STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Mt. Carmel Public Utility Co. :  
Petition for Initiation of Annual  :  19-0803
Reconciliation to Determine the Accuracy :  
of the Reconciliation Adjustment for Rider :  
EPUFDC and Rider GPUFDC.  :  

ORDER

By the Commission:

I. PROCEDURAL HISTORY

On August 2, 2019, Mt. Carmel Public Utility Co. ("MCPU" or "Company") initiated this proceeding with the Illinois Commerce Commission ("Commission") pursuant to Section 2-202(i-5) of the Public Utilities Act ("Act"), 220 ILCS 5/1-101 et seq., to determine the accuracy of its assessment for its Rider Electric Public Utility Fund Deficit Charge ("EPUFDC") and its Rider Gas Public Utility Fund Deficit Charge ("GPUFDC") for the period from July 1, 2017 through June 30, 2019 ("Reconciliation Period").

Pursuant to notice given, as required by law and by the rules and regulations of the Commission, a prehearing conference was held at the Commission’s office in Springfield, Illinois, on September 4, 2019.

The Administrative Law Judge conducted an evidentiary hearing in this matter on October 17, 2019. At the evidentiary hearing, the written testimony and exhibits of Mt. Carmel and Commission Staff ("Staff") were admitted into the record by affidavit and the record was marked “Heard and Taken”. There were no contested issues at the completion of the hearing. On October 28, 2019, the Company filed a Draft Order, which Staff reviewed.

II. APPLICABLE AUTHORITY

Section 2-202(i-5) of the Act provides that the Commission may assess electric and gas utilities for any deficit the Commission experiences between expected deposits to the Public Utility Fund and expected agency expenditures for the current fiscal year. Section 2-202(i-5) provides that:
(i-5) During the month of October of each year the Commission shall:

(1) determine the amount of all moneys expected to be deposited in the Public Utility Fund during the current fiscal year, plus the balance, if any, in that fund at the beginning of that year;

(2) determine the total of all moneys expected to be expended or obligated against appropriations made from the Public Utility Fund during the current fiscal year; and

(3) determine the amount, if any, by which the amount determined in paragraph (2) exceeds the amount determined as provided in paragraph (1).

If the amount determined as provided in paragraph (3) of this subsection (i-5) results in a deficit, the Commission may assess electric utilities and gas utilities for the difference between the amount appropriated for the ordinary and contingent expenses of the Commission and the amount derived under paragraph (1) of this subsection (i-5). Such proceeds shall be deposited in the Public Utility Fund in the State treasury. The Commission shall apportion that difference among those public utilities on the basis of each utility’s share of the total intrastate gross revenues of the utilities subject to this subsection (i-5). Payments required under this subsection (i-5) shall be made in the time and manner directed by the Commission. The Commission shall permit utilities to recover Illinois Commerce Commission assessments effective pursuant to this subsection through an automatic adjustment mechanism that is incorporated into an existing tariff that recovers costs associated with this Section, or through a supplemental customer charge.

Within 6 months after the first time assessments are made under this subsection (i-5), the Commission shall initiate a docketed proceeding in which it shall consider, in addition to assessments from electric and gas utilities subject to this subsection, the raising of assessments from, or the payment of fees by, water and sewer utilities, entities possessing certificates of service authority as alternative retail electric suppliers under Section 16-115 of this Act, entities possessing certificates of service authority as alternative gas suppliers under Section 19-110 of this Act, and telecommunications carriers providing local exchange telecommunications service or interexchange telecommunications service under Sections
13-204 or 13-205 of this Act. The amounts so determined shall be based on the costs to the agency of the exercise of its regulatory and supervisory functions with regard to the different industries and service providers subject to the proceeding. No less often than every 3 years after the end of a proceeding under this subsection (i-5), the Commission shall initiate another proceeding for that purpose.

The Commission may use this apportionment method until the docketed proceeding in which the Commission considers the raising of assessments from other entities subject to its jurisdiction under this Act has concluded. No credit memoranda shall be issued pursuant to subsection (i) if the amount determined as provided in paragraph (3) of this subsection (i-5) results in a deficit.

The Company’s existing EPUFDC tariff, Ill. C.C. No. 8, 1st Revised Sheet Nos. 14.13 – 14.15 and its GPUFDC tariff, Ill. C. C. No. 6, 3rd Revised Sheet No. 3.1, 1st Revised Sheet Nos. 3.2 – 3.3 define the Electric Public Utility Fund Assessment and the Gas Public Utility Fund Assessment as the dollars assessed to Company by the Commission pursuant to Section 2-202(i-5) of the Act for the costs of the Commission to exercise its regulatory and supervisory functions for the electric and gas utility industry.

