20-0848/ North Shore Gas Company

20-0849 The Peoples Gas Light and Coke Company

(Cons.) Verified Petition for Request for Exemption pursuant to 83 Ill. Admin. Code § 501.30.

On December 1, 2020, North Shore Gas and The Peoples Gas Light and Coke Company (Peoples Gas) each filed a verified Petition seeking a limited exemption from Section 501.240 of the Commission's rules to facilitate a pilot program to deploy Single-Path Ultrasonic gas meters -- specifically, the Intelis Meters -- instead of diaphragm meters. The Commission entered an Order on November 4, 2021, granting the requested exemption and finding that the proposed waiver sought for the pilot program is technically sound and will not compromise safety, reliability, or service.

20-0851 Consumers Gas Company

Proposed increase in gas service rates.

On August 18, 2021, the Commission entered an Order approving Consumers Gas Company's increase in gas service rates as stipulated by the parties. The Commission found that the Stipulation's revenue increase of \$191,633 is fair and reasonable for Consumers Gas Company based on the substantial evidence in the record.

21-0098 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 January 14, 2021)

On November 18, 2021, the Commission approved a rate increase of approximately \$240 million for Nicor Gas for natural gas delivery service. A typical residential customer will experience an average increase of approximately \$3.70 per month. The Commission rejected Nicor Gas's request for a return on equity of 10.35% and instead found a return on equity of 9.75% as just and reasonable and supported by the evidentiary record. The Commission approved a common equity ratio of 54.459%. Additionally, the Commission approved Nicor Gas's proposed new Rider 40 – TotalGreen (Rider 40). Rider 40 is intended to provide Nicor Gas customers with a way to offset the environmental effects of their natural gas use through the acquisition of environmental commodities, including renewable natural gas environmental attributes. The Commission found Rider 40 provides a unique opportunity to offer an innovative service in Illinois.

3. Water & Sewer

21-0198 Utility Services of Illinois, Inc.

Proposed Rate Increases for Water and Sewer Service. (tariffs filed February 4, 2021)

On February 4, 2021, Utility Services of Illinois, Inc. (USI) filed with the Commission revised tariff sheets proposing rate increases for USI's water and sewer service. Contested issues related to the inclusion in USI's rate base of interest during construction for one project, operating revenues and expenses, return on equity, rate design, and certain issues related to USI's proposed low-income rate. On December 1, 2021, the Commission entered an Order approving an increase in USI's water and sewer rates.

4. Telecommunications

20-0824

Grafton Technologies, Inc.

Application for Eligible Telecommunications Carrier for Lifeline Support Only.

On March 18, 2021, the Commission approved the Application of Grafton Technologies, Inc. for designation as an Eligible Telecommunications Carrier for the sole purpose of qualifying for Lifeline support for the provision of high-speed Internet access and traditional voice telephone services in a designated service area pursuant to Section 214(e)(2) of the Telecommunications Act of 1996, Sections 54.101 through 54.207 of the rules of the Federal Communications Commission, and the rules and regulations of the Commission.

5. Miscellaneous

20-0309

Illinois Commerce Commission

On Its Own Motion

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

On March 18, 2020, the Commission imposed a moratorium on the disconnection of utility services and the imposition of late fees by electric, natural gas, and water and sewer utilities that are subject to the Commission's jurisdiction during the COVID-19 public health emergency. The Commission directed the subject utilities to formulate and follow, on a temporary basis, more flexible credit and collection procedures and to submit those plans to the Commission for its consideration and approval. On March 18, 2021, the Commission issued an Order on Reopening approving two stipulations filed by the utilities, various consumer groups, and Commission Staff. In those stipulations, the respondent utilities agreed to various commitments and undertakings with regard to the continuation of utility services, the recovery of associated costs, customer assistance, and other pertinent matters related to the provision of essential utility services during the public health emergency.

Appendix B | Acronyms

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

MEC – MidAmerican Energy Company
MISO – Midcontinent Independent System Operator (a regional RTO)
MOPR – Minimum Offer Price Rule
MWH – Megawatt Hour
MWRD – Metropolitan Water Reclamation District
MWs – Megawatts
NARUC – National Association of Regulatory Utility Commissioners
NM – Net Metering (Rider NM)
NOI – Notice of Inquiry
OBF – On-bill financing
ORMD – Office of Retail Marketing Development
P.A. – Public Act
PIPP – Percentage of Income Payment Plan
PJM – PJM Interconnection (a regional RTO)
PTC – Price to Compare
PUA – Public Utilities Act
PV – Photovoltaic
QIP – Qualifying Infrastructure Plant
RECs – Renewable Energy Credits
RES – Retail Electric Supplier (also referred to 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
UDS – Uniform Disclosure Statement
ZEC – Zero Emission Credits
ZES – Zero Emission Standard