

ILLINOIS COMMERCE COMMISSION

2022 Annual Report on Electricity, Gas, Water and Sewer Utilities



January 2023



STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

527 East Capitol Avenue
Springfield, Illinois 62701

160 North LaSalle
Chicago, Illinois 60601

January 19, 2023

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 2022 Annual Report on Electricity, Gas, Water, and Sewer Utilities. This Report covers the period of January 1, 2022, through December 31, 2022.

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.

Sincerely,

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

Carrie K. Zalewski
Chairman

Contacting the ICC

Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, Illinois 62701
217-782-9671

Illinois Commerce Commission
160 N. LaSalle, Suite C-800
Chicago, Illinois 60601
312-814-2850

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



Follow the Illinois Commerce Commission on Twitter, Facebook, LinkedIn and Instagram @ILCommerceComm

Contents

Year in Review	1
Introduction	6
Mission Statement	7
Section 1 A General Review of Agency Activities	8
A. Review of Significant Commission Decisions	8
B. Pending Cases	8
C. Significant Regulatory Actions	8
D. Cases Filed During 2022	9
E. e-Docket: ICC’s Electronic Docket Filing System.....	11
F. e-Docket User’s Manual Provides Instructions for Searching for Documents	11
G. Agency Organization and Administration	12
Section 2 A Discussion of the Utility Industry in Illinois	14
A. Significant Developments in the Illinois Regulatory Environment	14
B. Electric Power Procurement Obligations.....	14
C. Retail Electric Choice.....	16
D. Discussion of the Quality, Availability, and Price of Utility Services by Geographic Area	17
1. Electricity.....	17
2. Natural Gas	19
3. Water and Sewer Utilities	22
E. Financial Health of the Utility Industry in Illinois.....	26
Section 3 A Discussion of Energy Planning	28
A. Electricity Planning and Procurement	28
B. Renewable Energy Standard, Clean Coal Standard, Zero Emission Portfolio Standard, Carbon Mitigation Credit Program and Coal-to-Solar Program	29
C. Distributed Generation	31
D. Cogeneration	32
1. Commission Rule.....	32
2. Special Rates	32
E. Energy Efficiency Programs.....	32
Section 4 Availability of Utility Services	37
1. Temperature-based Termination of Service.....	37
2. Disconnection of Service to Military Personnel on Active Duty	37
3. Disconnection of Service to Customers Receiving LIHEAP funds.....	38
4. Disconnection of Service to Certain Electric Space-Heating Customers.....	38
5. Initial Credit and Deposit Requirements.....	38
6. Preferred Payment Date	38
7. Deferred Payment Arrangement	38
8. Reconnection	38
9. Financial Assistance	39
10. Late Payment Fees	39
11. Credit Card Convenience Fees	39
12. Utility Reporting Requirements	39
A. The Financial Impact of Uncollectible Expenses.....	39
B. Consumer Education Activities	40

1. Electric Customer Choice — “Plug In Illinois”	40
2. Natural Gas Choice.....	40
Section 5 Implementation of the Commission’s Statutory Responsibilities	41
A. Commission Reorganization	41
B. Construction Audits	41
1. Statutory Requirements.....	41
2. Commission Responsibilities.....	41
3. Section 8-407 (b) Activities	42
4. Section 9-213 Activities.....	42
C. Management Audits	42
1. Statutory Requirements.....	42
2. Commission Responsibilities.....	42
3. Section 8-102 Activities.....	42
D. Excess Capacity, Used, and Useful	43
E. Rate Moderation Plan.....	43
F. Cost-Based Rates	43
1. Gas	44
2. Electricity.....	44
G. Mergers.....	44
H. Asset Transfers or Sales	44
I. Informational Filings	45
J. Decommissioning.....	45
Section 6 Appeals from Commission Orders	46
A. Appeals Involving Public Utilities Filed in 2022 Pending In the Appellate or Circuit Court Without Decision.....	46
1. Under the Public Utilities Act, 220 ILCS 5/101, <i>et seq.</i>	46
2. Under Other Utility-Related Acts.....	48
B. Appeals Dismissed In 2022 Without Decision on the Merits and with No Further Action Expected. 48	
1. Under the Public Utilities Act, 220 ILCS 5/101, <i>et seq.</i>	48
2. Under Other Utility-Related Acts.....	48
C. Appeals Decided In 2022 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	49
1. Under the Public Utilities Act, 220 ILCS 5/101 <i>et seq.</i>	49
2. Under Other Utility-Related Acts.....	49
D. Appeals Decided by Opinion of the Court or by an Order Issued Under Supreme Court Rule 23 in 2022. (A rule 23 order decides a case on its merits but has limited effect as precedent in other cases.)	50
1. Under the Public Utilities Act, 220 ILCS 5/101 <i>et seq.</i>	50
2. Under Other Utility-Related Acts.....	50
Section 7 Studies and Investigations Required by State Statutes	51
A. Section 4-305: Emission Allowance Reports.....	51
B. Section 8-304: Estimated Billing Practices.....	51
C. Section 9-223: Evaluation of the Fire Protection Charge	51
D. Section 9-242: Promotional Rates for Encouraging Consumption	51
E. Section 9-244: Alternative Rate Regulation.....	51
F. Section 13-301: Universal Service Support.....	51
G. Section 8-103: Electric Energy Efficiency and Demand Response Program Spending Limits.....	52

H. Illinois Power Agency Act, Section 1-75(c): Renewable Energy Resource Procurement Spending Limits.....	52
I. Illinois House Resolution 1146: Potential Nuclear Plant Closing in Illinois.....	52
J. Illinois Power Agency Act, Section 1-75(d): Clean Coal Resources Procurement Spending Limits	53
K. Sections 16-11.7 and 19-140: On-Bill Financing Programs.....	53
L. Section 8-104: Coordination of Natural Gas and Electric Energy Efficiency Programs	53
M. Section 16-108.5: Infrastructure Program and Performance-Based Formula Rate.....	54
N. Illinois Power Agency Act, Section 1-75(d-5): Zero Emission Credit Procurement Spending Limits ..	54
O. Section 16-135: Energy Storage Program	54
P. Section 9-241: Low-Income Discount Rates	55
Section 8 Impacts of Federal Activity on State Utility Service	56
A. Commission Policy and Actions in FERC Proceedings.....	56
B. Developments in the Natural Gas Industry	56
C. Developments in the Electric Power Industry	57
Section 9 Recommendations for Proposed Legislation	60
Appendix A Summary of Significant Commission Decisions	61
A. CASE SUMMARIES FOR 2022 ANNUAL REPORT.....	61
1. Electric.....	61
2. Gas	69
3. Water & Sewer.....	71
4. Telecommunications.....	71
5. Miscellaneous	71
Appendix B Acronyms	74

Year in Review

JANUARY

Effective January 21, 2022, customers in the 708 area code overlay region may be assigned a number in the new 464 area code when they request new service or an additional line. The 464 area code will coexist everywhere in the 708 area code.

FEBRUARY

Effective February 1, 2022, Governor JB Pritzker appointed Ann McCabe to a five-year term on the Illinois Commerce Commission (“ICC” or “Commission”). McCabe has over 25 years of energy and environmental policy and regulatory experience in the public, private and non-profit sectors. She previously served on the Commission from March 2012-January 2017.

MARCH

The 2021 Annual Report by the ICC’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 over one-third of all procurement spending over the past six years. Annually, Illinois’ six largest investor-owned utilities diverse spending has increased to over \$2.3 billion, with some utilities even reporting nearly a 50% share for diverse supplier spending.

At the request of the ICC and consumer advocate groups, Illinois’ largest investor-owned electric and gas companies agreed to make available throughout the Spring more flexible, and generous deferred payment arrangements for low-income customers unable to pay utility bills fully or on time due to COVID-19 and inflation. Each of the utilities sent letters to the ICC outlining their individual commitments to help consumers avoid disconnection.

APRIL

The Commission approved Commonwealth Edison’s (ComEd) revised carbon mitigation credit rider tariff which resulted in credits for ComEd customers, helping to offset high supply prices during the summer peak demand. The credit lowered consumer bills by about \$19.71 per month, saving the average family \$237 per year.

The Commission approved cost recovery tariffs filed by ComEd and Ameren Illinois (Ameren) to perform carbon-free assessments for public schools in Illinois.

Pursuant to Section 16-105.10 of the Public Utilities Act (“PUA”) the ICC issued Baseline Grid Reports and Databases for both Ameren Illinois and ComEd. The Liberty Consulting Group was hired by the ICC to perform independent audits of the current state of the grid and of the expenditures made since 2012 for both ComEd and Ameren.

MAY

ICC Staff issued a report summarizing the Beneficial Electrification Workshop series held from November 2021-February 2022. Pursuant to requirements of the Climate and Equitable Jobs Act (“CEJA”) specifically updated provisions to Section 45 of the EV Act, the workshops were held to consider the benefits and barriers of electric vehicle adoption and to solicit input on the design of beneficial electrification programs that Ameren Illinois and ComEd will offer beginning in 2023. The report also includes recommendations for transportation electrification investment or incentives.

The Commission approved modifications to ComEd’s electric energy efficiency plan in Docket No. 21-0155.

The Commission issued a Final Order approving the Energy Storage Program Report for submission to the Governor and General Assembly. Docket No. 22-0237 was initiated by the Commission to examine specific programs, mechanisms, and policies that could support the deployment of energy storage systems.

JUNE

The Commission opened a Notice of Inquiry (NOI) to seek information from the state’s regulated electric, natural gas, water, and sewer utilities about their plans to apply for federal grants, loans, assistance and programs under the federal Infrastructure Investment and Jobs Act (IIJA) of 2021. The IIJA provides for approximately \$550 billion in federal funding for infrastructure improvements including public utility infrastructure such as electric generation, clean energy transmission and deployment, electric vehicle infrastructure, grid reliability, energy efficiency, and access to clean water and cybersecurity.

The ICC offered Summertime Tips to help consumers keep energy costs down.

The Commission approved Ameren’s modified electric energy efficiency and demand response and natural gas energy efficiency plan in Docket No. 21-0158.

JULY

On June 30 and July 1, respectively, Ameren and ComEd filed beneficial electrification plans for approval. The Commission, pursuant to CEJA, opened investigations of the filings on July 7, 2022. The Ameren Case is Docket Nos. 22-0431 and 22-0443 consolidated and the ComEd case is Docket Nos. 22-0432 and 22-0442 consolidated. Final Orders are due in March of 2023.

The Commission approved Stipulated Agreements establishing schedules for Ameren and ComEd to accelerate the flow through to their customers of certain excess deferred income taxes (EDIT) resulting from the 2017 Tax Cut and Jobs Act (TCJA). A provision of CEJA requires the refunds to be issued to customers before December 2025.

Pursuant to CEJA, Commission Staff released a first DRAFT of the statutorily required Renewable Energy Access Plan (REAP), opening a 120-day public review and comment period. The REAP is a

comprehensive, actionable plan for supporting an equitable, reliable, and affordable transition to decarbonization and meeting Illinois' policy requirements for a clean electricity system.

