

ILLINOIS COMMERCE COMMISSION



2024 ANNUAL REPORT

on Electricity, Gas, Water and Sewer Utilities

JANUARY 2025

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State of Illinois

Illinois Commerce Commission

Douglas Scott
Chairman

160 North LaSalle Street
Chicago, Illinois 60601

January 23, 2025

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 2024 Annual Report on Electricity, Gas, Water, and Sewer Utilities. This Report covers the period of January 1, 2024, through December 31, 2024.

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.

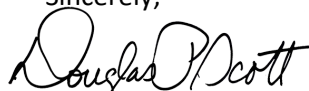
Among other Commission reports provided to the Governor and General Assembly each year are the following:

- 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.

Please contact Sarah Ryan, Director of Governmental Affairs, at 217-785-2449 with any questions regarding this report.

Sincerely,


Douglas P. Scott
Acting Chairman

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

The ICC Online

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

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

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



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Year in Review

January

NATURAL GAS/UTILITY ACCOUNTABILITY: The ICC initiated a limited scope hearing into whether Peoples Gas could recover additional costs for emergency work it performs in response to leaks, pipe breaks tied to the utility's paused and over-budget System Modernization Program (SMP).

February

SUPPLIER DIVERSITY: Diverse spending by the state's largest investor-owned utilities remained steady for a third year in a row at over \$2 billion, according to the 2023 Office of Diversity and Community Affairs Annual Report.

CEJA: The ICC approved the Illinois Power Agency's 2024 Long-Term Renewable Resources Procurement Plan, authorizing over \$1.1 billion to procure new renewable generation over two years.

March

NATURAL GAS: The ICC initiated a statewide Future of Gas proceeding to commence public workshops and the development of a detailed action plan for Illinois gas utilities' future infrastructure investments.

RAIL SAFETY: The ICC's 2023 Hazardous Material Incident Report found violations in only 0.8 percent of all 9,004 rail cars inspected in 2023, down from 1.3 percent in 2022.

RAIL SAFETY: The ICC approved its annual five-year Crossing Safety Improvement Program (FY 2025-2029) to implement life-saving safety upgrades at highway-rail crossings across Illinois.

CONSUMER AWARENESS: Water customers were encouraged to check household and business plumbing fixtures and irrigation systems for leaks to conserve water and save money for Fix-A-Leak Week.

April

CONSUMER AWARENESS: The ICC raised awareness about the one-call number 811 to protect residents and the integrity of Illinois' underground utility infrastructure for Safe Digging Month.

CEJA: A policy session was held to inform utilities, energy suppliers, and manufacturers about the availability of federal funds through the Bipartisan Infrastructure Investment and Jobs Act and the Inflation Reduction Act to help with implementation of Illinois' Climate and Equitable Jobs Act.

May

OTHER: The Illinois Senate confirmed the appointments of Stacey Paradis and Conrad Reddick as Commissioners to five-year terms.

NATURAL GAS: Peoples Gas was granted a \$1.6 million revenue requirement increase to perform emergency work related to its natural gas delivery services, much less than the \$7.9 million requested by the utility in its rehearing filing.

CONSUMER AWARENESS: The ICC shared smart tips for consumers ahead of the Spring moving season.

July

TRANSMISSION: U.S. Department of Energy Grid Deployment Office awarded the ICC \$8.3 million to streamline the transmission line siting and approval process in Illinois.

TRANSMISSION/FEDERAL ADVOCACY: Commissioners adopted a resolution supporting a set of Federal Energy Regulatory Commission (FERC) reforms intended to improve the nation's long-term transmission planning.

CEJA: Investigations were opened into the second and first updates to Beneficial Electrification Plans for Ameren Illinois (24-0494) and ComEd (24-0484).

August

CONSUMER AWARENESS: Governor Pritzker Proclaimed August 11, 811 Day in Illinois, and the ICC encouraged excavators and homeowners to call 811 before starting a digging project.

UTILITY ACCOUNTABILITY: Commissioners sought answers from ComEd executives at a public policy session about the company's new billing system in Chicago following numerous consumer complaints.

NATURAL GAS: The Commission issued an order reconciling Peoples Gas 2016 Rider QIP with significant savings to ratepayers. The Commission disallowed approximately \$17.9 million in QIP investment and approximately \$1.45 million in 2016 recoverable QIP costs.

PIPELINE: The ICC dismissed an application filed by One Earth Sequestration, LLC for a Certificate of Authority to construct and operate a CO2 pipeline.

September

NATURAL GAS: A final order was issued approving the Consumers Gas Company's proposed increase in gas service rates, producing an annual base rate revenue requirement increase of \$695,777 and annual base tariff revenues of \$2,344,664.

CONSUMER AWARENESS: Low-income phone customers were made aware of the FCC's Lifeline discount program for phone and broadband service.

SUPPLIER DIVERSITY: Presidents and CEOs from Illinois' 'Big 6' public utilities gave presentations about their ongoing supplier diversity progress and the steps they are taking to grow a more diverse and inclusive supply chain.

OTHER: The Commission approved winning standard energy and capacity procurement bids on September 12 and 19, respectively.

NATURAL GAS: The schedule for the Future of Gas proceeding was extended through February 2026.

October

CONSUMER AWARENESS: The ICC encouraged eligible natural gas customers to enroll in new Low Income Discount Rates.

OTHER: Commissioners and several staff participated in the 2024 IRPS Conference in Springfield.

UTILITY/EMERGENCY PREPAREDNESS: The ICC held its annual Winter Preparedness Policy Session to discuss the state's regional transmission organizations (RTOs) as well as the natural gas, and electric utilities readiness to meet peak demand during the cold winter months.

November

NATURAL GAS: The ICC cut portions of Liberty Utilities' rate request for their natural gas delivery services approving a nearly \$3.2 million increase—22 percent lower than Liberty's initial \$4.1 million request. The decision approved a 9.9 percent return on equity.

WATER: The ICC reduced Aqua's rate increase request for water and sewer services by approximately 43 percent for an overall increase of \$11.6 million. The decision also approved a 9.60 percent return on equity.

WATER: The ICC reduced Illinois American Water's rate increase request for water and sewer services by approximately 30 percent for an overall increase of \$110 million. The decision also approved a 9.84 percent return on equity.

December

CEJA/UTILITY ACCOUNTABILITY: The ICC adapted ComEd's multiyear grid plan, allocating \$1.5 billion in investments and system improvements needed to strengthen power grid reliability and electrification. The decision also reduced ComEd's requested rate increase for 2024-2027 by 11 percent, for an overall increase of \$606 million.

CEJA/UTILITY ACCOUNTABILITY: The ICC modified Ameren's multiyear grid plan, allocating \$83 million in investments and system improvements needed to strengthen power grid reliability and

electrification. The decision reduced Ameren’s rate increase request for 2024-2027 by 7 percent for an overall increase of \$309 million.

CEJA: The ICC hosted its first in a series of resource adequacy policy sessions involving consumer advocates, energy efficiency groups, battery storage experts, and multiple state agencies to address how the state can tackle growing energy demand.

Dockets to Watch

**Docket No. yet to be assigned*

Climate and Equitable Jobs Act (CEJA)

24-0181, 22-0487/23-0082 Consolidated – Ameren Grid Plan

24-0283, 22-0486, 23-0055 Consolidated – ComEd Grid Plan

24-0484 ComEd Beneficial Electrification

24-0494 Ameren Beneficial Electrification

**Ameren and ComEd Multiyear Rate Plan Reconciliations/Annual Adjustments*

Rate Cases

24-0304 ComEd Distribution Formula Rate Reconciliation

24-0228 Ameren Distribution Formula Rate Reconciliation

**Ameren Gas*

**Nicor Gas*

Rate Design Cases

**Ameren Rate Design*

**Ameren Low-Income Discount Rates*

24-0378 ComEd Rate Design

24-0163 ComEd Low-Income Discount Rates

Future of Gas

24-0158 Future of Gas Proceeding

**Ameren, Nicor, North Shore, and Peoples Gas Long Term Gas Infrastructure Plans*

Investigations

24-0081 People’s Gas System Modernization Program

*Resource Adequacy Study

Transmission

*MISO Tranche 1 & 2 Transmission Lines

*Renewable Energy Access Plan Update and Transmission Planning Grant

Renewable Energy Procurement

*Long Term Renewable Resources Procurement Plan

Energy Efficiency Plans, 2026-2029

*Ameren, ComEd, Nicor, North Shore, and Peoples Gas

Telecomm

24-0883 Verizon Purchase of Frontier

Rulemakings

*Value of Distributed Energy Resources

*Equitable Energy Upgrade Program

*Sourcing of Distribution Assets

*Credit and Collections Updates, Code Part 280

Introduction

The following report for calendar year 2024 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