III. PARTIES’ POSITIONS

A. MCPU’s Position

MCPU’s EPUFDC and GPUFDC tariffs require that an annual reconciliation to review the accuracy of the Company’s Supplemental Customer Charges be filed with the Commission. MCPU witness Spencer explained how the Supplemental Customer Charges are recovered through the Company’s EPUFDC and GPUFDC tariffs. Ms. Spencer explained MCPU’s FY 2018 and FY 2019 assessment amounts for its electric operations were $3,584.95 and $9,529.00 and for its gas operations were $887.33 and $2,124.00, respectively. The Company used these amounts to establish the Supplemental Customer Charges that were in effect for the July 2018 and October 2018 billing periods.

Ms. Spencer stated that Exhibit B shows an under-recovery in the amount of $866.57 for the electric rider and Exhibit C shows an over-recovery in the amount of $869.75 for the gas rider. Mt. Carmel has filed newly calculated Supplemental Customer Charges for the October 2019 billing period for both the electric and gas riders based on the FY 2020 assessments and to reflect the FY 2018-2019 reconciliation balance.

In the Company’s rebuttal testimony, it accepted the adjustments proposed by Staff witness Knepler.
B. Staff’s Position

Staff witness Knepler testified that he reviewed the EPUFDC and GPUFDC reconciliations, and the underlying documents provided by the Company. Mr. Knepler proposed an adjustment to the Company’s EPUFDC reconciliation for its electric operations as presented on Staff Exhibit 1.0, Schedule 1.01 to include $21.66 of interest at the rate of 2.5%, for a cumulative under-recovered balance of $888.23. Mr. Knepler proposed an adjustment to the Company’s GPUFDC reconciliation for its gas operations as presented in Staff Exhibit 1.0, Schedule 1.02 to include $21.74 of interest at the rate of 2.5%, for a cumulative over-recovered balance of $891.49. He noted that this is the initial reconciliation and there is nothing to reflect from a prior reconciliation period. Mr. Knepler recommends that the Commission approve the reconciliations presented as Schedule 1.01 and Schedule 1.02 in his testimony.

IV. COMMISSION ANALYSIS AND CONCLUSION

MCPU initiated this matter in accordance with its Rider EPUFDC and Rider GPUFDC Tariffs for the Commission to review the accuracy of the Company’s Supplemental Customer Charges during the FY 2018-2019 Reconciliation Period. The Commission finds that MCPU has provided sufficient evidence of its costs associated with the Supplemental Customer Charges.

After reviewing the Company’s reconciliations, Staff recommends that the Commission approve MCPU’s reconciliations as presented on Staff Exhibit 1.0, Schedules 1.01 and 1.02. Based on the record before it, the Commission finds that Mt. Carmel’s costs under its Supplemental Customer Charges for the Reconciliation Period are accurate and consistent with the terms of the Company’s EPUFDC and GPUFDC Tariffs and, therefore, are recoverable. The Commission adopts the Company’s reconciliations of costs and revenues as reflected on Staff Exhibit 1.0, Schedules 1.01 and 1.02, attached hereto as Appendices A and B, respectively.

V. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having considered the record herein, is of the opinion and finds that:

1. Mt. Carmel Public Utility Co. is an Illinois corporation engaged in the distribution and sale of electricity and natural gas to the public in Illinois, and is a public utility as defined in Section 3-105 of the Act;

2. the Commission has jurisdiction over Mt. Carmel Public Utility Co. and the subject matter of this proceeding;

3. the statements of fact set forth in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;

4. the evidence shows that the reconciliations of the EPUFDC and GPUFDC Supplemental Customer Charges for the Reconciliation Period are accurate;
(5) the costs of Mt. Carmel Public Utility Co.’s Supplemental Customer Charges for the reconciliation period were reasonable;

(6) Mt. Carmel Public Utility Co.’s Supplemental Customer Charge reconciliations as presented in Staff Exhibit 1.0, Schedules 1.01 and 1.02, attached hereto as Appendices A and B, should be approved; and

(7) all motions, petitions, objections, or other matters in this proceeding which remain undisposed of shall be disposed of consistent with the conclusion herein.

IT IS THEREFORE ORDERED that the reconciliations of Mt. Carmel Public Utility Co.’s Supplemental Customer Charges for the Reconciliation Period under its EPUFDC and GPUFDC tariffs, as reflected in the attached Appendices A and B, respectively, are hereby approved.

IT IS FURTHER ORDERED that pursuant to Section 10-113(a) of the Public Utilities Act and 83 Ill. Adm. Code 200.880, any application for rehearing shall be filed within 30 days after service of the Order on the party.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 14th day of November, 2019.

(SIGNED) CARRIE ZALEWSKI

Chairman