The Commission directed Ameren Illinois in Docket No. 22-0485 to conduct an analysis and study of its continued membership in MISO versus participation in PJM. The study should examine the costs and benefits to ratepayers including but not limited to, consideration of reliability, resource adequacy, resiliency, affordability, equity, and the impact on the environment, and the general health, safety, and welfare of the People of Illinois. When the study is submitted on or before July 21, 2023, the Commission will open a new docket to take comments on the report.

A final report summarizing the Multi-Year Integrated Plan Workshop series was submitted to the Commission on July 1st. Multi-year grid plan proceedings were initiated by the Commission on July 21st for ComEd in Docket No. 22-0486 and Ameren Illinois in 22-0487.

The Commission approved the Illinois Power Agency's (IPA) 2022 Long-Term Renewable Resources Procurement Plan (LTRRPP) authorizing over \$1.1 billion to procure new renewable generation in Illinois over the next two years. This investment will support a variety of renewable projects across Illinois including utility-scale solar and wind, small and large distributed generation, community solar, and solar at public schools.

AUGUST

The Commission authorized Staff to execute a contract with The Liberty Consulting Group to conduct a management audit of ComEd. The audit is required under CEJA following the 2020 Deferred Prosecution Agreement between the United States Attorney for the Northern District of Illinois, John R. Lausch and ComEd.

As required by CEJA, the Commission conducted an ethics investigation as to whether ComEd, related to the conduct detailed in its Deferred Prosecution Agreement with the United States Attorney for the Northern District of Illinois, collected, spent, allocated, transferred, remitted, or caused in any other way to be expended ratepayer funds that were not lawfully recoverable through rates, and which should accordingly be refunded to ratepayers and calculate such benefits to initiate a refund to ratepayers as a result of such conduct. The Commission issued its Final Order on August 17, 2022.

SEPTEMBER

The Commission approved groundbreaking Performance Metrics plans for Ameren Illinois (Docket No. 22-0063) and ComEd (Docket No. 22-0067) setting the framework for the electric utilities to file multi-year rate plans if they choose while improving reliability and affordability for all customers. The ratemaking changes utilize incentives and penalties to improve the utilities operational performance and ensure equitable benefits to environmental justice and equity investment eligible communities. Rehearing requests were granted in both dockets on November 10, 2022.

Pursuant to Section 8-201.10 of the PUA, electric, gas, water and sewer utilities are to file credit and collection reports monthly to the ICC by the 15th of each month. A dashboard was created for the ICC website making the credit and collection information publicly available.

The Commission announced the release of a Notice of Inquiry Report on IJJA. The Report summarizes information collected by the state's regulated utilities and other stakeholders about which federal grants, loans, assistance, and programs under IJJA they may be eligible, and intend to apply. It also sought input on ways the ICC and State of Illinois can help them to secure these federal resources.

At the ICC's 7th Annual Utility Supplier Diversity Policy Session, the state's large investor-owned electric, natural gas, water, and sewer companies provided progress reports about their supplier diversity spend in 2021 and identified procurement goals for 2022. Over the past seven years, utility spending with minority, women and veteran-owned businesses has steadily grown from an average of 15 percent to over 1/3 (with some utilities reporting gains of almost 50%). The companies that participated in the policy session were Ameren Illinois, Aqua Illinois, ComEd, Illinois American Water, Nicor Gas, and People's Gas/North Shore Gas.

OCTOBER

The Commission released its third edition of The Wire, an external newsletter designed to inform and educate the public, media, stakeholders, and others about the activities of the Commission.

NOVEMBER

The Commission issued a Final Order in Docket No. 22-0180 approving Ameren's cost recovery tariff to launch up to 2 utility scale photovoltaic pilot projects. Ameren must file project labor agreements with the Commission prior to constructing, installing, controlling, or owning a pilot project.

DECEMBER

Pursuant to a provision of CEJA, a comprehensive study by the Commission concluded that low-income discount rates for electric and natural gas customers are appropriate for Illinois. On December 15th, the Commission approved the report summarizing the study and offering recommendations for the implementation of discount rates. The Commission further requested that large electric and gas utilities identified in the report file low-income discount rates in their next rate design case, using the recommendations and issues raised in the report to shape their filings. The report has been sent to the members of the Illinois General Assembly in accordance with CEJA.

The Commission announced a new area code to southern Illinois. The new 730 area code will "overlay" the existing 618 area code to address the depletion of prefixes available for assignment within the region. The first prefix in the new area code will not be introduced until after July 7, 2023. The 618 area code covers all or parts of 37 counties in Illinois and includes communities such as Alton, Belleville, Cairo, Carbondale, Centralia, E. St. Louis, Edwardsville and Marion. The 618 area code is one of the original, eighty-six area codes in the United States, assigned by Bell Laboratories in 1947. It has not undergone any substantive changes to its boundaries since then.

The war on Ukraine and supply chain constraints are key drivers of rising energy costs globally and here in Illinois. To keep your home warm this winter and save money by reducing energy costs, the ICC offered energy saving tips to help homeowners prepare for freezing temperatures.

The ICC initiated a formal proceeding to develop and adopt a Renewable Energy Access Plan (REAP), an actionable plan for meeting Illinois' policy requirements for a clean electricity system. A requirement of CEJA, a second draft of the REAP co-authored by ICC Staff and the Brattle Group was presented to the Commission for consideration. Consultants from Great Lakes Engineering served as contributing authors focused on land use and renewable energy access zones. The draft also includes stakeholder input received over a 120- day public comment period.

Introduction

The following report for calendar year 2022 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.

Michael T. Carrigan

D. Ethan Kimbrel

Ann McCabe

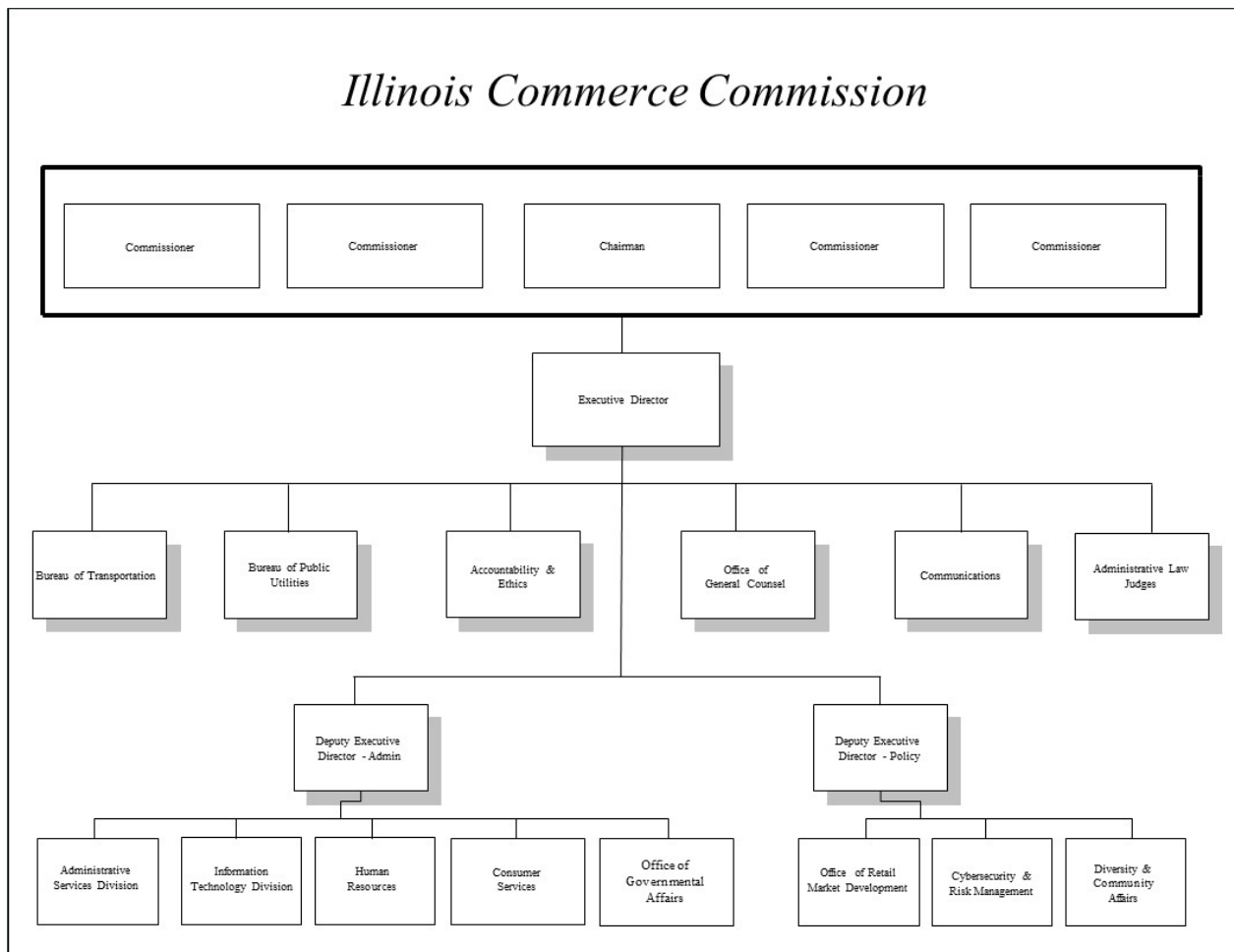
Carrie K. Zalewski

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 2022 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 2022 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 2022

Table 1-1, Utility Cases Monthly Report, shows the cases and filings for each month for the years 2017, 2018, 2019, 2020, 2021, and 2022. 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	2022	97	69	105	59	37	62	80	52	31	57	62	78	789	759
	2021	80	73	148	102	68	76	47	66	59	46	59	53	877	897
	2020	115	96	144	79	64	60	53	55	55	55	68	64	908	991
	2019	107	99	143	136	151	76	76	76	85	69	63	64	1,145	1,339
	2018	270	205	234	190	200	131	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
Filings/ Reports (SPI)	2022	819	918	1,531	1,489	1,147	1,086	712	719	773	735	635	696	11,260	10,561
	2021	905	964	1,696	1,426	1,036	920	607	526	612	690	527	609	10,518	11,009
	2020	1,035	914	1,417	1,203	962	852	665	461	641	652	418	1,225	10,445	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
Hearing & Commission Action Notices	2022	137	151	174	151	155	110	129	151	174	134	140	179	1,785	1,692
	2021	160	137	191	153	129	111	96	139	161	163	146	109	1,695	1,721
	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
2022 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	2022	1	-	-	-	-	-	-	-	-	-	-	-	1	1
	2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-	-	-	-	-	-	1
	2018	-	-	-	-	-	-	-	-	1	-	-	-	1	-
	2017	-	-	-	-	-	-	-	-	-	-	-	-	-	4
Petitions for Rehearing	2022	1	4	1	-	2	-	-	-	3	6	2	5	24	16
	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
Notice of Appeals	2022	-	-	1	-	-	2	-	-	-	-	-	3	6	5
	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
Cases Closed (Orders/ Commission Actions)	2022	54	81	91	88	79	39	47	38	62	60	54	61	754	788
	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
Tariff Filings	2022	72	46	80	58	91	106	66	64	62	38	51	91	825	852
	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

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.