Ann McCabe

Stacey Paradis

Conrad R. Reddick

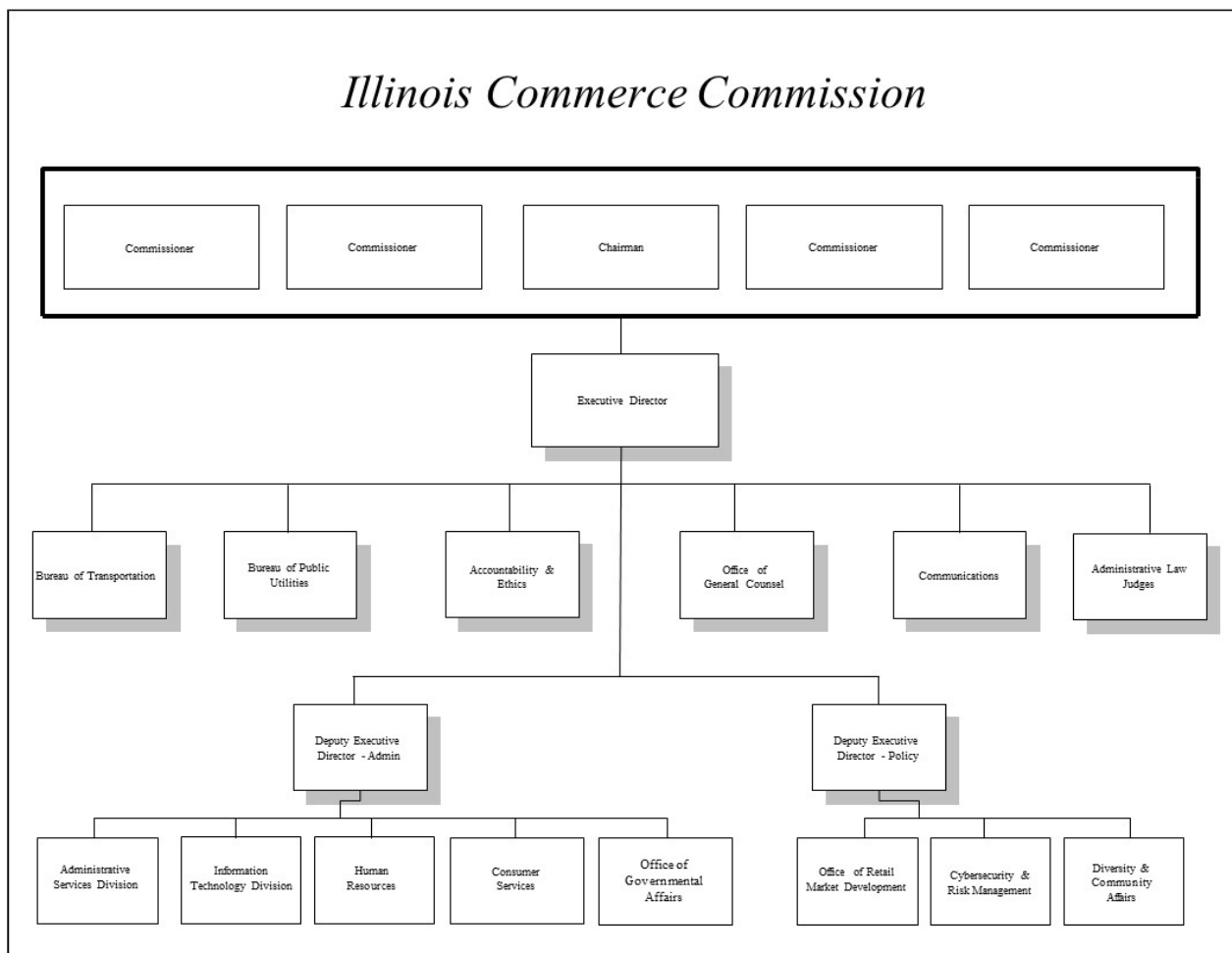
Doug P. Scott

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 | 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;

Review of Significant Commission Decisions

A review of significant Commission decisions and other regulatory actions taken in 2024 may be found in Appendix A of this report. While not exhaustive, these summaries provide a representative sampling of Commission actions. 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.

Pending Cases

As noted above, Section 4-304 of the PUA 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.

Significant Regulatory Actions

Significant actions taken by the Commission during 2024 are described in the “Year in Review” summary statement 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;

Cases Filed During 2024

Table 1-1, Utility Cases Monthly Report, shows the cases and filings for each month for the years 2022, 2023, and 2024. This table shows the totals by type for the year.

TABLE 1-1
UTILITY CASES MONTHLY REPORT

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date	Fiscal Year
New Cases	2024	83	61	97	69	85	86	92	70	82	109	67	53	954	824
	2023	98	74	104	87	76	54	49	69	61	56	44	64	836	853
	2022	97	69	105	59	37	62	80	52	31	57	62	78	789	429
Filings/Reports	2024	1,329	1,140	1,411	1,618	1,574	929	951	855	868	883	627	529	12,714	12,587
	2023	1,534	1,048	1,803	1,530	1,663	1,061	784	940	822	784	624	632	13,225	12,909
	2022	819	918	1,531	1,489	1,147	1,086	712	719	773	735	635	696	11,260	6,990
Hearing & ICC Action Notices	2024	154	127	135	162	146	146	162	182	136	189	171	162	1,872	1,734
	2023	166	200	194	187	161	145	119	144	158	157	179	107	1,917	1,960
	2022	137	151	174	151	155	110	129	151	174	134	140	179	1,785	878

ICC 2024 Annual Report on Electricity, Gas, Water and Sewer Utilities

Rehearing Petitions	2024	7	1	-	-	-	-	2	1	2	-	1	3	17	21
	2023	1	-	1	8	-	4	1	-	-	-	-	12	27	30
	2022	1	4	1	-	2	-	-	-	3	6	2	5	24	8
Notice of Appeals	2024	9	1	-	4	-	2	2	1	3	2	-	1	25	18
	2023	2	1	1	5	-	4	-	2	-	-	-	-	15	16
	2022	-	-	1	-	-	2	-	-	-	-	-	3	6	3
Cases Closed (Orders/CC Actions)	2024	92	46	61	71	97	46	102	90	101	70	63	82	921	748
	2023	70	111	86	87	82	107	39	82	45	28	108	33	878	865
	2022	54	81	91	88	79	39	47	38	62	60	54	61	754	432
Tariff Filings	2024	56	49	80	55	74	82	65	65	52	38	54	93	763	774
	2023	56	46	87	61	88	85	79	55	49	42	68	85	801	795
	2022	72	46	80	58	91	106	66	64	62	38	51	91	825	453

*Note: There were no supplemental/reopen petitions filed in 2024 nor 2023. One supplemental petition was filed in 2022.

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.

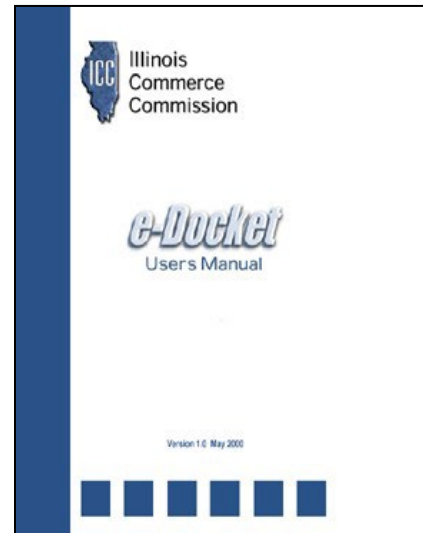
e-Docket is a web-based, automated information and records-keeping system. It was developed to process and manage public information about the Commission’s official cases and rulemaking proceedings. A person using e-Docket may conduct searches in two ways:

- **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.

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 2024

	Chairman & Commissioners		Public Utility Division		Transportation Division		Total	
	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$
Public Utility Fund	16	2,213,700	203	42,247,300	0	0	219	44,461,000
Transportation Fund	1	250,800	0	0	73	19,703,200	74	19,954,000
Underground Utilities Damage Prevention Fund	0	0	0	2,001,000	0	0	0	2,001,000
Consumer Intervenor Compensation Fund	0	0	0	3,000,000	0	0	0	3,000,000
Federal Grants Trust Fund	0	0	0	368,726	0	0	0	368,726
Illinois Telecommunications Access Corporation Fund	0	0	0	1,500,000	0	0	0	1,500,000
Total	17	2,464,500	204	49,117,026	72	19,703,200	293	71,284,726

Headcount is shown at the authorized level for FY24.

Budget \$ shown represents the enacted FY24 appropriation levels.

(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.

Agency Organization and Administration

There were no changes agency organization structure or administration to report in 2024.

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.

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.

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.

¹ 20 ILCS 3855/1-75

² 220 ILCS 5/16-111.5

- 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.
- 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

³ The Commission issued its final order approving the IPA’s 2024 Electricity Procurement Plan in December 2024 (Docket No. 24-0727).

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

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 rates are adjusted, as necessary, to minimize the accumulation of a revenue-cost imbalance. An annual audit and reconciliation proceeding is also held.

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 November 2024, there were 95 suppliers certified to serve customers, although 10 of those sought Commission authority to serve only themselves or affiliates. Of those 95 certified to serve customers, 72 are certified to serve residential customers. As of October, there were 77 active suppliers in the ComEd territory and 39 active suppliers in the Ameren Illinois territory.

As of October 31, 2024, approximately 1.29 million residential customers were purchasing power and energy from an alternative retail electric supplier (ARES) and approximately 254,491 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 92 percent, as of May 31, 2024. Detailed electric customer switching

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).

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 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 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 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 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 went into effect on May 1, 2023.

Residential switching activity is, at least in part, due to municipal aggregation programs by many communities throughout the state. As of November 1, 2024, 750 communities have passed municipal aggregation referenda and more than 521 had active programs.

<https://plugin.illinois.gov/municipal-aggregation/municipal-aggregation-list.html>

<http://www.icc.illinois.gov/electricity/switchingstatistics.aspx>

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

Electricity

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

- Ameren Illinois Company
- Commonwealth Edison Company
- MidAmerican Energy Company
- Mt. Carmel Public Utility Company

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

A detailed presentation of the 2023 sales statistics presented below can be found in the Commission's "Comparison of Electric Sales Statistics for Calendar Years 2023 and 2022" at

<https://www.icc.illinois.gov/icc-reports/report/comparison-of-electric-sales-statistics>.

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.

Northern Illinois

Two investor-owned public utilities provide electric service in northern Illinois: ComEd and MidAmerican. ComEd serves 4,130,538 customers in northern Illinois, including the Chicago metropolitan area. MidAmerican serves 85,611 customers in northwestern Illinois.

For 2019 through 2023, 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)

	2019	2020	2021	2022	2023
ComEd	11.86	12.03	12.79	13.50	15.09
MidAmerican	7.60	7.19	7.79	7.86	7.55

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 1,226,027 customers in central and southern Illinois. Mt. Carmel serves 5,236 customers in southeastern Illinois.

For 2019 through 2023, 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)

	2019	2020	2021	2022	2023
Ameren Illinois	8.64	9.16	10.46	14.72	15.40
Mt. Carmel	14.45	14.32	14.58	16.29	18.18

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

Electric Reliability

Pursuant to Section 16-125 of the PUA and the Commission’s electric reliability rules found in 83 Ill. Adm. Code 411, each of the electric utilities under the Commission’s jurisdiction files an annual electric reliability report summarizing the utility’s reliability performance, its actions to maintain or improve its reliability, and other electric system reliability issues that may be specific to the utility. Ameren Illinois, ComEd, MidAmerican, and Mt. Carmel filed annual electric reliability reports in 2024

for the calendar year 2023. 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 2019 through 2023. 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)

	2019	2020	2021	2022	2023
Ameren Illinois	149	204	168	155	428
ComEd	105	440	134	104	159
MidAmerican	150	794	96	82	170
Mt. Carmel	77	91	66	288	235

The following table presents the annual System Average Interruption Frequency Index (SAIFI) each utility reported for the years 2019 through 2023. 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)

	2019	2020	2021	2022	2023
Ameren Illinois	1.20	1.10	1.16	1.05	1.39
ComEd	0.72	0.76	0.70	0.55	0.53
MidAmerican	1.56	2.85	1.43	1.32	2.14
Mt. Carmel	1.88	1.14	1.34	3.43	3.24

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 2024, 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 2025, sufficient supplies of natural gas are expected to be available to all customers.

A detailed presentation of the 2023 sales statistics presented below can be found in the Commission’s “Comparison of Gas Sales Statistics for Calendar Years 2023 and 2022” at www.icc.illinois.gov/icc-reports/report/comparison-of-gas-sales-statistics.

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.