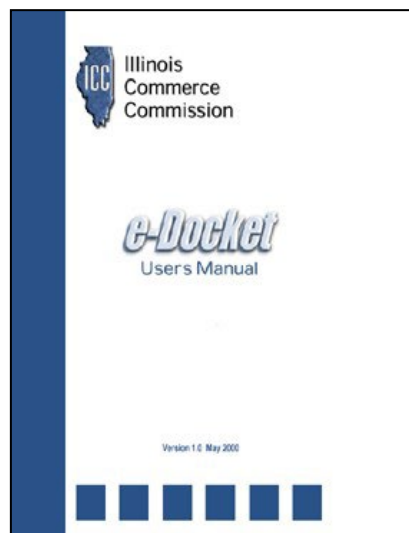
e-Docket is a web-based, automated information and records-keeping system. It was developed to process and manage public information about the Commission's official cases and rulemaking proceedings. A person using e-Docket may conduct searches in two ways:

- **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 2022**

	Chairman & Commissioners		Public Utility Division		Transportation Division		Total	
	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$
Public Utility Fund	16	2,115,300	204	41,634,600	0	0	220	43,749,900
Transportation Fund	1	185,900	0	0	72	18,178,800	73	18,364,700
Underground Utilities Damage Prevention Fund	0	0	0	601,000	0	0	0	601,000
Wireless Carrier Reimbursement Fund	0	0	0	0	0	0	0	0
Illinois Telecommunications Access Corporation Fund	0	0	0	2,000,000	0	0	0	2,000,000
Total	17	2,301,200	204	44,235,600	72	18,178,800	293	64,715,600

Headcount is shown at the authorized level for FY22.

Budget \$ shown represents the FY22 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 complement the electrical engineers currently on staff, all of whom are led by an Assistant Director of Engineering.

The Assistant Director is responsible for performing complex managerial and supervisory functions in directing the activities of the Engineering Section of the Safety and Reliability Division, including the field inspectors. This individual works 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 are 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 September 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. In late 2021 and 2022, the ICC created 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.
- The RFP process is conducted by an IPA-hired and Commission-approved “procurement administrator.” At present, the IPA’s procurement administrator is the consulting firm of NERA Economic Consulting.

¹ 20 ILCS 3855/1-75

² 220 ILCS 5/16-111.5

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

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

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

1. Standard blocks of power entered into by Ameren to establish fixed-quantity price hedges vis-à-vis 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>.

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

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 PJM’s Reliability Pricing Model (RPM). MidAmerican has similarly been authorized by previous approved procurement plans to satisfy its capacity deficit through MISO’s capacity market, the MISO Planning Resource Auction (PRA).

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 2022, there were 102 suppliers certified to serve customers, although 10 of those sought Commission authority to serve themselves or affiliates. Of those 102 certified to serve customers, 78 are certified to serve residential customers. As of October, there were 78 active suppliers in the ComEd territory and 42 active suppliers in the Ameren Illinois territory.

As of May 31, 2022, approximately 1.33 million residential customers were purchasing power and energy from an alternative retail electric supplier (ARES) and approximately 221,229 non-residential customers in Illinois were purchasing power and energy from an ARES. The percentage of ARES usage among non-residential customers with a peak demand above one megawatt in the ComEd service territory was approximately 97 percent, as of May 31, 2022. 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 ARES 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 ARES 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 ARES, 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.

On November 10, 2022, the Commission entered a Final Order adopting Illinois Administrative Code Part 512 and amendments to Part 412, which specified a number of alternative gas supplier (AGS) and ARES disclosure requirements and consumer protections. The rules will go into effect on May 10, 2023.

Residential switching activity is, at least in part, due to municipal aggregation programs by many communities throughout the state. As of May 31, 2022, 749 communities have passed municipal aggregation referenda and more than 514 had 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 2021 sales statistics presented below can be found in the Commission’s “Comparison of Electric Sales Statistics for Calendar Years 2021 and 2020” 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 4,095,261 customers in northern Illinois, including the Chicago metropolitan area. MidAmerican serves 85,698 customers in northwestern Illinois.

For 2017 through 2021, 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)**

	2017	2018	2019	2020	2021
ComEd	11.64	11.88	11.86	12.03	12.79
MidAmerican	8.35	7.98	7.60	7.19	7.79

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 1,228,564 customers in central and southern Illinois. Mt. Carmel serves 5,261 customers in southeastern Illinois.

For 2017 through 2021, 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)**

	2017	2018	2019	2020	2021
Ameren Illinois	9.38	9.00	8.64	9.16	10.46
Mt. Carmel	13.89	14.66	14.45	14.32	14.58

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

c) Electric Reliability

Pursuant to Section 16-125 of the PUA and the Commission’s electric reliability rules found in 83 Ill. Adm. Code 411, each of the electric utilities under the Commission’s jurisdiction files an annual electric reliability report summarizing the utility’s reliability performance, its actions to maintain or improve its

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.

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 2017 through 2021. 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)**

	2017	2018	2019	2020	2021
Ameren Illinois	164	189	149	204	168
ComEd	116	150	105	440	134
MidAmerican	86	117	150	794	96
Mt. Carmel	60	94	77	91	66

The following table presents the annual System Average Interruption Frequency Index (SAIFI) each utility reported for the years 2017 through 2021. 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)**

	2017	2018	2019	2020	2021
Ameren Illinois	1.17	1.10	1.20	1.10	1.16
ComEd	0.73	0.74	0.72	0.76	0.70
MidAmerican	1.40	1.09	1.56	2.85	1.43
Mt. Carmel	2.99	2.98	1.88	1.14	1.34

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 2022, 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 2023, sufficient supplies of natural gas are expected to be available to all customers.

A detailed presentation of the 2021 sales statistics presented below can be found in the Commission's "Comparison of Gas Sales Statistics for Calendar Years 2021 and 2020" 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 2,025,016 customers in northern Illinois. Peoples Gas, which serves the City of Chicago, has 820,518 customers. North Shore Gas serves 150,144 customers in communities north of the Chicago area. Finally, MidAmerican serves 65,657 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.

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.

For 2017 through 2021, these four utilities charged the following average prices shown in cents per therm:

TABLE 2-5
AVERAGE PRICES PER THERM (CENTS)

	2017	2018	2019	2020	2021
MidAmerican	58.30	53.90	47.08	44.74	84.41
Nicor Gas	57.65	53.59	54.91	54.88	77.60
North Shore Gas	82.17	72.01	68.47	65.37	84.17
Peoples Gas	106.00	96.77	92.56	93.71	123.26

b) Central and Southern Illinois

Ameren Illinois provides gas service to 806,020 customers in central and southern Illinois, making it the second largest gas utility in the State. Liberty Utilities provides service to 21,192 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 9,413 customers in the Lawrenceville-Olney area. Consumers Gas serves 5,215 customers in the Carmi area. Finally, Mt. Carmel serves 3,415 customers in the Mt. Carmel area.

For 2017 through 2021, these five utilities charged the following average prices shown in cents per therm:

TABLE 2-6
AVERAGE PRICES PER THERM (CENTS)

	2017	2018	2019	2020	2021
Ameren Illinois	100.39	91.90	88.49	90.22	116.13
Consumers Gas	74.26	70.15	67.98	65.91	82.01
Illinois Gas	76.94	70.75	68.72	61.95	76.64
Liberty Utilities	107.14	97.04	103.75	83.91	95.03
Mt. Carmel	113.31	101.86	102.49	95.55	109.04

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 2021 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 2021

	Ameren Illinois	Consumers Gas	Illinois Gas	Liberty Utilities	Mid- American	Mt. Carmel	Nicor Gas	North Shore Gas	Peoples Gas
Residential Sales	121.18	92.22	85.92	105.02	114.22	113.71	79.59	86.60	134.43
Small (or Commercial) Sales	109.19	81.18	75.42	82.99	96.17	100.32	71.943	73.20	97.69
Large (or Industrial) Sales	80.25	65.93	59.38	70.94	51.87	-	61.24	-	77.42
Other Sales To Public Authorities	85.58		-	-	-	-	-	-	-
Total Sales To Ultimate Customers	116.13	83.40	76.64	95.03	104.74	109.04	77.60	84.17	123.26

3. Water and Sewer Utilities

a) Overview

The Commission currently regulates four water, one sewer, and three combined water and sewer investor-owned utilities. While the number of investor-owned utilities is a small percentage of the 1,757 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 375,000 customers and sewer service to approximately 96,000 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 43 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 363,353. 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 2022:

- In December 2021, the Commission approved Illinois-American Water Company's (Illinois-American Water) application to acquire the water and wastewater systems of the Village of Mt. Pulaski in Logan County (Docket No. 21-0309).
- In February, the Commission approved Illinois-American Water's application to acquire the water system of the Country Meadows Mobile Home Park in St. Clair County (Docket No. 21-0548).
- Also in February, Illinois-American Water filed an application to acquire the water system of the City of Rosiclare in Hardin County (Docket No. 22-0143).
- In April, the Commission approved Illinois-American Water's application to acquire the water and wastewater systems of the Village of Hardin in Calhoun County (Docket No. 21-0511).
- In June, Prairie Path Water Company (Prairie Path) filed an application to acquire the wastewater system of Forestview Utilities, an investor-owned utility in Woodford County (Docket No. 22-0385.)
- In August, the Commission approved Illinois-American Water's application to acquire the water system of the Village of Oakbrook in DuPage County (Docket No. 21-0872).
- Also in August, Illinois-American Water filed an application to acquire the water and wastewater systems of the Village of Tolono in Champaign County (Docket No. 22-0536).
- Also in August, Illinois-American Water filed an application to acquire the water system of the Village of Broadlands in Champaign County (Docket No. 22-0537).
- Also in August, Aqua Illinois, Inc. (Aqua Illinois), filed an application to acquire the water and wastewater systems of Timber Ridge Estates, a subdivision currently served by the Village of Frankfort in Will and Cook Counties (Docket No. 22-0554).
- In September, the Commission approved Illinois-American Water's 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).
- Also in September, the Commission approved Illinois-American Water's application to acquire the water and wastewater systems of the City of Villa Grove in Douglas County (Docket No. 21-0869).

b) Regulatory Activities

In February 2022, Illinois-American Water requested a general increase in water and sewer rates for all of its service areas (Docket No. 22-0210).

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 Prairie Path have purchased water surcharges; and Aqua Illinois, Illinois-American Water, and Prairie Path have QIP surcharges.

c) Discussion of Water and Sewer Utilities

Water supplies for investor-owned water utilities were generally adequate in 2022.

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 \$50 to \$55 per month.