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 2,056,968 customers in northern Illinois. Peoples Gas, which serves the City of Chicago, has 834,145 customers. North Shore Gas serves 150,766 customers in communities north of the Chicago area. Finally, MidAmerican serves 65,589 customers in northwestern Illinois.

As with the price of electricity, the price of gas varies among utilities and is generally determined by the suppliers of natural gas that serve the local distribution company.

For 2019 through 2023, these four utilities charged the following average prices shown in cents per therm:

TABLE 2-5
AVERAGE PRICES PER THERM (CENTS)

	2019	2020	2021	2022	2023
MidAmerican	47.08	44.74	84.41	74.09	59.99
Nicor Gas	54.91	54.88	77.60	113.66	89.13
North Shore Gas	68.47	64.92	84.17	101.80	81.11
Peoples Gas	92.56	93.71	123.26	142.75	121.39

Central and Southern Illinois

Ameren Illinois provides gas service to 802,310 customers in central and southern Illinois, making it the second largest gas utility in the State. Liberty Utilities provides service to 20,995 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 9,284 customers in the Lawrenceville-Olney area. Consumers Gas serves 5,161 customers in the Carmi area. Finally, Mt. Carmel serves 3,390 customers in the Mt. Carmel area.

For 2019 through 2023, these five utilities charged the following average prices shown in cents per therm:

TABLE 2-6
AVERAGE PRICES PER THERM (CENTS)

	2019	2020	2021	2022	2023
Ameren Illinois	88.49	90.22	116.13	134.12	130.09
Consumers Gas	67.98	65.91	82.01	99.71	85.96
Illinois Gas	66.72	61.95	76.64	99.75	78.07
Liberty Utilities	103.75	83.91	95.03	126.58	138.37
Mt. Carmel	102.49	95.55	109.04	133.93	147.20

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 2023 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 2023

	Ameren Illinois	Consumers Gas	Illinois Gas	Liberty Utilities	Mid-American	Mt. Carmel	Nicor Gas	North Shore Gas	Peoples Gas
Residential Sales	139.84	102.87	91.75	170.94	86.61	156.76	91.64	84.13	134.95
Small (or Commercial) Sales	116.70	83.14	76.00	113.08	69.54	131.21	81.02	68.21	90.41
Large (or Industrial) Sales	44.38	61.94	54.48	82.76	35.43	-	72.72	60.26	73.05
Other Sales to Public Authorities	102.34	-	-	-	-	147.19	-	-	-
Total Sales to Ultimate Customers	130.09	87.14	78.07	138.37	76.84	147.20	89.13	81.11	121.39

Water and Sewer Utilities

Overview

The Commission currently regulates three water 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 383,000 customers and sewer service to approximately 100,000 customers. Investor-owned water utilities serve 8.4 percent of all persons in Illinois receiving water service from community public water supplies. These investor-owned water and sewer utilities serve customers in 42 counties and are primarily concentrated in the Chicago, East St. Louis, Peoria, and Champaign metropolitan areas. The number of water and sewer customers served by each investor-owned utility ranges from 62 to over 370,000. 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.

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. Large investor-owned utilities that are pursuing growth opportunities often seek to acquire 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 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. Large investor-owned utilities are pursuing the acquisition of these small utilities. This type of activity was evident during 2024:

- In January 2024, Prairie Path Water Company (Prairie Path) filed a petition to acquire the water and wastewater systems of Port Barrington Shores, a not-for-profit corporation serving 35 customers in Lake County (Docket No. 24-0045).
- Also in January, the Commission approved Illinois-American Water Company's (Illinois-American) petition to acquire the Granite City Regional Wastewater Treatment Plant in Madison County (Docket No. 23-0304).

- In February, Illinois-American filed petitions to acquire the water and wastewater systems of the Metro East Sanitary District in Madison and St. Clair Counties (Docket Nos. 24-0143 and 24-0144).
- In March, the Commission approved Illinois-American's petition to acquire the water system of the City of Mounds in Pulaski County (Docket No. 23-0425).
- In April, the Commission approved Prairie Path's petition to acquire the water system of Bahl Water Corporation, an investor-owned utility in Jo Daviess County (Docket No. 23-0423).
- Also in April, the Commission approved a petition from Aqua Illinois, Inc. (Aqua) to acquire the wastewater system of the Westfield Homeowner's Association in Cook County (Docket No. 23-0588).

Regulatory Activities

In January 2024, Aqua and Illinois-American each requested a general increase in water and sewer rates for all of its service areas (Docket Nos. 22-0044 and 22-0097).

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

Discussion of Water and Sewer Utilities

Water supplies for investor-owned water utilities were generally adequate in 2024.

Three of the large 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 (IEPA).

Most of the small 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 and supply their systems with Lake Michigan water instead of using water sourced from wells.

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 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 \$55 to \$60 per month.

All three investor-owned utilities that provide sewer service serve 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 \$55 to \$60 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, 2024

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	1,831	\$35.69	\$72.49	\$118.49
Kankakee	30,449	36.16	73.93	121.15
North Maine	4,784	28.18	64.98	110.98
Peotone	1,615	37.22	75.53	123.43
University Park	2,553	35.69	72.49	120.17
Hawthorn Woods	1,175	36.60	74.31	121.45

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<i>Illinois-American Water</i>				
Chicago Metro				
Well Water	1,633	34.13	74.18	124.25
Lake Water				
Chicago Suburban	4,401	32.87	67.97	111.13
DuPage County	6,415	35.32	80.11	136.10
Fernway	2,029	35.76	81.92	139.63
Santa Fe/ Bolingbrook/ Homer Glen	32,056	37.49	90.98	157.83
South Beloit	2,972	34.64	73.06	121.08
Sterling	6,605	34.13	74.18	124.25
Streator	7,753	34.13	74.18	124.25
Prairie Path				
Galena Territory	2,304	34.52	109.67	203.61
Lake Holiday	1,906	34.52	109.67	203.61
Whispering Hills	2,385	34.52	109.67	203.61
CENTRAL				
<i>Aqua Illinois</i>				
Vermilion	19,424	35.85	73.33	120.17
<i>Illinois-American Water</i>				
Champaign	60,898	34.08	73.61	123.02
Lincoln	5,800	34.69	74.74	124.80
Pekin	14,126	29.97	50.27	75.64
Peoria	55,068	34.13	74.18	124.25
Pontiac	4,526	34.13	74.18	124.25
SOUTHERN				
<i>Illinois-American Water</i>				
Alton	18,386	33.87	73.40	122.81
Interurban	67,892	34.27	74.32	124.38
Jerseyville	3,958	28.54	68.59	118.65

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," October 15, 2024, p. 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 2020 THROUGH NOVEMBER 2024

	2020	2021	2022	2023	2024
Electric Utility Industry Avg.	BBB+	BBB+	BBB+	BBB+	BBB+
Ameren Illinois	BBB+	BBB+	BBB+	BBB+	BBB+
ComEd	BBB+	BBB+	BBB+	A-	A-
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 2020 THROUGH NOVEMBER 2024

	2020	2021	2022	2023	2024
Gas Distribution Industry Avg.	A-	A-	A-	A-	A-/BBB+
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 2020 THROUGH NOVEMBER 2024

	2020	2021	2022	2023	2024
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.

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.

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 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 a paid-as-bid contract with the utility company. In 2024, 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 2024 ON BEHALF OF THE ELECTRIC UTILITIES AS BUYERS

Bid Day	ICC Approval	Product Type	Delivery Period	Buyer(s)
4/13/2024	4/16/2024	Seasonal Zonal Resource Credits	2026	AIC
4/15/2024	4/18/2024	Standard Energy Blocks	2024-2027	AIC, ComEd, MEC
9/16/2024	9/19/2024	Seasonal Zonal Resource Credits	2025-2026	AIC
9/09/2024	9/12/2024	Standard Energy Blocks	2024-2027	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.

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

The IPA 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, July 2022, and February 2024. In 2024, the IPA conducted the following competitive renewable procurements to procure Renewable Energy Credits (RECs):

TABLE 3-2
 IPA RENEWABLE ENERGY PROCUREMENT EVENTS CONDUCTED IN 2024 ON BEHALF OF THE ELECTRIC UTILITIES AS BUYERS

Bid Day	ICC Approval	Product Type	Delivery Period	Buyer(s)
7/18/2024	7/24/2024	Indexed Renewable Energy Credits	A 20-Year Period Beginning No Later Than 5/31/29 (although extensions are possible)	AIC, ComEd, MEC
12/02/2024	12/10/2024	Indexed Renewable Energy Credits	A 20-Year Period Beginning No Later Than 5/31/29 (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 procure zero emission resources, there were no new ZES procurements in 2024.

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 2024.

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. There were no new Coal-to-Solar REC procurements in 2023. As reported by the IPA in their 2024 LTRRPP update, on October 18, 2023, the IPA was notified that three of six selected Coal to Solar REC Contracts had been terminated.

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 2024, a quantity of 91,948 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 746 Megawatts (MWs). About 2,592 small business customers had installed PV systems; the total capacity of these systems is about 94 MWs.

TABLE 3-3

ADOPTION OF PV SYSTEMS BY RESIDENTIAL AND SMALL BUSINESS CUSTOMERS IN ILLINOIS, BY ELECTRIC UTILITY SERVICE TERRITORY, 2024
(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	Subscribed Capacity of PV System (MW)
Ameren Illinois	28,589	287.196	2,275	90.17	10,580	134.494
ComEd	62,795	454	292	3.739	31,673	254
MidAmerican	518	4.377	16	0.152	0	0
Mt. Carmel	46	0.52645	9	0.2203	0	0
Total	91,948	746.099	2,592	94.281	42,253	388.494

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.

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 2024. The programs are, going forward, likely to increase PV system deployment relative to the numbers shown in the table above.

Cogeneration

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 2024 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 2024 (CENTS PER KWH)

	Summer Rates		Winter Rates	
	On-Peak	Off-Peak	On-Peak	Off-Peak
Ameren Illinois (through June 14, 2024)	6.216	3.765	5.306	4.775
Ameren Illinois (beginning June 15, 2024)	5.505	3.459	4.675	4.029
ComEd (through May 31, 2024)	4.873	3.353	4.596	3.793
ComEd (beginning June 1, 2024)	4.847	3.115	4.228	3.325
MidAmerican (through August 14, 2024)	4.520	2.570	2.910	0.990
MidAmerican (beginning August 15, 2024)	4.060	2.380	2.880	2.050
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.

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.