Of the four 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, 2022

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	1,828	\$ 34.03	\$ 68.81	\$ 112.28
Kankakee	31,275	34.46	70.04	114.52
North Maine	4,779	26.85	61.63	105.10
Peotone	1,584	35.56	71.85	117.22
University Park	2,588	34.03	68.81	112.28
Hawthorn Woods	1,080	34.95	70.63	115.24
<i>Illinois-American Water</i>				
Chicago Metro				
Well Water	1,621	33.22	60.12	93.74
Lake Water				
Chicago Suburban	4,399	40.79	69.97	106.44
DuPage County	6,457	38.22	85.10	143.70
Fernway	2,029	37.43	80.75	134.91
Santa Fe /Bolingbrook/Homer Glen	31,306	39.89	93.43	160.35
South Beloit	2,918	33.36	60.89	95.31
Sterling	6,599	33.22	60.12	93.74
Streator	7,711	33.22	60.12	93.74
<i>Utility Services of Illinois</i>				
Galena Territory	2,286	31.53	98.82	182.94
Lake Holiday	1,879	31.53	98.82	182.94
Whispering Hills	2,354	31.53	98.82	182.94
CENTRAL				
<i>Aqua Illinois</i>				
Vermilion	19,594	34.15	69.43	113.53

<i>Illinois-American Water</i>				
Champaign	57,443	33.65	60.55	94.17
Lincoln	5,780	30.25	48.83	72.06
Pekin	14,076	30.24	42.08	56.88
Peoria	55,498	33.22	60.12	93.74
Pontiac	4,517	33.22	60.12	93.74
SOUTHERN				
<i>Illinois-American Water</i>				
Alton	19,134	33.42	60.32	93.94
Interurban	67,670	33.37	60.26	93.88
Jerseyville	3,854	28.61	55.50	89.12

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 long-term 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 2018 THROUGH NOVEMBER 2022

	2018	2019	2020	2021	2022
Electric Utility Industry Avg.	BBB+	BBB+	BBB+	BBB+	BBB+
Ameren Illinois	BBB+	BBB+	BBB+	BBB+	BBB+
ComEd	BBB	A-	BBB+A-	BBB+	BBB+
MidAmerican	A	A	A	A	A

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

TABLE 2-10
STANDARD AND POOR'S GAS UTILITY ISSUER CREDIT RATINGS
NOVEMBER 2018 THROUGH NOVEMBER 2022

	2018	2019	2020	2021	2022
Gas Distribution Industry Avg.	A-	A-	A-	A-	A-
Ameren Illinois	BBB+	BBB+	BBB+	BBB+	BBB+
Nicor Gas	A-	A	A	A-	A-
North Shore Gas	N/A	N/A	N/A	N/A	N/A
Peoples Gas	A-	A-	A-	A-	A-

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

TABLE 2-11
STANDARD AND POOR'S WATER UTILITY ISSUER CREDIT RATINGS
NOVEMBER 2018 THROUGH NOVEMBER 2022

	2018	2019	2020	2021	2022
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 2022, the IPA conducted the following procurement events on behalf of Ameren (AIC), ComEd, and MidAmerican (MEC):

**TABLE 3-1
IPA ENERGY AND CAPACITY PROCUREMENT EVENTS CONDUCTED IN 2022 ON BEHALF OF THE ELECTRIC UTILITIES AS BUYERS**

Bid Day	ICC Approval	Product Type	Delivery Period	Buyer(s)
4/18/2022	4/21/2022	Standard Energy Blocks	2022-2025	AIC, ComEd, MEC
5/16/2022	5/20/2022	Standard Energy Blocks	2022	AIC, ComEd, MEC
4/22/2022	4/27/2022	Zonal Resource Credits	2023-2025	AIC
9/12/2022	9/15/2022	Standard Energy Blocks	2022-2025	AIC, ComEd

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 Standard, Clean Coal Standard, Zero Emission Portfolio Standard, Carbon Mitigation Credit Program and Coal-to-Solar Program

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. Updated plans were approved by the Commission in February 2020 and July 2022. In 2022, the IPA conducted the following competitive renewable procurements to procure Renewable Energy Credits (RECs):

**TABLE 3-2
IPA RENEWABLE ENERGY PROCUREMENT EVENTS CONDUCTED IN 2022 ON BEHALF OF THE ELECTRIC UTILITIES AS BUYERS**

Bid Day	ICC Approval	Product Type	Delivery Period	Buyer(s)
5/6/2022	5/12/2022	Indexed Renewable Energy Credits	A 20-Year Period Beginning No Later Than 5/31/25 (although extensions are possible)	AIC, ComEd, MEC
12/9/2022	12/15/2022	Indexed Renewable Energy Credits	A 20-Year Period Beginning No Later Than 5/31/25 (although extensions are possible)	AIC, ComEd, MEC

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 2022.

Additionally, P.A. 102-0662, required the IPA to develop a carbon mitigation credit (CMC) 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. The initial CMC procurement procured CMCs for the 2022 – 2027 delivery period. While the payments continued to previously procured carbon-free energy resources, there were no new CMC procurements in 2022.

P.A. 102-0662 further required the IPA to procure, through the Coal-to-Solar Program, RECs to support the development of new renewable energy facilities installed at or adjacent to the sites of electric generating facilities that burn or burned coal as their primary fuel source. The IPA was to procure no more than 625,000 annual RECs at a price of \$30 per REC. Of the 625,000 RECs to be procured, no less than 400,000 RECs and no more than 580,000 RECs were to be procured in this first procurement event, held between March 14 and April 13, 2022. Selected projects were required to be at least 20 MW but no more than 100 MW and include an energy storage facility with capacity of at least 2 MW but no larger

than 10 MW. A total of six projects were selected as these six projects met the requirements of the IPA Act. The sum of the annual quantities associated with all six projects is 464,564 RECs. The REC contracts have a term of 20 years. The IPA conducted a second procurement event between September 9 and October 11, 2022 but received no proposals.

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 2022, a quantity of 39,205 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 297 Megawatts (MWs). About 441 small business customers had installed PV systems; the total capacity of these systems is about 42 MWs.

TABLE 3-3
ADOPTION OF PV SYSTEMS BY RESIDENTIAL AND SMALL BUSINESS CUSTOMERS IN ILLINOIS, BY ELECTRIC UTILITY SERVICE TERRITORY, 2022 (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	7,717	73.00	273	40.08	6,911	37.38
ComEd	31,174	221.51	148	1.35	20,027	133.47
MidAmerican	282	2.51	12	0.09		
Mt. Carmel	32	0.36	8	0.19		
Total	39,205	297.38	441	41.72	26,938	170.84

The adoption rate of solar PV systems may be affected by a prospective customer's estimate of the economic cost of installing and operating a PV system. The cost estimate may be influenced by a number of factors, including Federal and State tax credits and rebates. Customers that installed PV systems in 2022 were eligible for a federal tax credit of up to 30%. Customers will be eligible for a federal tax credit up to 30% until 2033.

Additionally, the IPA administers a bidding process for the procurement of RECs from PV systems. P.A. 99-0906, through the Adjustable Block and Illinois 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 continued to do so in 2022. The programs are, going forward, 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 2022 avoided costs as filed by Illinois electric utilities pursuant to 83 Ill. Adm. Code 430.110 are:

**TABLE 3-4
ILLINOIS ELECTRIC UTILITIES AVOIDED COST RATE STRUCTURE FOR 2022 (CENTS PER KWH)**

	Summer Rates		Winter Rates	
	On-Peak	Off-Peak	On-Peak	Off-Peak
Ameren Illinois	13.616	8.195	9.926	8.295
ComEd	5.992	4.491	5.440	4.356
MidAmerican	2.930	1.750	1.940	1.090
Mt. Carmel	4.493	4.493	4.493	4.493

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

2. Special Rates

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

E. Energy Efficiency Programs

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

plans of varying durations with the first plans covering the four calendar years between and including 2018 and 2021. P.A. 102-0662 fixed plan terms at four calendar years. 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 3-5
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 3-6
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

Illinois Commerce Commission
2022 Annual Report on Electricity, Gas, Water and Sewer Utilities

Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
	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
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
	North Shore Gas	June 2014 - Dec. 31, 2017	5,441,047 therms	Yes	5/11/2020	11/18/2020

Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
20-0448	Peoples Gas	June 2014 - Dec. 31, 2017	28,375,556 therms	Yes	5/11/2020	11/18/2020
19-0684	DCEO (Ameren Territory)	2014-2017	93,147 MWh	No	6/18/2019	9/18/2019
	DCEO (Ameren Territory)	2014-2017	3,143,320 therms	Yes	6/18/2019	9/18/2019
	DCEO (ComEd Territory)	2014-2017	287,406 MWh	No	6/18/2019	9/18/2019
	DCEO (Nicor Territory)	2014-2017	6,185,037 therms	No	6/18/2019	9/18/2019
	DCEO (N. Shore Territory)	2014-2017	469,266 therms	No	6/18/2019	9/18/2019
	DCEO (Peoples Territory)	2014-2017	4,529,796 therms	Yes	6/18/2019	9/18/2019

**TABLE 3-7
ENERGY EFFICIENCY SAVINGS 2018-2021**

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
22-0369	Ameren	2021	2,626,966 MWh	Yes	216,561 MWh	Yes	6/1/2022	12/1/2022
22-0362	ComEd	2021	9,655,890 MWh	Yes	981,633 MWh	No	5/25/2022	10/27/2022

*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 3-8 below summarizes the amount of money spent on energy efficiency by the utilities in Illinois.

**TABLE 3-8
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	\$114,499	\$351,038	\$45,163	\$4,348	\$28,691	\$3,589	\$547,328
2022*	\$135,784	\$427,471	\$45,705	\$4,070	\$27,833	\$5,441	\$646,304
2023*	\$135,134	\$423,304	\$45,705	\$4,099	\$29,049	n/a	\$637,291
2024*	\$135,326	\$423,304	\$45,705	\$4,099	\$29,049	n/a	\$637,483
2025*	\$135,402	\$423,304	\$45,705	\$4,099	\$29,049	n/a	\$637,559

Sources: Utility Quarterly Reports filed in ICC Docket Nos. 21-0154, 21-0155, 21-0158, and 21-0159. Orders filed in Docket Nos. 10-0682, 12-0404, 15-0140, 15-0141, 16-0031, 16-0032, 17-0020, 18-0181, 22-0369, and 22-0362. 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 2022 including:

(a) addressing the lingering effects of COVID-19; and

(b) a list of existing rules and laws designed to promote and preserve the availability and affordability of utility services.

(a) To help low-income customers and those experiencing financial hardships, utilities committed to temporarily extend certain flexible credit and collection activities beyond the end of the winter moratorium on disconnection which expired April 1, 2022. Further, utilities committed to enhanced customer outreach and community collaboration to inform customers of opportunities for payment options and financial assistance. In 2022, significant financial assistance was provided to low-income customers through programs administered by DCEO (Department of Commerce and Economic Opportunity, Office of Community Assistance). Assistance included: increased LIHEAP (Low Income Home Energy Assistance Program) funds; PIPP (Percentage of Income Payment Program) funds; UDAP (Utility Disconnection Avoidance Program); and summer Supplemental Assistance Grant.

(b) Recent mandates and long-standing rules and regulations help ensure the availability and affordability of residential utility services. The Commission continues to refine its rules regarding utility credit and collection activities to help Illinois utility consumers make timely payments on their obligations to utility companies and 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 credit and deposit requirements for 60 days for a residential customer who is a victim of domestic violence. Electric and natural gas utilities are prohibited from collecting a deposit from low-income applicants and customers (except in cases of tampering).

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.

10. Late Payment Fees

Electric and natural gas utilities (effective 2023) are prohibited from assessing late payment fees to low-income applicants and customers.

11. Credit Card Convenience Fees

Credit card convenience fees are prohibited for utility payments.

12. Utility Reporting Requirements

Specific disconnection and credit and collections reporting is required to be provided by electric, natural gas, water, and sewer utilities to assist the Commission in understanding issues and policy making.

(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

No reorganization actions were taken during 2022.

(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 2022.

4. Section 9-213 Activities

No actions were taken during 2022.

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. At the Regular Open Meeting on August 11, 2022, the Commission authorized the Executive Director to execute a contract for The Liberty Consulting Group to conduct a management audit of Commonwealth Edison Company as required by Section 4-604(g) of the Public Utilities Act.

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 2022.

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 2022.

No actions were taken during 2022.

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 2022. The following is a list of the gas and electric rate cases handled by the Commission in 2022 (See Section 2 for list of water and sewer rate cases handled in this period).

1. Gas

In December 2021, Mt. Carmel filed a gas rate case (Docket No. 22-0038). The Commission entered a final order on October 27, 2022.

In August 2022, Illinois Gas filed a gas rate case (Docket No. 22-0572). The docket is ongoing.

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 2022, ComEd filed its formula rate update (Docket No. 22-0302) for its distribution delivery services. The Commission entered an order on November 17, 2022.

In April 2022, Ameren Illinois filed its formula rate update (Docket No. 22-0297) for its distribution delivery services. The Commission entered an order on December 13, 2022.

In December 2021, Mt. Carmel filed an electric rate case (Docket No. 22-0038). The Commission entered a final order on October 27, 2022.

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 Commission entered a final order on February 17, 2022. In June 2022, in Docket No. 22-0385, Prairie Path Water requested that the Commission: (1) approve the sale of Forestview Utilities Corporation's (Forestview) wastewater utility assets to Prairie Path pursuant to Sections 7-204, 7-204A, and 7-102(b) of the PUA; (2) grant Prairie Path a Certificate of Public Convenience and Necessity to provide wastewater utility service in the service area now served by Forestview; (3) approve application of rates and accounting treatment for the transaction; and (4) authorize Forestview to discontinue operations as an Illinois public utility. The docket is ongoing.

H. Asset Transfers or Sales

There were no assets sales approved in 2022.

I. Informational Filings

There were no informational notices filed with the Commission during 2022.

J. Decommissioning

During 2022, 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 2022 and were applied throughout the year. There were no closed meetings in 2022.

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 2022; previously filed appeals pending further action as of December 31, 2021 and/or appeals upon which judicial decisions were received in 2022. 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 2022 Pending In the Appellate or Circuit Court Without Decision

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

- 1) *Commonwealth Edison Company v. Illinois Commerce Commission, et al.*
ICC Nos. 22-0432 consol. with 22-0442
Appellate No. 2-22-0444

Nature of the Appeal: Appeal from an interim order issued by the Commission in the consolidated dockets related to the Beneficial Electrification Plans (“BE Plans”) filed by ComEd and Ameren Illinois Pursuant to the Electric Vehicle Act, 20 ILCS 627/45. In these dockets, Staff moved to, *inter alia*, limit the scope of ComEd’s BE Plan by eliminating certain electric vehicle rebates. The Commission granted Staff’s motion in part and denied it in part. On December 15, 2022, ComEd filed a petition for review with contesting the Commission’s order limiting its BE Plan. A few days later, ComEd filed a motion to stay the appeal pending the Commission’s entry of a final order. On December 20, 2022, The Appellate Court granted the motion and stayed the appeal pending further order of the court.

Issues: Whether the Commission properly found that certain electric vehicle and charging station rebates should not be ComEd’s BE Plan as such rebates are administered by the Illinois Environmental Protection Agency.

- 2) *Save Our Illinois Land, et al. v. Illinois Commerce Commission, et al.*
ICC No. 19-0673
1st Appellate No. 4-21-0008
2nd Appellate No. 4-22-1038

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 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 January 12, 2022, the court issued its opinion and affirmed a majority of the Commission's findings and analysis. However, the court disagreed with the Commission on two issues: The Commission's inclusion of "global need" in its "public needs" analysis; and the decision to bar certain evidence related to safety issues on another pipeline. Because of these two issues, the court vacated the order and remanded the matter to the Commission to determine of public need under § 8-503, while considering the term "public" as limited to "the people of the United States, not the world" and to consider the barred evidence. On February 2, 2022, the Joint Petitioners and respondents filed petitions for rehearing. On February 28, 2022, the Appellate Court denied the petitions for rehearing but issued a modified order clarifying issues related to public need and the barred evidence the Commission was to consider on remand.

Second Appeal: On September 15, 2022, the Commission issued an Order on Remand authorizing the Joint Petitioners to construct the additional pumping stations. On December 1, 2022, following the denial of their application for rehearing, respondents filed another notice of appeal.

Issues: In this second appeal, respondents argue: (1) the Commission misread and misapplied the Appellate Court's directive regarding the scope of the "public" need, which respondents argue should be limited to Illinois *unless* mandated by the Dormant Commerce Clause to expand to national interests; and (2) the Commission erroneously neglected to find public "need" was satisfied, as properly construed under the PUA; and (3) no record evidence supported a finding of public need anyway.

- 3) *Pembroke Environmental Justice Coalition, et al. v. Illinois Commerce Commission, et al.*
ICC No. 21-0698
Appellate No. 3-22-0108

Nature of the Appeal: Appeal from the Commission's order granting Nicor Gas's petition seeking a Certificate of Public Convenience and Necessity ("CPCN") to construct, operate, and maintain gas distribution facilities, within certain portions of Kankakee

County, Illinois over the objections of Pembroke Environmental Justice Coalition, Blacks in Green, Green Power Alliance and Environmental Defense Fund.

Issues: (1) Whether the Commission correctly applied the standards of Section 8-406.2 of the Act (220 ILCS 5/8-406.2), which governs the Commission's issuance of CPCNs in "designated hardship areas" such as the areas in this case where Nicor Gas proposed to construct additional facilities; and (2) whether the Commission was also required to find Nicor Gas met the requirements in sections 8-406(b) and (d) of the Act which govern CPCNs generally.

Status: The parties completed briefing, waived oral argument and await the court's decision.

2. Under Other Utility-Related Acts

None.

B. Appeals Dismissed In 2022 Without Decision on the Merits and with No Further Action Expected

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

- 1) *Roger Shekar v. Illinois Commerce Commission, et al.*
ICC No. 19-0863
Appellate No. 4-22-0466

Nature of the Appeal: On June 2, 2022, Appellant filed an appeal seeking review of the Commission's order dismissing his complaint against Commonwealth Edison Company alleging property damage.

Status: On July 5, 2022, the Appellate Court dismissed the appeal because Appellant failed to file the docketing statement and pay the \$50 filing fee. On July 12, 2022, the court issued show cause order and directed Appellant to file within 14 days a written explanation why the court should not impose sanctions on him for sending "multiple e-mails to court officials, establishing an inappropriate and unwarranted pattern of communication which appears to be intended to harass the recipients and cause unnecessary consumption of judicial resources for frivolous purposes." Shekar failed to respond to the court's show cause order and, on July 28, 2022, the court imposed a \$500 fine on Shekar for conduct enumerated in the show cause order.

2. Under Other Utility-Related Acts

None.

C. Appeals Decided In 2022 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.*
ICC No. 18-1540
Appellate No. 02-20-0411
Supreme Court No. 128078

Nature of the Appeal: Following an investigation into Life Energy, LLC, an alternative retail energy supplier, marketing practices pursuant to PUA § 10-101, the Commission found LifeEnergy 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 of the Commission's rules 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: On December 14, 2021, the Appellate Court issued an opinion, 2021 IL App (2d) 200411, affirming in part and vacating in part the Commission's order. The court held the Commission's findings were supported by substantial evidence and that it 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. The Appellate Court vacated a portion of the Commission's order requiring LifeEnergy to file its customer list and proposed voluntary refunds after the final order was entered. On February 22, 2022, LifeEnergy filed a petition for leave to appeal to the Supreme Court which the court denied on May 25, 2022. The Appellate Court issued the mandate to the Commission on July 6, 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 2022. (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) *Illinois Competitive Energy Association, and Retail Energy Supply Association v. Illinois Commerce Commission, Northern Illinois Gas Company (“Nicor”), et al.*

ICC No. 20-0606

Appellate No. 2-21-0415

Supreme Court No. 128658

Consolidated with:

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

ICC No. 20-0606

Appellate No. 2-21-0420

Nature of the Appeals: Appeals from the Commission’s order approving Nicor’s tariff filing that addressed matters arising from a prior study of Nicor’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 was just and reasonable; and (2) whether the Commission’s decision to approve Nicor’s tariff was supported by substantial evidence and sufficiently detailed to allow for judicial review.

Status: The appeal was fully briefed and on May 27, 2022, the court issued a Rule 23 order affirming the Commission’s decision. ICEA/RESA filed a petition for leave to appeal to the Illinois Supreme Court, which the court denied. The Commission received the Mandate from the court on November 4, 2022.

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 2022, 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 2022, 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 2022 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 2022, 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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.

O. Section 16-135: Energy Storage Program

Public Act 102-0662 added Section 16-135 to the PUA. 16-135 requires the Commission, in consultation with the Illinois Power Agency, to initiate a proceeding to examine specific programs, mechanisms, and policies that could support the deployment of energy storage systems. The Commission initiated a proceeding in March 2022, in Docket No. 22-0237, to consider the specific programs, mechanisms, and

policies that support the deployment of energy storage systems. The Commission adopted a Final Order and Energy Storage Program report on May 25, 2022.

The report was sent to the General Assembly in May 2022. It is available on the Commission's website at <https://www.icc.illinois.gov/informal-processes/energy-storage-program>. No further actions are anticipated.

P. Section 9-241: Low-Income Discount Rates

Public Act 102-0662 amended Section 9-241 of the PUA. 9-241 requires the Commission conduct a study of low-income discount rates and determine whether the implementation of such rates are appropriate for electric and natural gas residential customers.

The study was submitted to the Commission in December 2022. It is available on the Commission's website at <https://www.icc.illinois.gov/informal-processes/Low-Income-Discount-Rates-for-Electric-and-Natural-Gas-Residential-Customers>. 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, global demand for natural gas increased, with newly added liquefied natural gas (LNG) export capacity and price increases in foreign natural gas/LNG markets pushing natural gas exports to record levels. 2021 also saw an increase in pipeline exports of natural gas.