Energy Efficiency Programs

Sections 8-103, 8-103B, and 8-104 of the PUA respectively require electric and gas utilities (and formerly required the Department of Commerce and Economic Opportunity (DCEO)) to submit multiyear 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
23-0600	MidAmerican	2024, 2025, 2026, 2027, 2028	8/30/2023	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 2008-2021

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

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Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
14-0595	Ameren Illinois	2012-2013	366,726 MWh	Yes	9/30/2014	1/10/2018
	DCEO (Ameren Territory)	2012-2013	34,724 MWh	No	9/30/2014	1/10/2018
	Ameren Illinois	2012-2013	6,914,780 therms	Yes	9/30/2014	1/10/2018
	DCEO (Ameren Territory)	2012-2013	1,836,138 therms	Yes	9/30/2014	1/10/2018
20-0585	Ameren Illinois	June 2014 - Dec. 31, 2017	768,479 MWh	Yes	7/20/2020	1/20/2021
	Ameren Illinois	June 2014 - Dec. 31, 2017	22,167,694 therms	Yes	7/20/2020	1/20/2021
17-0311	Ameren Illinois	2018-2021	377,776 MWh	Yes	6/30/2017	9/11/2017
22-0778	Ameren Illinois	2018-2021	7,353,769 therms	Yes	12/20/2022	6/1/2023
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

Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
15-0297	Nicor Gas	2011-2014	49,218,260 therms	Yes	4/22/2015	9/28/2016
	DCEO (Nicor Territory)	2011-2014	4,559,873 therms	No	4/22/2015	9/28/2016
20-0407	Nicor Gas	June 2014 - Dec. 31, 2017	43,448,921 therms	Yes	4/21/2020	8/12/2020
15-0298	North Shore Gas	2011-2014	3,895,802 therms	Yes	4/22/2015	9/22/2016
	DCEO (N. Shore Territory)	2011-2014	676,653 therms	No	4/22/2015	9/22/2016
	Peoples Gas	2011-2014	21,586,878 therms	Yes	4/22/2015	9/22/2016
	DCEO (Peoples Territory)	2011-2014	6,405,466 therms	Yes	4/22/2015	9/22/2016
20-0448	North Shore Gas	June 2014 - Dec. 31, 2017	5,441,047 therms	Yes	5/11/2020	11/18/2020
	Peoples Gas	June 2014 - Dec. 31, 2017	28,375,556 therms	Yes	5/11/2020	11/18/2020
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 2018-2023

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
23-0430	ComEd	2022	11,017,253 MWh	Yes	1,359,550 MWh	Yes	5/26/2023	11/30/2023
23-0440	Ameren	2022	2,998,024 MWh	Yes	301,996 MWh	Yes	5/31/2023	11/30/2023
24-0396	ComEd	2023	12,042,306 MWh	Yes	1,025,052 MWh	Yes	5/30/2024	11/20/2024
24-0397	Ameren	2023	3,313,131 MWh	Yes	315,107 MWh	Yes	5/31/2024	11/21/2024

*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	\$119,502	\$399,377	\$40,901	\$3,342	\$25,006	\$4,180	\$592,308
2023	\$ 137,056	\$ 415,623	\$ 45,627	\$ 3,278	\$ 24,085	\$5,490	\$ 631,159
2024	\$ 60,501	\$ 266,240	\$ 36,595	\$ 2,279	\$ 18,868	\$6,881	\$ 391,364
2025*	\$135,402	\$423,304	\$45,705	\$4,099	\$29,049	\$7,033	\$653,592

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, 19-0734, and 23-0600.

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 2023 including:

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

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

(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.

Existing rules and laws

(4-a) The percentage and number of persons or households requiring each such service who are not receiving such service, and the reasons therefor, including specifically the number of such persons or households who are unable to afford such service;

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.

Low-Income Discount Rates

Beginning in October 2024, discount rates were implemented by natural gas utilities including Ameren Illinois, Nicor Gas, Peoples Gas, and North Shore Gas for eligible low-income customers. The rates provide a 5-83 percent monthly bill credit to qualifying customers based on a five-tier system. Discount tiers are based on income, household size, and cost of utility service offered in the area. Low-income discount rates for electric customers of Ameren Illinois and ComEd are expected to be offered in 2025.

Beginning July 2025, Illinois American Water will expand its existing low-income discount program to provide a 10 to 80 percent monthly total bill credit for customers whose incomes are up to 300 percent of the Federal Poverty Level and eligible Aqua customers whose incomes are at or below 150 percent of the Federal Poverty Level will be able to receive a 70 percent discount on all base volumetric charges.

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 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 90 degree or above, or on a day before a holiday or weekend when the weather is forecasted to be 90 degrees or above any time during the holiday weekends. Further, a utility may not disconnect service when the National Weather Service issues excessive heat alerts covering the area in which the residence is located.

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.

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.

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.

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).

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.

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.

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 evidence of tampering with the meter is discovered.

Financial Assistance

ICC-regulated electric and natural gas utilities participate in the Low-Income Home Energy Assistance Program (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.

Late Payment Fees

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

Credit Card Convenience Fees

Credit card convenience fees are prohibited for utility payments.

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.

Financial impact on utilities and other ratepayers

(4-b) A critical analysis of existing programs designed to promote and preserve the availability and affordability of utility services;

Uncollectible expenses for utilities represent 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, MidAmerican Energy, and Nicor Gas have tariffs on file with the Commission to enact the uncollectible automatic adjustment clauses.

Consumer Education Activities

(4c) 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.

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.gov, 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 ARES offers for comparison and a list of municipalities pursuing aggregation programs.

Natural Gas Choice

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

SECTION 5 | Implementation of the Commission’s Statutory Responsibilities

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

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

Commission Reorganization

No reorganization actions were taken during 2024.

(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.

Construction Audits

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.

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 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.

Section 8-407 (b) Activities

No Section 8-407(b) construction occurred and, therefore, no actions were taken during 2024.

Section 9-213 Activities

No Section 9-213 construction occurred and, therefore, no actions were taken during 2024.

Management Audits

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.

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.”

Section 8-102 Activities

The Commission initiated Docket No. 16-0376 to investigate the cost, scope, schedule, and other issues related to the Peoples Gas’ System Modernization Program (SMP, formally known as the AMRP) 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.

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 authorized to adjust 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 facilities currently fall within the Commission's jurisdiction pursuant to Section 9-215 and, therefore, no actions were taken during 2024.

Rate Moderation Plan

Section 9-217 of 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 2024 and, therefore, no actions were taken during 2024.

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 2024. The following is a list of the gas and electric rate cases handled by the Commission in 2023 (See Section 2 for list of water and sewer rate cases handled in this period).

Gas

In January 2023, Nicor filed a gas rate case (Docket No. 23-0066). The Commission entered a Final Order on November 16, 2023. The Commission issued an Amendatory Order on January 3, 2024.

In January 2023, North Shore Gas and Peoples Gas filed gas rate cases (Docket Nos. 23-0068 and 23-0069 Consolidated). The Commission entered a Final Order on November 16, 2023. The Commission issued an Amendatory Order on January 3, 2024. The Commission issued Orders on Rehearing on February 20, 2024, and May 30, 2024.

In November 2023, Consumers Gas filed a gas rate case (Docket No. 23-0774). The Commission issued a Final Order on September 12, 2024.

In December 2023, Liberty Utilities filed a gas rate case (Docket No. 24-0043). The Commission issued a Final Order on October 31, 2024.

Electricity

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.

The PUA was amended in 2021. P.A. 102-662 included a new provision under Sec. 16-108.18 that enables electric utilities to elect Multiyear Rate Plans and to provide annual reconciliations of those rates.

Sec. 16-108.5 Electric Formula Rate Cases & Reconciliations

In April 2024, ComEd filed a formula rate reconciliation (Docket No. 24-0304) for its distribution delivery services. The Commission entered a Final Order on October 31, 2024.

In April 2024, Ameren Illinois filed its formula rate reconciliation (Docket No. 24-0288) for its distribution delivery services. The Commission entered a Final Order on December 5, 2024.

Sec. 16-108.18 Electric Multiyear Rate Plans & Reconciliations

In January 2023, ComEd filed its Multiyear Rate Plan (Docket No. 23-0055) for its distribution delivery services. The Commission entered an order on December 14, 2023. The Commission issued an Amendatory Order on January 10, 2024. The Commission issued an Order on Clarification on January 31, 2024. The Commission issued an Order on Rehearing on April 18, 2024. In March, ComEd filed to adjust its Multiyear Rate Plan to align it with its refiled Multiyear Integrated Grid Plan (Docket No. 24-0181). The Commission issued a Final Order on December 19, 2024.

In January 2023, Ameren Illinois filed its Multiyear Rate Plan (Docket No. 23-0082) for its distribution delivery services. The Commission entered an order on December 14, 2023. The Commission issued an Amendatory Order on January 17, 2024. The Commission issued an Order on Rehearing on June 20, 2024. In March, Ameren filed to adjust its Multiyear Rate Plan to align it with its refiled Multiyear Integrated Grid Plan (Docket No. 24-0238). The Commission issued a Final Order on December 19, 2024.

Mergers

In May 2023, in Docket No. 23-0423, Prairie Path Water requested that the Commission (1) approve the Proposed Transaction by which Prairie Path acquires substantially all the Illinois assets of Quality Water, Inc. (formerly known as Bahl Water Corporation) under Sections 7-204 and 7-204A of the Public Utilities Act, 220 ILCS 5/7-204, 220 ILCS 5/7-204A; (2) issue Prairie Path a certificate of public convenience and necessity, under Section 8-406 of the Public Utilities Act, 220 ILCS 5/8-406(a)-(b), authorizing Prairie Path to provide water service and to construct, operate, and maintain a water public utility system in the Certificated

Area in Jo Daviess County, Illinois; (3) transfer the existing certificate of Bahl to Prairie Path; (4) approve Prairie Path's proposed ratemaking rate base, water service rates and accounting entries, per the System Viability Act; (5) authorize Bahl Water Corporation's to discontinue operations as an Illinois public utility; and (6) granting such other and further relief as the Commission deems just and appropriate. The Commission issued a Final Order on April 18, 2024.

Asset Transfers or Sales

In February 2024, Illinois-American Water filed for approval of the sale of real estate in Madison County, Illinois (Docket No. 24-0095). The Commission issued a Final Order on August 29, 2024.

In February 2024, Illinois-American Water filed for approval of the sale of real estate in Peoria County, Illinois (Docket No. 24-0096). The Commission issued a Final Order on August 29, 2024.

Informational Filings

There were no informational notices filed with the Commission during 2024.

Decommissioning

During 2024, 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 2024 and were applied throughout the year. There were no closed meetings in 2024.

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 2024; previously filed appeals pending further action as of December 31, 2023, and/or appeals in which judicial decisions were received in 2024. 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.