The U.S. Energy Information Administration (EIA) projects that by 2050 domestic natural gas production will increase by almost 24 percent – approximately twice as fast as consumption, with the U.S. producing approximately 25 percent more natural gas than it consumes. Notably, by the end of 2022 the total natural gas production rig count was 784 rigs, the highest level since March of 2020 and 215 more rigs than the same time in 2021. Production of natural gas is expected to increase from 99 billion cubic

feet per day in 2022 to almost 109 billion cubic feet per day by mid-2023. This increase in production, paired with higher-than-expected storage levels, has resulted in expected wholesale natural gas prices for the winter of 2022-23 to average about \$6 per MMBtu. This price is the highest real price for winter natural gas since the winter of 2009-10. In spite of the increase in natural gas production, the trend for new natural gas-fired generation continues to fall, with the percentage of U.S. natural gas-fired generation expected to decline from 38 percent in 2022 to 36 percent in 2023. Nevertheless, 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.

The generation of renewable energy in the U.S. continues to grow, reaching 24 percent of total U.S. electricity generation. Accordingly, the production and transmission of renewable energy continues to be a major topic of emphasis for both the FERC and Illinois. 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 contains 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.

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 continues to be an issue for RTOs and their members. In the case of PJM, stakeholder groups focused on issues such as procurement of clean resource attributes, reliability risk drivers, performance assessments of capacity resources, seasonal resource adequacy and mitigation of supply-side market power. With respect to MISO, stakeholders have undertaken capacity market initiatives that include the adoption of a downward-sloping demand curve and a seasonal resource adequacy construct. These issues/proceedings will have a significant impact on Illinois' policies regarding renewable and nuclear generation resources, as well as reliability of the transmission grid. Accordingly, 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.

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 2022 ANNUAL REPORT

1. Electric

20-0700 Illinois Commerce Commission

On Its Own Motion

Amendment of 83 Ill. Adm. Code 466 and 83 Ill. Adm. Code 467.

On May 25, 2022, the Commission entered an Order adopting amendments to 83 Ill. Adm. Code 466 – Electric Interconnection of Distributed Generation Facilities (“Part 466”) and 83 Ill. Adm. Code 467 – Electric Interconnection of Large Distributed Generation Facilities (“Part 467”). Parts 466 and 467 were last amended in Docket No. 14-0135. Citizens Util. Bd. and the Env’tl. Law and Policy Ctr., Docket No. 14-0135, Adopting Order (Dec. 13, 2016). The amendments to Parts 466 and 467 are intended to alleviate some of the issues with the interconnection process and make the process more efficient for both developers and electric utilities, further encouraging the development of distributed generation projects in Illinois.

21-0551 Ameren Illinois Company d/b/a Ameren Illinois **Petition for a Certificate of Public Convenience and Necessity, pursuant to Section 8-406 of the Illinois Public Utilities Act, and an Order pursuant to Section 8-503 of the Public Utilities Act, to Construct, Operate and Maintain a New High Voltage Electric Service Line and Related Facilities in Logan County, Illinois.**

On January 5, 2022, the Commission entered an Order granting Ameren Illinois Company d/b/a Ameren Illinois (“Ameren Illinois”) a certificate of public convenience and necessity to construct, operate, and maintain a new, approximately 8-mile 138 kV transmission line in Logan County, Illinois. The new transmission line will connect the existing Fogarty Switching Station and the Limit Substation.

21-0607/ Illinois Commerce Commission

On Its Own Motion

-vs-

21-0739 Commonwealth Edison Company

(Consol.)

Investigation concerning rate effects of conduct admitted in Deferred Prosecution Agreement.

On July 17, 2020, Commonwealth Edison Company (“ComEd”) entered into a Deferred Prosecution Agreement (“DPA”) with the United States Attorney’s Office for the Northern District of Illinois. In the DPA, ComEd acknowledged, among other things, that “ComEd arranged for various associates of Public Official A, including Public Official A’s political allies and individuals who performed political work for Public Official A, to obtain jobs, vendor subcontracts, and monetary payments associated with these jobs and subcontracts from ComEd, even in instances where certain political allies and workers performed little or no work that they were purportedly hired to perform for ComEd.” On September 15, 2021, Public Act 102-0662 (“P.A. 102-0662”) took effect, and, among other things, required the Commission to initiate an investigation as to: (i) whether ratepayer funds were expended in connection with the conduct detailed in the DPA; (ii) whether ratepayer funds were used to pay the criminal penalty; and (iii) whether ComEd collected, spent, allocated, transferred, remitted, or caused in any other way to be expended ratepayer funds that were not lawfully recoverable through rates. 220 ILCS 5/4-604.5(b). The Commission’s Order finds that all parties agree that ratepayer funds were not used to pay the \$200 million penalty required by the DPA. All parties ultimately agreed that ComEd should refund \$31,296,338 (\$22,595,329 plus \$8,701,009 interest) recovered from customers through Commission-jurisdictional rates and \$5,019,312, plus the appropriate interest, through FERC-jurisdictional rates. The sole disputed issue was ComEd’s capital structure treatment of the \$200 million penalty ordered in the DPA. The Order rejects the proposal of the Attorney General, the City of Chicago, and the Citizens Utility Board to reduce ComEd’s common equity balance, both retroactively and in all future rate cases, finding the DPA expressly authorized the equity infusion of funds from ComEd’s parent, there is no prohibition of such a transaction in Section 4-604.5 or anywhere else in the Public Utilities Act (“Act”), and their proposal contravenes traditional rate-making principles.

**21-0738 Illinois Commerce Commission
On Its Own Motion**

-vs-

Ameren Illinois Company; Commonwealth Edison Company

Proceeding for accelerated refund of excess deferred income taxes pursuant to Section 16-108.21 of the Public Utilities Act.

On July 7, 2022, the Commission approved Stipulated Agreements establishing schedules for Ameren Illinois and ComEd to accelerate amortization of their unprotected property related EDIT over a period of three years, 2023-2025, as set forth in Rider EDITA (“Excess Deferred Income Tax Adjustment”).

**21-0812 Commonwealth Edison Company
Proposed creation of Rider Solar Paired with Storage Rebate. (tariffs filed on October 13, 2021)**

On February 3, 2022, the Commission approved, with modifications, ComEd’s proposed creation of Rider Solar Paired With Storage Rebate, in accordance with Section 16-107.6(b-5) of the Act, as required by P.A. 102-0662. Subsection (b-5) requires ComEd to file a tariff that further compensates any retail customer that installs or has installed photovoltaic facilities paired with energy storage facilities on or adjacent to its premises for the benefits the facilities provide to the distribution grid.

**21-0813 Commonwealth Edison Company
Proposed Creation of Rider Delivery Service Pricing Reconciliation. (tariffs filed on October 15, 2021)**

On February 3, 2022, the Commission approved ComEd’s Rider DSPR – Delivery Service Pricing Reconciliation. Pursuant to 220 ILCS 5/16-108.25, as amended by P.A. 102-0662, Rider DSPR sets forth the processes and procedures by which ComEd will transition from its current formula rates to the new Multi-Year Rate Plan or a general rate case.

**21-0850 Commonwealth Edison Company
Verified Petition for approval of revisions to Rider DG REBATE – Renewable Energy Distributed Generation Rebate pursuant to Section 16-107.6 of the Public Utilities Act.**

P.A. 102-0662 materially revised the State’s existing distributed generation rebate program set forth in Section 16-107.6 of the Act. 220 ILCS 5/16-107.6. P.A. 102-0662 changed a number of definitions and criteria applicable to the program, expanded eligibility beyond nonresidential customers, revised distributed generation rebate values for certain customers, and set new rebate values for energy storage. 220 ILCS 5/16-107.6(b)-(c). To implement these changes, P.A. 102-0662 directed the electric utilities subject to Section 16-107.6 to amend and update any existing tariffs to comply with these new provisions. 220 ILCS 5/16-107.6(d). On August 11, 2022, the Commission approved ComEd’s revisions to Rider DG REBATE, finding that ComEd’s proposed revisions do not violate the Commission’s Part 452 Rules or Section 16-119’s prohibition against tying, as IGS Solar and the Illinois Competitive Energy Association argued.

**21-0851 Commonwealth Edison Company
Verified Petition for approval of revisions to Rider POGCS - Parallel Operation of Retail Customer Generating Facilities Community Supply and associated revisions to Rider PORCB - Purchase of Receivables with Consolidated Billing.**

On January 13, 2022, the Commission approved, with modifications, ComEd’s proposed revisions to Rider POGCS – Parallel Operation of Retail Customer Generating Facilities Community Supply and Rider PORCB – Purchase of Receivables with Consolidated Billing, pursuant to Section 16-107.5 of the Act. The changes to Riders POGCS and PORCB are designed to implement the statutory revisions specific to community supply-related projects set forth in Section 16-107.5(l) of the Act as amended by P.A. 102-0662.

**21-0854 Ameren Illinois Company d/b/a Ameren Illinois
Petition for Approval of amended and updated tariffs Rider CGR – Customer
Generation Rebates and Rider DGD – Customer Generation Charge.**

On August 11, 2022, the Commission approved Ameren Illinois’ amended and updated tariffs, Rider CGR – Customer Generation Rebates and Rider CGC – Customer Generation Charge. The amended and updated tariffs implement provisions of Section 16-107.6 of the Act, as revised by P.A. 102-0662, relating to payment of rebates for qualifying distributed generation and utility recovery of the cost of those rebates. With respect to the implementation timeframe, the Commission adopted the implementation timeframe of six months from the date of the final Order, as proposed by Ameren Illinois and agreed to by the parties. If implementation is not complete within six months, the Commission directed that rebates should be issued retroactively for applications submitted after the six-month deadline.

**21-0859 Ameren Illinois Company d/b/a Ameren Illinois
Petition for Approval of Rider NM 2 - Net Metering 2 Tariff.**

On January 13, 2022, the Commission approved Ameren Illinois’ Rider NM 2 – Net Metering 2 with modifications. Rider NM 2 implements provisions of 220 ILCS 5/16-107.5 relating to net metering service. P.A. 102-0662 modified the Act regarding net metering by, inter alia: (1) limiting the provisions of net metering for subscriptions to community renewable generation projects to certain electric utilities; (2) revising general crediting provisions and those crediting provisions specific to community renewable generation projects; (3) introducing optional net crediting agreements; (4) replacing the previous requirement that the electricity provider furnish credits at the subscriber’s energy supply rate with the requirement that the credits “include at least energy supply, capacity, transmission, and, if applicable, the purchased energy adjustment” (220 ILCS 5/16-107.5(l)(2)); directing the electric utility to “provide monetary credits to a subscriber’s subsequent bill at the utility’s total price to compare equal to the subscriber’s share of the production of electricity from the project . . .” (220 ILCS 5/16-107.5(l)(3)); and requiring that certain electric utilities enter into a net crediting agreement with an owner or operator of a community renewable generation project upon the request of the owner/operator.

**22-0036 Commonwealth Edison Company
Proposed Revisions to provide updated Terms and Conditions under which a Customer
May Participate in Net Metering under Section 16-107.5 of the Public Utilities Act.
(tariffs filed on December 14, 2021)**

On January 20, 2022, a tariff filed by ComEd was suspended with proposed revisions to the Terms and Conditions under which a customer can participate in net metering under Section 16-107.5 of the Act. 220 ILCS 5/16-107.5. The only contested issues were

whether the language in Rider POGNM – Parallel Operation of Retail Customer Generating Facilities with Net Metering is sufficiently clear. The Order directs ComEd to include the language that a renewable electric generating system must be intended to offset the retail customer’s “current or future energy requirements, as determined by the retail customer.” The Order also finds that there is no nameplate capacity on net metering described in Section 16-107.5, so ComEd’s language to add a threshold of 5,000 kW is inconsistent with the plain reading of the statute.

**22-0038 Mt. Carmel Public Utility Co.
Proposed rate increases for electric and gas service. (tariffs filed on December 20, 2021)**

On January 20, 2022, Mt. Carmel Public Utility Co. (“Mt. Carmel”) filed with the Commission proposed new tariff sheets in which the Mt. Carmel proposed general increases in its electric and natural gas rates. The Commission’s Final Order, which was entered on October 27, 2022, authorized an annual base rate electric revenue \$7,918,503, which represents an increase of \$894,219 or 12.25%. The Order also authorized an annual base rate gas revenue of \$2,378,836, which represents a gross increase of \$687,518 or 40.65%.

**22-0063 Ameren Illinois Company d/b/a Ameren Illinois
Petition for Approval of Performance and Tracking Metrics pursuant to 220 ILCS 5/16-108.18(e).**

P.A. 102-0662 amends the Act to establish a new, multi-year performance-based electric delivery service ratemaking framework. P.A. 102-0662 allows electric utilities serving more than 500,000 customers that previously had a formula rate in effect to file, no later than January 20, 2023, a petition seeking approval for Multi-Year Rate Plans under Section 16-108.18 of the Act. 220 ILCS 16-108.18(d)(1). The Performance Metrics approved in this proceeding provide an opportunity for annual adjustments to the return on equity approved in a Multi-Year Rate Plan, by either adding or subtracting basis points (“BPs”), should Ameren Illinois elect to file a Multi-Year Rate Plan rather than a general rate case. The Order approves or modifies 8 performance metrics and numerous tracking metrics to monitor the progress of the performance metrics.

**22-0067 Commonwealth Edison Company
Petition for the Establishment of Performance Metrics Under Section 16-108.18(e) of the Public Utilities Act.**

On September 27, 2022, the Commission entered an Order approving ComEd’s Rider PIM – Performance Incentive Metrics. The Order allocates a total of 32 basis points across seven distinct performance metrics that are designed to achieve incremental improvements over baseline performance values and targets as they relate to reliability and resiliency, peak load reduction, supplier diversity, affordability, interconnection timeliness, and customer service. The Order also approves a number of tracking metrics

designed to collect and monitor data for the purpose of measuring and reporting utility performance and for establishing future performance metrics.

**22-0180 Ameren Illinois Company d/b/a Ameren Illinois
Proposed creation of Rider Utility-Owned Solar and Storage Adjustment. (tariffs filed
January 31, 2022)**

P.A. 102-0662 added Section 8-218 to the Act, which provides for cost recovery for up to two pilot projects consisting of photovoltaic electric generating facilities that may include accompanying energy storage facilities. On November 17, 2022, the Commission approved Ameren Illinois' proposed Rider USS – Utility-Owned Solar and Storage Adjustment, as modified consistent with Commission Staff's recommendations. Ameren Illinois proposes that the projects be sited in equity investment eligible communities in or near the towns of Peoria and East St. Louis.

**22-0231 Illinois Power Agency
Petition for Approval of the IPA's 2022 Long-Term Renewable Resources Procurement
Plan pursuant to Section 16-111.5(b)(5)(ii) of the Public Utilities Act.**

The Commission approved the Illinois Power Agency's ("IPA") 2022 Long-Term Renewable Resources Procurement Plan, with modifications, on July 14, 2022, pursuant to 220 ILCS 5/16-111.5(b)(5)(ii) of the Act. The Plan addresses the procurement of renewable energy credits – tradeable credits that represent the environmental attributes of one megawatt hour of energy produced from a qualifying renewable energy generating facility – as required by Sections 1-56(b) and 1-75(c) of the IPA Act.

**22-0237 Illinois Commerce Commission
On Its Own Motion**

Initiation of a proceeding to examine specific programs, mechanisms, and policies that could support the deployment of energy storage systems pursuant to Section 16-135 of the Public Utilities Act.

This proceeding adopted a report for submission to the General Assembly and Governor regarding specific programs, mechanisms, and policies that the support the deployment of energy storage systems. The Commission adopted a Final Energy Storage Program Report on May 25, 2022.

**22-0297 Ameren Illinois Company d/b/a Ameren Illinois
Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing.**

On December 1, 2022, the Commission entered an Order establishing updated delivery service charges for Ameren Illinois customers. The Commission established Ameren Illinois' 2023 Rate Year Net Revenue Requirement and reconciled the revenue

requirement in effect for 2021 with actual costs for 2021. The Commission approved annual tariffed operating revenues of \$1,079,863,000. Updated charges are applicable to delivery services provided by Ameren Illinois beginning in January 2023.

**22-0302 Commonwealth Edison Company
Annual formula rate update and revenue requirement reconciliation under Section 16-108.5 of the Public Utilities Act.**

On November 17, 2022, the Commission entered an Order establishing updated delivery service charges for ComEd customers. The Commission determined ComEd's 2023 Rate Year Net Revenue Requirement and the original costs of electric plant in service as of December 31, 2021. The Commission approved annual tariffed operating revenues of \$2,910,616,000. Updated charges are applicable to delivery services provided by ComEd beginning in January 2023.

**22-0305 Illinois Competitive Energy Association
-vs-**

Commonwealth Edison Company

Verified Petition for the Commission to Open an Investigation of Commonwealth Edison Company Rider POGCS.

The Illinois Competitive Energy Association requested that the Commission open an investigation into ComEd's Rider POGCS, Rider Parallel Operation of Generation – Community Supply, to address language in the rider requiring payments by alternative retail electric suppliers to ComEd when the alternative retail electric supplier's customer is taking service under Rider POGCS. In an Order dated September 1, 2022, the Commission found that the cost of providing a credit to subscribers of community renewable generation projects cannot be recovered from alternative retail electric suppliers.

**22-0362 Commonwealth Edison Company
Annual energy efficiency formula rate update and revenue requirement reconciliation pursuant to Section 8-103B of the Public Utilities Act.**

On October 27, 2022, the Commission entered an Order approving ComEd's updated cost inputs for the energy efficiency formula rate and ComEd's reconciliation and revenue requirement. ComEd achieved 9,655,890 MWh of cumulative persisting annual savings, which is 382,816 MWh above the applicable cumulative persisting annual savings goal of 9,274,887 MWh, or 104.1% and 981,633 MWh of savings toward the calendar year 2021 applicable annual incremental goal of 1,100,410 MWh, which is 89.2% of such goal. ComEd's energy efficiency rate base is \$881,194,000 for the 2021 Reconciliation Year Revenue Requirement and the rate of return ComEd should be allowed on its net rate base is 5.52%.

**22-0369 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, 2022, the Commission entered an Order approving Ameren’s updated cost inputs for the 2021 Rider EE – Energy Efficiency and Demand Response Investment reconciliation and the 2023 energy efficiency formula rate update. Ameren’s revenue requirements will be \$76,399,000 for this program and the approved changes to Rider EE will go into effect with the January 2023 billing period.

**22-0469 Ameren Illinois Company d/b/a Ameren Illinois
Proposed new Rider Coal to Solar and Energy Solar Storage Charge.**

On December 1, 2022, the Commission approved Ameren’s uncontested new Rider CSESC which will, beginning on January 1, 2023, collect Ameren’s estimated payment obligations to suppliers for the upcoming Delivery Year for contracts for purchase of renewable energy credits entered into pursuant to subsection (c-5) of Section 1-75 of the IPA Act. Rider CSESC will also collect Ameren's estimated payment obligations to the Department of Commerce and Economic Opportunity for the upcoming Delivery Year for grant contracts entered into pursuant to subsection (c-5) of Section 1-75 of the IPA Act.

**22-0468 Commonwealth Edison Company
Proposed new Rider CTS – Coal to Solar. (tariffs filed June 30, 2022)**

On November 17, 2022, the Commission approved Rider CTS as revised, which allows ComEd to implement the Coal to Solar and Energy Storage Charge. The Charge is the sole funding source for the procurement of renewable energy credits from new renewable energy facilities to be installed at or adjacent to the sites of electric generating facilities that burned coal as their primary fuel source as of January 1, 2016 and meet other requirements.

**22-0485 Illinois Commerce Commission
On Its Own Motion**

-vs-

Ameren Illinois Company d/b/a Ameren Illinois

Cost/benefit analysis of the utility's membership in MISO or another RTO.

On July 21, 2022, the Commission initiated a docket directing Ameren Illinois to analyze and report on the benefits and costs of continued participation in the Regional Transmission Organization (“RTO”) Midcontinent Independent System Operator (“MISO”). Ameren was directed to perform an analysis of the benefits and costs of participation in MISO, including consideration of the relative net benefits of

participation in MISO versus participation in another RTO. The Order directs Ameren Illinois to file its final Report with the Office of the Chief Clerks, opening a new docket within 12 months of the date of the Initiating Order, or no later than July 21, 2023.

22-0590

Illinois Power Agency

Petition for Approval of the 2023 IPA Electricity Procurement Plan Pursuant to Section 16-111.5(d)(4) of the Public Utilities Act.

On December 15, 2022, the Commission entered an Order approving the Illinois Power Agency's 2023 Power Procurement Plan. The Commission found the 2023 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. The 2023 Plan increased the hedging percentage target for the summer months in procurements prior to the final spring procurement event in order to reduce the remaining volumes to be procured for the prompt summer months, changed the final procurement hedging targets for ComEd from 100% to 75%, and increased the amount of capacity hedged for Ameren from 50% to 75%. The 2023 Plan also changed from annual Zonal Resource Credit procurements to seasonal Zonal Resource Credits procurements for Ameren Illinois to comply with the recently approved changes to the Midcontinent Independent System Operator capacity market construct.

2. Gas

19-0673

Dakota Access, LLC and Energy Transfer Crude Oil Company, LLC

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

On September 15, 2022, the Commission entered an Order on Remand granting Dakota Access, LLC and Energy Transfer Crude Oil Company, LLC ("ETCO") a certificate of necessity and public convenience pursuant to Section 8-503 of the Act, 220 ILCS 5/8-503, authorizing Dakota Access and ETCO to install additional pumping station facilities on their existing certificated common carrier pipelines in Illinois. The Order found that based on the record, Joint Petitioners have established that this project is reasonable and necessary and will be beneficial for and convenience the public in accordance with Section 8-503 of the Act.