I. Appeals Involving Public Utilities Filed in 2023 and 2024 Pending in The Appellate or Circuit Courts Without Decision

A. Under the Public Utilities Act (PUA), 220 ILCS 5/101, et seq.

1. Ameren Illinois Company d/b/a Ameren Illinois v. Illinois Commerce Commission, et al.

ICC Nos. 23-0067

Appellate No. 5-24-0014

NATURE OF THE APPEAL: Ameren Illinois Company d/b/a Ameren Illinois (“Ameren”) appeals several Commission decisions regarding its petition for a general rate increase with a 2024 test year.

ISSUES: (1) whether the Commission properly determined Ameren’s cost of common equity; (2) whether the Commission properly determined Ameren’s cost of debt; (3) whether the Commission properly reduced Ameren’s proposed spend on distribution and transmission plant for the 2024 test year; (4) whether the Commission possessed the authority to direct Ameren to file a future long-term gas infrastructure plan; and (5) whether the Commission’s modifications to Ameren’s proposed low-income rider was proper.

STATUS: This matter is fully briefed, the court held argument on October 29, 2024, and the Commission awaits the court’s decision.

2. International Brotherhood of Electrical Workers, et al. v. Illinois Commerce Commission, et al.

ICC Nos. 22-0486 consolidated with 23-0055

Appellate No. 3-24-0021

See item 4 for Nature of the Appeal, Issues, and Status.

3. Commonwealth Edison Company v. Illinois Commerce Commission, et al.

ICC Nos. 22-0486 Cons. With 23-0055

Appellate No. 3-24-0022

See item 4 for Nature of the Appeal, Issues, and Status.

4. Commonwealth Edison Company v. Illinois Commerce Commission, et al.

ICC Nos. 22-0486 Cons. With 23-0055

Appellate No. 3-24-0284

NATURE OF THE APPEAL: In this, and the above appeals, 3-24-0021 and 3-24-0022, the appellants challenge the Commission’s December 14, 2023, Final Order in the consolidated dockets related to Commonwealth Edison Company’s (“ComEd”) inaugural multiyear integrated grid plan (MYIGP) filed pursuant to 220 ILCS 5/16-105.17 and ComEd’s request for approval of its related multiyear rate plan (MYRP). In the December 2023 Order, the Commission approved, as modified, the MYRP but rejected ComEd’s MYIGP and directed it to refile a grid plan by March 2024. On January 10, 2024, ComEd and other parties filed applications for rehearing, which the Commission granted in part.

In March 2024, ComEd, and other parties, made multiple filings and the Commission entered multiple orders affecting the MYIGP and MYRP. On March 7, 2024, the Commission entered an Interim Order on Scheduling directing ComEd to refile its Grid Plan in the Consolidated Dockets and directing that a schedule be established that will allow the Commission to enter final Orders in December 2024 and implement rates that will go into effect January 1, 2025, inclusive of a grid plan. On March 13, 2024, ComEd filed a new Refiled Grid Plan in the Consolidated Dockets. On March 15, 2024, ComEd filed a new petition with the Commission to adjust the multiyear rate plan and rates in a separate docket, ICC Docket No. 24-0181 (New MYRP docket). On March 21, 2024, the Commission reopened the Consolidated Dockets. On April 18, 2024, the Commission entered an Order on Rehearing. Though matters in the consolidated dockets continue to be litigated, ComEd filed an appeal from this order, No. 3-24-0284.

ISSUES: To date, the issues on appeal include, but are not limited to, (1) the Commission’s treatment of pension assets; (2) the Commission’s rejection of ComEd’s actual capital structure; (3) the Commission’s determination of an appropriate rate of return; (4) the Commission’s determination of an appropriate rate base; and (5) the Commission’s reduction of ComEd’s rate case expense.

STATUS: Beginning in February 2024 and continuing throughout 2024, the Commission advocated before the appellate court to hold these appeals in abeyance pending the Commission anticipated order in December 2024 and subsequent applications for rehearing likely to follow. As of this report, the appellate court agreed and is holding all three appeals in abeyance pending the Commission’s order on ComEd’s refiled grid plan issued in December 2024.

5. Ameren Illinois Company d/b/a Ameren Illinois v. Illinois Commerce Commission, et al.

ICC Nos. 22-0487 consolidated with 23-0082, 24-0238

Appellate No. 5-24-0164

See item 8 for Nature of the Appeal, Issues and Status.

6. Ameren Illinois Company d/b/a Ameren Illinois v. Illinois Commerce Commission, et al.

ICC Nos. 22-0487 consolidated with 23-0082, 24-0238

Appellate No. 5-24-0164

See item 8 for Nature of the Appeal, Issues and Status.

7. Ameren Illinois Company d/b/a Ameren Illinois v. Illinois Commerce Commission, et al.

ICC Nos. 22-0487 consolidated with 23-0082, 24-0238

Appellate No. 5-24-0164

See item 8 for Nature of the Appeal, Issues and Status.

8. Ameren Illinois Company d/b/a Ameren Illinois v. Illinois Commerce Commission, et al.

ICC Nos. 22-0487 consolidated with 23-0082, 24-0238

Appellate No. 5-24-0968

NATURE OF THE APPEAL: In this, and the above-listed Ameren appeals, 5-24-0164, 5-24-0165, and 5-24-0853, Ameren challenges the Commission's December 14, 2023, Final Order in the consolidated dockets related to Ameren's inaugural multiyear integrated grid plan (MYIGP) and its request for approval of its related multi-year rate plan (MYRP). In the December 14, 2023, Order, the Commission approved, as modified, the MYRP, rejected Ameren's MYIGP and directed it to refile a grid plan by March 2024. Following the December 2023 Order, Ameren and other parties filed applications for rehearing, which the Commission granted in part.

On March 21, 2024, the Commission reopened the underlying dockets and entered an Interim Order on Scheduling directing Ameren to refile its Grid Plan in the Consolidated Dockets and directing that a schedule be established that will allow the Commission to enter final Orders in December 2024 and implement rates that will go into effect January 1, 2025, inclusive of a Grid Plan. On March 28, 2024, Ameren filed a new petition with the Commission to adjust the multiyear rate plan and rates in a separate docket, ICC Docket No. 24-0238 (New MYRP docket), and on May 2, 2024, filed a new Refiled Grid Plan in the Consolidated Dockets.

On June 20, 2024, the Commission entered an Order on Rehearing. Though matters in the consolidated dockets continued as described, Ameren also filed another application for rehearing of the June 20, 2024, Order on Rehearing and upon the Commission's denial filed a fourth appeal, 5-24-0968.

ISSUES: To date, the issues on appeal include, but are not limited to, (1) the Commission's: determination of an appropriate return on equity; (2) use of a placeholder to establish rate base; (3) rejection of Ameren's proposed MYIGP; and (4) findings that Ameren's proposed MYIGP was not cost effective or affordable.

STATUS: Beginning in February 2024 and continuing throughout 2024, the Commission advocated before the appellate court to hold these appeals in abeyance pending the Commission anticipated order in December 2024 and subsequent applications for rehearing likely to follow. As of this report, the appellate court agreed and is holding all three appeals in abeyance pending the Commission's order on Ameren's refiled grid plan issued in December 2024.

9. Northern Illinois Gas Company v. Illinois Commerce Commission, et al.

ICC No. 23-0066

Appellate No. No. 3-24-0093

NATURE OF THE APPEAL: Northern Illinois Gas Company (Nicor) appeals the Commission's decisions regarding its petition for a general rate increase with a 2024 test year.

ISSUES: Whether the Commission applied the correct legal standard when it approved an imputed capital structure for Nicor; (2) whether the Commission correctly disallowed a portion of Nicor's proposed investments in distribution and transmission plant additions; and (3) whether the Commission possessed the authority to direct Nicor to submit a prospective long-term gas infrastructure planning report.

STATUS: This appeal is fully briefed and the parties await the court's assignment of a date for oral argument.

10. North Shore Gas Company and The Peoples Gas Light and Coke Company v. Illinois Commerce Commission, et al.

ICC No. 23-0068 consolidated with 23-0069

Appellate No. 2-24-0350

NATURE OF THE APPEAL: North Shore Gas Company (NSG) and The Peoples Gas Light and Coke Company (PGL) appeal the Commission's decisions regarding their petitions for a general rate increase with a 2024 test year.

ISSUES: The issues raised by NSG and PGL on appeal include, but are not limited to, (1) the Commission's rulings regarding the utilities' Safety Modernization Program (SMP) disallowance of NSG and PGL's proposed capital investment to replace existing facilities; (2) determination of the utilities' return on equity; (3) disallowance of a portion of the requested rate case expense; (4) treatment of work in progress; and (5) decision on the revenue requirement.

STATUS: At the request of the utilities, briefing is scheduled to commence in January 2025.

11. The Peoples Gas Light and Coke Company v. Illinois Commerce Commission, et al.

ICC No. 17-0137

Appellate No. 1-24-2140

NATURE OF THE APPEAL: PGL filed a petition with the Commission to recover roughly \$184.3 million of its calendar year 2016 expenses for qualified infrastructure plant (QIP) projects, pursuant to section 9-220.3 of the PUA. The Commission disallowed nearly \$15 million of the QIP expenses finding that PGL had not prudently incurred these expenses and PGL appealed.

ISSUES: (1) Whether the Commission correctly applied the "prudence" standard; (2) whether the Commission properly found PGL imprudently incurred expenses where there were significant cost overruns or substandard project management; and (3) whether substantial evidence supported the Commission's decision to disallow recovery of certain QIP expenses.

STATUS: PGL's opening brief is due February 10, 2025, the Commission's response brief is due March 17, 2025, and PGL's reply is due March 31, 2025.

12. Commonwealth Edison Company v. Illinois Commerce Commission, et al.

ICC No. 23-0304

Appellate No. 3-24-0697

NATURE OF THE APPEAL: Appeal from the Commission's final order dated October 31, 2024, addressing ComEd's verified petition for annual revenue requirement reconciliation, filed pursuant to 220 ILCS 5/16-108.25. This appeal challenges the Commission's rulings on ComEd's capital structure.

ISSUES: (1) whether the Commission properly determined a capital structure different than proposed by ComEd; (2) whether the Commission applied the appropriate standards in rejecting ComEd's proposed structure; (3) whether ComEd met its burden of proof to demonstrate that its proposed capital structure was reasonable and prudent.

STATUS: ComEd filed this appeal on December 13, 2024, and the Commission expects briefing to be completed by mid-2025.

B. Under Other Utility-Related Acts

1. The People of the State of Illinois, *ex rel.* Kwame Raoul, Attorney General of the State of Illinois v. Illinois Commerce Comm’n, *et al.*

ICC Nos. 22-0432 consolidated with 22-0442

Appellate Nos. 2-23-0020 consolidated with 2-23-0193

NATURE OF THE APPEAL: On July 1, 2022, ComEd filed a petition with the Commission pursuant to the Electric Vehicle Act (EVA), 20 ILCS 627/45, and sought approval of its proposed Beneficial Electrification Plan (BE Plan). On November 10, 2022, the Commission entered an interim order eliminating certain rebates from the BE Plan. Following the issuance of the Commission’s interim order, ComEd appealed in appeal No. 2-22-0444 as did the Attorney General’s office (the “People”), appeal No. 2-23-0020. Initially, these appeals were stayed.