20-0323

Ameren Illinois Company d/b/a Ameren Illinois

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

On March 19, 2020, Ameren Illinois filed a Petition requesting that the Commission initiate a proceeding to affirm the accuracy and prudence of Qualifying Infrastructure Investment that AIC recovered through its Rider QIP - Qualifying Infrastructure Plant ("Rider QIP") during the twelve-month period ending December 31, 2019, pursuant to Section 9-220.3 of the Act and Part 556.100 of the Commission's Rules. 220 ILCS 5/9-220.3; 83 Ill. Adm. Code 556.100. In an Order dated December 15, 2022, the Commission found that Ameren Illinois complied with the terms of its tariff and the Commission's Part 556 Rules, and that Ameren Illinois' filing contained detailed information allowing for the Commission's review. The Order rejects the Attorney General's requests that the Commission (1) remove approximately \$67 million from Ameren's total QIP spending for 2019 and (2) reduce the Company's overall return by \$2,537,880. The Order rejects the Attorney General's recommendations and finds no reason to dispute that AIC's 2019 QIP investments were reasonable and prudent.

21-0698

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Application for permanent Certificate of Public Convenience and Necessity to construct, operate, and maintain gas distribution facilities and to transact the business of furnishing gas service to the public in Kankakee County, Illinois.**

On January 5, 2022, the Commission entered an Order pursuant to Section 8-406(a) and 8-406.2 of the Act granting Northern Illinois Gas Company d/b/a Nicor Gas Company ("Nicor Gas") a Certificate of Public Convenience and Necessity to construct, operate, and maintain a gas distribution facility and to transact the business of furnishing gas service to the residents of Pembroke Township and the Village of Hopkins Park in Kankakee County. The Order found that based on the record, Pembroke Township and Hopkins Park met the requirements of Section 8-406.2 as an economically disadvantaged area and grants Nicor Gas a Certificate of Public Convenience and Necessity to provide natural gas service to this area.

22-0209

**MidAmerican Energy Company
Proposed creation of Rate Producers of Renewable Gas Transportation Service. (tariffs filed February 1, 2022)**

On February 1, 2022, MidAmerican Energy Company ("MidAmerican") filed with the Commission new tariff sheets in which MidAmerican proposed creation of a new "Rate Producers of Renewable Gas Transportation Service" service to its Gas Tariff ("Rate PRG"). MidAmerican states that the tariff filing was in response to multiple inquiries from potential producers interested in constructing renewable natural gas ("RNG") production facilities in MidAmerican's Illinois service territory and injecting the RNG into MidAmerican's distribution system. The Order agrees with MidAmerican that it is not subject to the Gas Transmission Facilities Act ("GTFA"). The definition of "private entity" in the GTFA includes a carve-out for resold RNG; based on this exclusion, the producers injecting RNG into MidAmerican's system would not be "private energy entities. The Order also finds that Part 530 of the Commission's Rules applies to MidAmerican

because Part 530 regulates the safety and quality standards for gas transportation for a private energy entity by a gas utility and applies to natural gas “produced from wells in Illinois...for use in Illinois and to be transported by a gas public utility in Illinois.” 83 Ill. Adm. Code 530.10(a). The Order stated that the Commission has the authority to impose gas safety and quality standards on MidAmerican, consistent with its rules.

3. Water & Sewer

21-0722 Illinois-American Water Company and Aqua Illinois, Inc.

Verified Petition for Request for Exemption pursuant to 83 Ill. Admin. Code § 600.340.

On October 1, 2021, Illinois-American Water Company and Aqua Illinois, Inc. filed a verified Petition seeking a limited exemption from Section 600.340 of the Commission's rules, which sets forth the schedule for periodic inspection and testing of meters, through calendar year 2024, given the continued circumstances of the COVID-19 pandemic. The Commission entered an Order on July 7, 2022, granting the requested exemption.

22-0210

Illinois-American Water Company Proposed Rate Increases for Water and Sewer Service. (tariffs filed February 10, 2022)

On February 10, 2022, Illinois-American Water Company (“IAWC”) filed new tariff sheets with the Commission in which it proposed a general increase in water and sewer rates pursuant to Section 9-201 of the Act. 220 ILCS 5/9-201. The Order finds that a just and reasonable rate of return which IAWC should be allowed an opportunity to earn on its net original cost rate base is 7.01%; this rate of return incorporates a return on equity of 9.78%. The Order rejects IAWC’s proposal for an Environmental Surcharge Rider because the challenges that IAWC faces in complying with new and emerging regulations or regulatory policy objectives are typical of any utility management. The Order also rejects IAWC’s proposal that its Bad Debt Expense Rider be made permanent, as IAWC provided insufficient evidence that fluctuations in uncollectibles expense will continue to be unexpected or volatile after 2023. The Order approves IAWC’s proposed Low-Income tariff. IAWC is directed to conduct a depreciation study and demand study prior to its next rate case.

4. Telecommunications

None.

5. Miscellaneous

17-0857/ Illinois Commerce Commission

20-0457 On Its Own Motion

(Cons.)

Amendment of 83 Ill. Adm. Code 412, Obligations of Alternative Retail Electric Suppliers, and new rule 83 Ill. Adm. Code 512, Obligations of Alternative Gas Suppliers.

On November 10, 2022, the Commission entered an Order adopting proposed amendments to 83. Ill. Adm. Code 412, Obligations of Alternative Retail Electric Suppliers (“ARES”) (Part 412) and new proposed rule 83. Ill. Adm. Code 512, Obligations of Alternative Gas Suppliers (“AGS”)(Part 512). The approved amendments and new rule provide additional protections to consumers, promote clarity and continuity across the AGS and ARES industry, and conform with recent legislative changes.

22-0005 Ameren Illinois Company d/b/a Ameren Illinois, Commonwealth Edison Company, The Peoples Gas Light and Coke Company, North Shore Gas Company, and Northern Illinois Gas Company d/b/a Nicor Gas Company

Adoption of the Policy Document for the Illinois Statewide Technical Reference Manual for Energy Efficiency Version 3.1 and of the Illinois Energy Efficiency Policy Manual Version 2.1.

On March 3, 2022, the Commission entered an Order approving the Illinois Statewide Technical Reference Manual for Energy Efficiency (“IL-TRM”) Version 3.1 and of the Illinois Energy Efficiency Policy Manual Version 2.1. The changes memorialized in the IL-TRM Policy Document Version 3.1 address statutory changes effected by P.A. 102-0662. The Policy Manual Version 2.1 contains updates to conform to modifications made to Section 8-103B of the Act as a result of P.A. 102-0662. The approved documents were the subject of a consensus between and among all non-financially interested stakeholders that participated in the Stakeholder Advisory Group’s Policy Manual Subcommittee.

22-0366 The Peoples Gas Light and Coke Company, North Shore Gas Company, and Commonwealth Edison Company

Petition for Approval of Two Contracts under Section 7-102 of the Public Utilities Act.

On May 27, 2022, The Peoples Gas Light and Coke Company (“Peoples Gas”), North Shore Gas Company (“North Shore”), and ComEd (together, the “Joint Petitioners”) filed a verified Joint Petition for Approval of Two Contracts with the Commission. The Joint Petition requested that the Commission give its consent to and approve two agreements under Section 7-102 of the Act. 220 ILCS 5/7- 102(A)(a). The Order finds that the Agreements may be reviewed and approved under Section 7-102(A)(a) of the Act. Each utility will continue to operate its own lines and plant, but they will be connected in the manner described in the Joint Petition and the agreements. The Order also concludes that the public will be inconvenienced pursuant to Section 7-102(C) as the benefits to customers are reasonably likely to exceed the costs or harms to them.

**22-0603 Ameren Illinois Company d/b/a Ameren Illinois, Commonwealth Edison Company, The Peoples Gas Light and Coke Company, North Shore Gas Company, and Northern Illinois Gas Company d/b/a Nicor Gas Company
Approval of the Illinois Statewide Technical Reference Manual for Energy Efficiency.**

On December 15, 2022, the Commission entered an Order approving the Illinois Statewide Technical Reference Manual for Energy Efficiency (“IL-TRM”) Version 11.0. The purpose of the IL-TRM is to provide a transparent and consistent basis for calculating energy and capacity savings generated by the State’s utility administered energy efficiency programs. Pursuant to the IL-TRM Policy Document approved in Docket No. 22-0005, the IL-TRM must be updated annually to keep pace with the dynamic technology and markets to maintain reliable savings estimates and avoid obsolescence. The IL-TRM Version 11.0 reflects compromise agreements reached among stakeholders through discussions at the IL-TRM Technical Advisory Committee and various working group meetings that comprised this year’s IL-TRM Update Process.

Appendix B | Acronyms

AAIG - Applicable Annual Incremental Goal
ADIT – Accumulated Deferred Income Tax
AG – Office of the Attorney General
AGS – Alternative Gas Suppliers
AIC – Ameren Illinois Company
AMRP – Accelerated Main Replacement Program
ANOPR – Advanced Notice of Proposed Rulemaking
ARES – Alternative Retail Electric Supplier (also referred to as RES - Retail Electric Supplier)
BPs – Base points
CAIDI – Customer Average Interruption Duration Index
CEJA – Climate and Equitable Jobs Act
CGC – Customer Generation Charge
CGR – Customer Generation Rebates
CMC - Carbon Mitigation Credit
CPCN – Certificate of Public Convenience and Necessity
CSESC – Coal to Solar and Energy Solar Storage Charge
CTS – Coal to Solar
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
DPA – Deferred Prosecution Agreement
DSPR – Delivery Service Pricing Reconciliation
EDIT – Excess Deferred Income Taxes
EDITA – Excess Deferred Income Tax Adjustment
EDIT-ARAM – Excess Deferred Income Taxes - Average Rate Assumption Method
EE – Energy Efficiency
EIA – U.S. Energy Information Administration
EIMA – Energy Infrastructure Modernization Act
EPA – Environmental Protection Agency
ETCO – Energy Transfer Crude Oil
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
ICEA – Illinois Competitive Energy Association

IIJA – Infrastructure Investment and Jobs Act
IL-TRM – Illinois Statewide Technical Reference Manual
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
LNG – Liquefied Natural Gas
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)
POGCS – Parallel Operation of Retail Customer Generating Facilities Community Supply
POGNM – Parallel Operation of Retail Customer Generating Facilities with Net Metering
PORCB – Purchase of Receivables with Consolidated Billing
PTC – Price to Compare
PUA – Public Utilities Act
PV – Photovoltaic
QIP – Qualifying Infrastructure Plant
REAP – Renewable Energy Access Plan
RECs – Renewable Energy Credits
RES – Retail Electric Supplier (also referred to ARES - Alternative Retail Electric Supplier)
RESA – Retail Energy Supply Association
RFP – Request for Proposals
RNG – Renewable Natural Gas
ROE – Return on Equity

RPS – Renewable Portfolio Standards
RTO – Regional Transmission Organizations
SAIFI – System Average Interruption Frequency Index
SMP – System Modernization Program
TCJA – Tax Cut and Jobs Act
UDS – Uniform Disclosure Statement
UDAP – Utility Disconnection Avoidance Program
USS – Utility-Owned Solar and Storage
ZEC – Zero Emission Credits
ZES – Zero Emission Standard