On March 23, 2023, the Commission issued its final order regarding ComEd’s BE Plan and approved a \$77 million beneficial electrification annual budget. On May 4, 2023, it denied all applications for rehearing, and on May 8, 2023, issued a clarifying order. On June 7, 2023, the People filed their second appeal, No. 2-23-0193. On July 7, 2023, the appellate court issued an order, granted ComEd’s motion to dismiss its appeal, No. 2-22-044, and lifted the stay in appeal No. 2-23-0020.

ISSUES: *Interim Order:* Whether the Commission properly found that certain electric vehicle and charging station rebates should not be part of ComEd’s BE Plan as such rebates are administered by the Illinois Environmental Protection Agency. ***Final Order:*** (1) Whether the Commission properly interpreted the statutory rate cap in the EVA’s subsection 45(g) as premised on “total annual revenue requirements” or just ComEd’s delivery service revenue requirement; (2) whether the EVA subsection 45(g) retail rate cap applies only to development “electric vehicle infrastructure” or the entire BE Plan; and (3) whether the Commission correctly construed the text of EVA section 45 in approving ComEd’s non-transportation BE Programs, based on the BE definition in EVA subsection 45(b) and other subparts of section 45.

STATUS: This matter is fully briefed, the Court held oral argument on December 11, 2024, and the Commission is awaiting the decision of the court.

2. The People of the State of Illinois, *ex rel.* Kwame Raoul, Attorney General of the State of Illinois v. Illinois Commerce Comm’n, *et al.*

ICC Nos. 22-0431 consolidated with 22-0443

Appellate No. 4-23-0491

NATURE OF THE APPEAL: Appeal from the Commission’s final order in the consolidated dockets related to Ameren’s Beneficial Electrification Plan (BE Plan) filed pursuant to the Electric Vehicle Act (EVA), 20 ILCS 627/45. On March 23, 2023, the Commission approved Ameren’s BE Plan as modified, on May 4, 2023, it denied all applications for rehearing, and on May 8, 2023, issued a clarifying order. On June 7, 2023, the People filed a petition for review from the final order.

ISSUES: The issues include whether: (1) the Commission’s correctly interpreted the EVA regarding the retail rate cap;” (2) Ameren’s BE budget exceeds the retail rate cap; (3) Ameren’s proposed rebates are within the exclusive jurisdiction of the Illinois Environmental Protection Agency; and (4) the Commission exceeded its authority by ordering Ameren to submit a compliance filing detailing its planned BE budget expenditures, given the Commission’s modification of the utility’s proposed budget.

STATUS: After the People and the Commission filed motions to extend the time for briefing Appellees’ briefs are due December 17, 2024, and the People’s reply brief is due January 2, 2025. The Commission awaits the court’s decision.

II. Appeals Dismissed In 2024 Without Decision on the Merits and with No Further Action Expected

A. Under the Public Utilities Act

1. Commonwealth Edison Co. v. Illinois Commerce Comm’n, et al.

ICC No. 23-0345

Appellate No. 3-24-0013 consolidated with 3-24-0283

NATURE OF THE APPEAL: Appeal from the Commission’s final order dated November 30, 2023, addressing ComEd’s verified petition for annual revenue requirement reconciliation, which ComEd filed on April 21, 2024, pursuant to 220 ILCS 5/16-108.25. This appeal challenged the Commission’s rulings regarding reconciliation of distribution service rates ComEd charged during 2022 based on projections of its costs with after-the-fact costs.

ISSUES: (1) Whether the Commission correctly determined that the PUA required ComEd to establish its *actual* capital structure and (2) whether the actual capital structure was prudent and reasonable.

STATUS: The Commission filed its response brief on September 6, 2024, arguing, in part, that the appellate court should dismiss the appeal for lack of jurisdiction where there was no actual controversy. The Commission showed that its approved 50.00% common equity ratio (versus 50.02% as requested by ComEd) had no impact on ComEd’s approved weighted average cost of capital and 2022 reconciliation revenue requirement. Following the filing of this brief, ComEd agreed that no actual controversy existed and, on September 20, 2024, filed a motion for voluntary dismissal, which the court granted on October 29, 2024.

2. Mellisa L. Scharfinski and Elliander A. Eldridge v. Ameren Illinois Company, d/b/a Ameren Illinois, et al.

ICC No. 23-0502

Appellate No. 4-24-1339

NATURE OF THE APPEAL: On July 6, 2023, Melissa L. Scharfinski and Elliander A. Eldridge filed a *pro se* complaint with the Commission against Ameren, alleging that Ameren attempted to charge them for adding a name to their account, refused to provide documentation of adding the name, and caused

them to miss an opportunity for financial assistance. After an evidentiary hearing, on July 24, 2024, the Commission issued an order denying the complaint and, on September 12, 2024, denied complainants’ application for rehearing. In its order, the Commission held that (1) the record did not support a finding that Ameren violated any applicable tariff, rule, or statute over which the Commission had jurisdiction; and (2) the Commission did not have jurisdiction over Complainants’ claims for damages against Ameren. Complainants subsequently appealed.

ISSUES: Whether Ameren’s service with respect to the requested name addition constituted unfair billing or service practices which were actionable under the PUA’s customer complaint process.

STATUS: On November 8, 2024, the court *sua sponte* dismissed the appeal due to appellants’ failure to file a docketing statement.

B. Under Other Utility-Related Acts

None.

III. Appeals Decided In 2024 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 2024 Annual Report

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

1. Concerned Citizens & Property Owners Association, et al. v. Illinois Commerce Commission, et al.

ICC No. 20-0363

Appellate No. 5-23-0073

Illinois Supreme Court Nos. 131026 consolidated with 131032

NATURE OF THE APPEAL: Five parties, Concerned Citizens and Property Owners Association, the Illinois Agricultural Association (a/k/a the Illinois Farm Bureau), Concerned Peoples Alliance, York Township Irrigators, and Nafsica Zotos collectively sought appellate review of the Commission’s order granting Grain Belt Express, LLC (GBX) a certificate of public convenience and necessity to construct and operate a high voltage direct current transmission line across Illinois (the “Project”) pursuant to 220 ILCS 5/8-406(b-5). The appellate court issued a Rule 23 decision and reversed the Commission without remanding, finding based on its flawed interpretation of a related section of the PUA, 220 ILCS 5/8-406.1, that GBX failed to prove it “is capable” of financing the Project.

In October 2024, GBX and the Commission, joined by the Attorney General, filed petitions for leave to appeal to the Illinois Supreme Court.

ISSUES RAISED BEFORE THE ILLINOIS SUPREME COURT: (1) Whether the appellate court misconstrued the language of 220 ILCS 5/8-406.1(f)(3) and/or failed to pay deference to the Commission’s interpretation of this statute; and (2) whether the appellate court improperly reweighed the evidence as part of its appellate review.

STATUS: On November 27, 2024, the Illinois Supreme Court granted the Commission’s and GBX’s PLAs. Briefs for the Commission and GBX are due January 2, 2025.

2. North Shore Gas Company and Peoples Gas Light and Coke Company, v. Illinois Commerce Commission, et al.

ICC. No. 20-0665 and 20-0666

Appellate No. 2-23-0229

NATURE OF THE APPEAL: This is an appeal from the Commission’s final order entered on May 18, 2023, concerning NSG-PGL’s petitions for recovery of uncollectible costs incurred during calendar year 2018 through Rider UAE.

ISSUES: (1) Whether the Commission lawfully determined that NSG-PGL’s 2017 decisions to suspend disconnections were unreasonable and imprudent; (2) whether the Commission lawfully disallowed 40% of the NSG-PGL’s requested uncollectible write-off; and (3) whether the Commission’s findings regarding the format of and practices related to disconnection notices and record retention of CSR records (to the extent those findings constitute a binding ICC order rather than a recommendation) were supported by substantial evidence.

STATUS: On November 7, 2024, the Appellate Court, Second District issued its opinion, 2024 IL App (2d) 230229, and affirmed the Commission. On December 12, 2024, NSG and PGL filed a petition for leave to appeal to the Illinois Supreme Court, No. 131312. The Court has not yet ruled on the petition.

B. Under Other Utility-Related Acts

None.

IV. Appeals Decided by Opinion of the Court or by an Order Issued Under Supreme Court Rule 23 in 2024. (A rule 23 order decides a case on its merits but has limited effect as precedent in other cases.)

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

1. Northern Illinois Gas Company D/B/A Nicor Gas Company v. Illinois Commerce Commission, *et al.*

ICC. No. 20-0330

Appellate No. 3-23-0388

NATURE OF THE APPEAL: Nicor filed a petition with the Commission to recover more than \$414 million in qualified infrastructure plant (QIP) expenses incurred during 2019 pursuant to section 9-220.3 of the PUA. The Commission disallowed approximately \$32 million of the QIP expenses finding that Nicor had not prudently incurred these expenses and Nicor appealed.

ISSUES: (1) Whether the Commission correctly applied the “prudence” standard; (2) whether the Commission properly found Nicor imprudently incurred expenses where there were significant cost overruns, Nicor failed to submit work to competitive bidding, and/or failed to maintain records related to the location of its facilities and property; and (3) whether substantial evidence supported the Commission’s decision to disallow recovery of certain QIP expenses.

STATUS: On November 25, 2024, the appellate court issued a Rule 23 order, 2024 IL App (3d) 230388-U, and affirmed the Commission’s disallowances of approximately \$32 million with one small exception. As to the cost of environmental remediation related to one of the disallowed projects, the appellate court disagreed with the Commission and found that the expense of \$16,000 could be disaggregated from the total project budget. The appellate court affirmed all other disallowed expenses. Nicor has until December 15, 2024, to file a petition for rehearing with the appellate court or December 30, 2024, to file a petition for leave to appeal with the Illinois Supreme Court.

2. Concerned Citizens & Property Owners Association, *et al.* v. Illinois Commerce Commission, *et al.*

ICC No. 20-0363

Appellate No. 5-23-0073

Illinois Supreme Court Nos. 131026 consolidated with 131032

See III.A.1 for Nature of the Appeal, Issues and Status.

B. 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.

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 2024, and no further actions are anticipated.

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 2024, and no further actions are anticipated.

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 2024, and no further actions are anticipated.

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 2024, and no further actions are anticipated.

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 2024 and no action was taken.

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 2024 pursuant to the Commission's April 2017 order.

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 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 2024 and no further activities are anticipated.

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 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 2024 and no further activities are anticipated.

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 on 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 2024 and no further actions are anticipated.

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 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 2024, and no further actions are anticipated.

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 2024, and no further actions are anticipated.

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 2024, and no further actions are anticipated.

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 2024, and no further actions are anticipated.

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 provides for a limitation on the amount of zero emission credits that shall be purchased, if the result of such purchases would be to increase retail rates of eligible retail customers by more than certain prescribed percentages. Paragraph 2 of 1-75(d-5) required the Commission to review the limitation on the amount of zero emission credits procured pursuant to this subsection (d-5) and report to the General Assembly its

findings as to whether that limitation unduly constrains the procurement of cost-effective zero emission credits.

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

Section 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.

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>. Following release of the report, the Commission established low-income discount rates for eligible natural customers whose incomes are up to 300 percent of the Federal Poverty Level in recent natural gas rate cases for Ameren Illinois, Nicor, North Shore Gas, and Peoples Gas in November 2023. The low-income discount rates became effective for the October 2024 billing periods for customers of the four companies. Ameren Illinois (yet to be filed) and ComEd (Docket No. 24-0163) will seek approval to establish low-income discount rates for eligible electric customers in two currently open Commission dockets.

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

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, 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.

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. The increased frequency of severe winter weather events and the increased reliance on natural gas as an electricity generation fuel, has spurred the FERC to continue its efforts to improve coordination between the natural gas and electricity industries. To that end, the FERC has issued several orders addressing the scheduling practices of the natural gas and electric industry to better ensure the reliable and efficient operations of interstate natural gas pipelines and electricity generators.

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 2024, natural gas accounted for roughly 43.1 percent of all power generation, exceeding the shares of coal (16.2 percent) and nuclear (18.6 percent), the next two largest sources, combined. In 2024, annual U.S. marketed natural gas production remained flat, after growing over the past two years. Production cuts announced by natural gas producers early in 2024 resulted in less [production from the shale and tight formations](#) compared with 2023. At the same time, production in

the Permian Basin and Eagle Ford shale deposits has increased in 2024. Overall, the U. S. Energy Information Administration (EIA) expects natural gas production to grow in 2025, increasing roughly 1 percent from the 2024 annual average.

Spurred by increased global demand for natural gas and liquified natural gas (LNG), the EIA projects that by 2050 domestic natural gas production will increase by 15 percent and increased global demand for LNG exports will increase by 152 percent. Nevertheless, the EIA expects domestic wholesale natural gas prices to remain below \$3 per MMBtu. In spite of the increase in natural gas production and lower domestic wholesale prices, the trend for new natural gas-fired generation continues to fall, driven by increased number of renewable generation resources like solar and wind, which are displacing some natural gas generation. This trend is expected to continue in the coming years. 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.

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 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 proposed reforms to the FERC's electric transmission planning and cost allocation requirements. In 2024, the FERC issued Order No. 1920 and 1920-A, which adopted specific requirements addressing how transmission providers must conduct long-term planning for regional transmission facilities and determine how to allocate the project costs so that needed transmission facilities are both cost-effective and built in an efficient manner. Order No. 1920 and 1920-A also requires that transmission planners consider state policies in long-term transmission planning.

The generation of renewable energy in the U.S. continues to grow, with the EIA projecting the share of U.S. electricity generation from solar, wind, and hydropower to account for 24 percent of total U.S. generation by 2025. For 2025, the EIA forecasts a 41 percent increase in solar generation, 5 percent increase in wind generation, and a 6 percent increase in hydropower generation, relative to output in 2024. Notably, the EIA expects generation from solar to exceed that from hydropower resources for the first time in history. In Illinois, the Climate and Equitable Jobs Act (CEJA) that was signed into law in 2021 contains numerous policies regarding the regulation and funding of renewable generation resources, decarbonization, electric vehicles, energy storage, energy efficiency, utility rates and operations. Accordingly, the production and transmission of renewable energy continues to be a major topic of emphasis for both the FERC and Illinois. As 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 ICC supports the integration of renewable energy resources into established wholesale electricity markets. Notably, the development of transmission infrastructure and the integration of renewable resources into wholesale energy market will play a critical role in the realization of the goals contained in CEJA.

Renewable resources often require the construction of high voltage transmission facilities to move renewable energy from distant production areas in the Midwest to consumers – mostly to the east of Illinois – and to address reliability concerns associated with the intermittent nature of renewable resources. Some high voltage projects are constructed for the purpose of addressing transmission constraints in the South/East, and some east coast states have launched offshore wind projects. Accordingly, both MISO and PJM have initiated long-range transmission planning initiatives intended to address the transmission necessary to enable the increase in renewable generation resources. The FERC’s recent Order No. 1920 is also intended to facilitate both the planning and cost allocation of long-range transmission necessary to ensure reliability in the face of an evolving generation fleet. To that end, the way the costs of these long-range transmission projects are allocated continues to present concerns for Illinois. Given the continued push for solar, wind and battery resources to supplant existing fossil fuel resources and an increasing need for new transmission capabilities, there will be a need for the ICC to continue its participation, both in front of the FERC and in the RTO stakeholder processes for the coming years.

As it has been since their inception, seams issues between PJM, MISO and the adjoining RTOs continue to be a concern for Illinois. The 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. Notably, the lack of interregional transmission projects has come to the fore, with the FERC launching an initiative to examine establishing a minimum requirement for transfer capability between RTOs and public utilities. To that end, in 2024, MISO and PJM committed to perform a joint transmission study to identify [possible near-term transmission upgrades](#) that would increase power flows between their footprints, promote reliability and resiliency through “holistic, efficient and cost-effective” transmission

planning, as well as increase transfer capability between the two regions. The study is expected to be completed early next year. Given the complexity, volume and difficulty of the issues related to RTO seams, it is likely that the FERC, the RTOs and their stakeholders will continue to address these issues well into the future.

The interconnection of new generation resources to the existing transmission grid has been a significant concern for both Illinois and RTO stakeholders. It is not uncommon for projects to take several years to reach commercial operation or for projects in the queues to be withdrawn after the RTOs have performed numerous reliability/interconnection studies. Moreover, supply chain and permitting issues continue to cause approved projects to remain unbuilt. Given the significant number of resource retirements that are pending or on the horizon and gigawatts of generation effectively stuck in the queues, the FERC and RTO stakeholders have recognized the need for interconnection queue reform. In spite of interconnection queue reform initiatives and FERC order No 2023, all of which are intended to streamline the interconnection process, the issue of interconnecting new resources to replace those that are retiring continues to remain a concern. Backlogged interconnection queues make it much more challenging to develop new generation projects, such as renewable resources needed to meet the decarbonization goals in CEJA. While the RTOs and FERC acknowledge the problem, the queue backlog remains a challenge to building resources necessary to meet reliability and public policy goals.

The use of capacity markets to ensure resource adequacy continues to be an issue for RTOs and their members. In the case of PJM, the capacity auction for 2025/2026 held in July of 2024 saw capacity clearing prices increase by nearly 900 percent, from \$28.92/MW-day to \$269.92/MW-day. This increase was attributed to a number of factors, including: (1) an increase in peak demand and a decrease in supply due to plant retirements and an interconnection queue backlog; (2) the use of an “effective load carrying capability” metric that effectively reduced capacity values of resources, especially renewable resources; (3) PJM’s current tariff provisions that allow reliability must-run (RMR) power plants to opt out of the capacity auction; and, (4) the lack of a must-offer requirement for all resources, including renewables. PJM’s Independent Market Monitor (IMM) released a report concluding that the auction results “were significantly affected by flawed market design decisions” as well as “the exercise of market power” and thus “do not solely reflect supply and demand fundamentals.” The IMM found that these defects will force consumers to pay billions more for capacity than they would in a well-functioning market. While PJM stated it will work to improve the capacity market design, numerous stakeholders have filed complaints at the FERC regarding the provisions of PJM’s current capacity market construct and have asked FERC to intervene before PJM holds its auction for the 2026/2027 delivery year that has been delayed and is currently scheduled to take place in June of 2025.

MISO’s planning resource auction for 2025 saw capacity prices for the upcoming summer and spring seasons roughly triple to \$30/MW-day and \$34.10/MW-day, respectively, across nearly the entire MISO footprint. MISO attributes the increase, in part, to declining surplus capacity which fell almost 40 percent in MISO’s northern and central regions. This decline partly reflects power plant retirements

and reduced offers from outside MISO. Given the restructured design of Illinois electricity markets, these issues/proceedings should 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 participating in PJM and MISO regarding capacity market design.

In 2024, increasing load growth forecasts, especially from data centers, have come to the forefront at PJM and MISO. Predictions of increased load growth raise further concerns about interconnection queue timelines, the need to build more transmission, and resource adequacy. The ICC continues to be an active participant in discussions on the topic, including load forecast, and how best to plan for future load growth.

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 for 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 103rd 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

CASE SUMMARIES FOR 2024 ANNUAL REPORT

Electric

**22-0486
23-0055
24-0181
(Consol.)** **Illinois Commerce Commission
On Its Own Motion
-vs-
Commonwealth Edison Company**

Order Requiring Commonwealth Edison Company to file an Initial Multiyear Integrated Grid Plan and Initiating Proceeding to Determine Whether the Plan is Reasonable and Complies with the Public Utilities Act.

Verified Petition for Approval of a Multiyear Rate Plan under Section 16-108.18 of the Public Utilities Act.

Petition to Adjust the Multiyear Rate Plan and Rates Authorized Thereunder to Align with the Approved Refiled Multiyear Integrated Grid Plan

Pursuant to the Commission’s decision on December 14, 2023, Commonwealth Edison Company (“ComEd”) submitted a Refiled Grid Plan for the Commission’s consideration. On December 19, 2024, the Commission approved the Refiled Grid Plan as well as ComEd’s adjusted multiyear rate plan (“MYRP”), both with modifications. The Commission approved a Cost-Effectiveness Framework and Affordability Analysis, which are required for investments included in the multiyear integrated grid plan (“MYIGP”) pursuant to P.A. 102-0662 and provided guidance for refinement of the analyses in future grid plans. Furthermore, the Refiled Grid Plan includes a plan to achieve the performance metrics previously adopted by the Commission. Prior to a future grid plan filing, the Commission directed that workshops be commenced to address unresolved questions related to the proposed virtual power plant and community solar plus storage proposals, development of a utility specific outage calculator, and discussions related to other statewide issues, including co-location and non-wires alternatives. The Commission’s Order also approved a MYRP that complies with Section 16-108.18 of the Act and establishes annual rates for the four years of the plan.

**22-0487
23-0082
24-0238
(Consol.)** **Illinois Commerce Commission
On Its Own Motion
-vs-
Ameren Illinois Company d/b/a Ameren Illinois**

Order Requiring Ameren Illinois Company to file an Initial Multiyear Integrated Grid Plan and Initiating Proceeding to Determine Whether the Plan is Reasonable and Complies with the Public Utilities Act.

Petition for Approval of a Multiyear Rate Plan pursuant to 220 ILCS 5/16-108.18.

Petition to Adjust Rates Pursuant to the Direction in the Final Order in Dockets 22-0487/23-0082.

Pursuant to the Commission’s decision on December 14, 2023, Ameren Illinois Company d/b/a Ameren Illinois (“Ameren”) submitted a Refiled Grid Plan for the Commission’s consideration. On December 19, 2024, the Commission approved the Refiled Grid Plan as well as the Company’s adjusted MYRP, both with modifications. The Commission approved a Cost-Effectiveness Framework and Affordability Analysis, which are required for investments included in the MYIGP pursuant to Public Act 102-0662, and provided guidance for refinement of the analyses in future grid plans. Furthermore, the Refiled Grid Plan includes a plan to achieve the performance metrics previously adopted by the Commission. Prior to a future grid plan filing, the Commission directed that workshops be commenced to address unresolved questions related to proposals regarding data access and proactive hosting capacity, development of a utility specific outage calculator, and discussions related to other statewide issues, including non-wires alternatives. The Commission’s Order also approved a MYRP that complies with Section 16-108.18 of the Act and establishes annual rates for the four years of the plan.

22-0749 **Illinois Commerce Commission On Its Own Motion**

Initiation of an Investigation to develop and adopt a Renewable Energy Access Plan pursuant to Section 8-512 of the Public Utilities Act.

On May 30, 2024, the Commission approved the first Renewable Energy Access Plan (“REAP”). The REAP was initiated by Public Act (“P.A.”) 102-0662 in furtherance of the State of Illinois’ policy “to promote cost-effective transmission system development that ensures reliability of the electric transmission system, lowers carbon emissions, minimizes long-term costs for consumers, and supports the electric policy goals of this State.” 220-ILCS 5/8-512(b). The REAP makes findings and policy recommendations for five Strategic Elements.

Strategic Element 1 advocates for enhanced reporting to capture State progress against its decarbonization goals and directs staff to submit an annual report regarding the State’s progress starting in 2025. It also establishes a Working Group to identify topics to be considered by the next REAP, the type and nature of actions to be

proposed, and establish metrics to measure the REAP’s progress. Strategic Element 2 examines the incentives and enforcement mechanisms that may be needed to support competitive investment in a reliable mix of resources through the State’s transition to 100% clean energy. It requires staff to conduct a study to understand the economy-wide strategies and pace of electrification required to meet 100% economy-wide decarbonization and refine the outlook for renewable and clean energy supply needs that must be achieved. Staff and the utilities are also required to meet annually to discuss what solutions are being evaluated to address plant closures and changing system conditions. Strategic Element 3 identifies opportunities to equitably manage land use in renewable development and coordination with transmission development. It adopts the REAP Zone concepts along with the Candidate Zones Levels 1 and 2. Strategic Element 4 discusses strategies for maximizing the use of existing transmission infrastructure and proactive planning efforts around future needs to provide the necessary transmission cost-effectively and with reduced barriers to renewable development. It encourages continued engagement between the Commission and Renewable Transmission Organizations as well as with ComEd and Ameren Illinois. It also directs staff to report to the Commission on the success and obstacles to incorporating grid enhancing technologies. Strategic Element 5 identifies opportunities for leveraging regional electricity markets and trade to access the most efficient resources, avoid emissions leakage, and maintain reliability.

23-0299 Ameren Transmission Company of Illinois

Petition for a Certificate of Public Convenience and Necessity, pursuant to Section 8-406 of the Illinois Public Utilities Act, Orders pursuant to Section 8-503 of the Public Utilities Act, and related relief to Construct, Operate and Maintain a High Voltage Electric Service Line and Related Facilities in Clinton and Madison County, Illinois.

On November 7, 2024, the Commission entered an Order granting Ameren Transmission Company of Illinois (“ATXI”) a certificate of public convenience and necessity to construct, operate, and maintain a new, approximately 16.6-mile, 138-kilovolt transmission line. The new transmission line will connect the existing Aviston Substation with the new Sursee Substation to be constructed near Highland, Illinois, as part of the project. The project also involves certain modifications to add a terminal position at the existing Aviston Substation required to integrate the new transmission line.

The Order found that based on the record, ATXI demonstrated that the project is necessary to provide adequate, reliable, and efficient service to ATXI’s customers and is the least-cost means of satisfying the service needs of ATXI’s customers. The Order also concluded that ATXI is capable of efficiently managing, supervising, and financing the project.

23-0610 Chemical Industry Council of Illinois, Loyola Academy, Rocknel Fastener, Inc., J&M Plating Inc., Ferrite International Company, Ironwood Industries, Inc., Ford Tool & Machining, LLC, Sanchem, Inc., and Sunshine Enterprise, LLC.

-vs-

Commonwealth Edison Company

Complaint under 220 ILCS 5/9-250, 5/9-252, and 5/10-108.

On June 20, 2024, the Commission entered an Order dismissing the Complaint, which alleged ComEd had overcharged Complainants for Carbon Free Resource Adjustment charges by a total amount estimated to exceed \$100.5 million. The Commission found that Complainants failed to state a claim for which relief could be granted. In addition, the Commission found that the claim is barred by the filed rate doctrine.

23-0714 Illinois Power Agency

Petition for Approval of the IPA’s 2024 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”) 2024 Long-Term Renewable Resources Procurement Plan, with modifications, on February 20, 2024, 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.

23-0773 Commonwealth Edison Company

Proposed new Rider Interval Meter Usage Data. (tariffs filed October 27, 2023)

On June 20, 2024, the Commission entered an Order approving the use of ComEd’s new tariff to provide interval meter usage data to eligible Alternative Retail Electric Suppliers (“ARES”). Pursuant to amendments to Section 16-122(b) of the Public Utilities Act, 220 ILCS 5/16-122(b), made by P.A. 103-237, starting June 1, 2025, ComEd, through a tariff, must provide eligible ARES certain interval meter usage data of residential and small commercial customers that take the ARES’ electric power and energy service and have authorized the provision of such data. Such data is measured by advanced metering infrastructure or “smart meters.” More specifically, ComEd must provide interval meter usage data with 60- or 30-minute usage information through electronic data interchange or a “secure interface.” ComEd must also provide verified data after each monthly billing period.

23-0831 Ameren Transmission Company of Illinois**Petition for a Certificate of Public Convenience and Necessity, pursuant to Section 8-406 of the Illinois Public Utilities Act, Orders pursuant to Section 8-503 of the Public Utilities Act, and related relief to Construct, Operate, and Maintain a High Voltage Electric Service Line and Related Facilities in Madison County, Illinois.**

On September 26, 2024, the Commission entered an Order granting Ameren Transmission Company of Illinois (“ATXI”) a certificate of public convenience and necessity to construct, operate, and maintain an existing, approximately 11.2-mile, 138-kilovolt transmission line and related facilities to connect the existing Jarvis Substation with new Sursee Substation to be constructed as part of the project approved in Docket No. 23-0299. ATXI sought a certificate of public convenience and necessity related to the existing transmission line after entering into an asset purchase agreement with the City of Highland, Illinois, to purchase the line.

The Order found that based on the record, ATXI demonstrated that the project is necessary to provide adequate, reliable, and efficient service to ATXI’s customers and is the least-cost means of satisfying the service needs of ATXI’s customers. The Order also concluded that ATXI is capable of efficiently managing, supervising, and financing the project.

24-0180 Ameren Illinois Company d/b/a Ameren Illinois**Verified Petition for Approval of Arrearage Reduction Program.**

On October 10, 2024, the Commission entered an Order approving Ameren Illinois’ proposed Arrearage Reduction Program (“ARP”) includes \$2 million to be added to the 2024 and 2025 Multiyear Rate Plan years to provide for additional arrearage reduction and customer assistance programs. The ARP funding will provide customers who are experiencing sudden income insecurity issues assistance with paying their bills and to help customers who may be experiencing financial hardship but may not yet qualify for low-income assistance programs.

24-0279 Commonwealth Edison Company**Annual Update to DG Rebate Revenue Requirement and Determination of DG Adjustments Pursuant to Section 16-107.6(h) of the Public Utilities Act.**

Pursuant to Rider DG Rebate Adjustment, on or before May 1 of each year, ComEd is required to file with the Commission a DG Rebate Formula Rate Update to update the cost data and perform a reconciliation that “trues-up” the forecasted costs from the prior year with actual cost data. On December 5, 2024, the Commission approved

ComEd's reconciliation of actual costs as to 2023 and Net DG Rebate Revenue Requirement and updated DG Rebate Adjustments applicable to customer bills for the 2025 Application Year under Rider DG Rebate Adjustment and pursuant to Section 16-107.6 of the Public Utilities Act. The Commission also approved the Net DG Rebate Revenue Requirement for the 2025 Application Year of \$24,475,000.

24-0288 Ameren Illinois Company d/b/a Ameren Illinois

Rate MAP-R Modernization Action Plan – Reconciliation.

On December 5, 2024, the Commission approved Ameren Illinois' Delivery Reconciliation Adjustment Factor ("DRAF") to be recovered beginning with the first billing group of the January 2025 billing period after the DRAF percentage is filed and shall remain in effect through the last billing group of the December 2025 billing period pursuant to the Public Utilities Act and Rider MAP-R.

24-0304 Commonwealth Edison Company

Annual Revenue Requirement Reconciliation under Rider DSPR – Delivery Service Pricing Reconciliation.

On October 31, 2024, the Commission entered an Order which authorized ComEd to place into effect tariff sheets to implement a Delivery Reconciliation Adjustment of \$622,544,000. The Order rejected ComEd's proposed common equity ratio of 50.07% in favor of a common equity ratio of 50.00%. Updated charges are applicable to delivery services provided by ComEd beginning in January 2025.

24-0396 Commonwealth Edison Company

Annual Energy Efficiency Formula Rate Update and Revenue Requirement Reconciliation pursuant to Section 8-103B of the Public Utilities Act.

On December 5, 2024, the Commission entered an Order finding that ComEd's rate base for the 2023 Reconciliation Year Revenue Requirement is \$1,246,770,000 and \$1,563,253,000 for the 2025 Application Year Energy Efficiency Revenue Requirement. The Order approved the 2025 Net EE Revenue Requirement of \$431,616,000.

24-0397 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 November 21, 2024, the Commission entered an Order approving Ameren Illinois' updated cost inputs for the 2023 Rider EE – Energy Efficiency and Demand Response Investment reconciliation and the 2025 energy efficiency formula rate update. Ameren Illinois' revenue requirement will be \$125,859,000 for this program and the approved changes to Rider EE will go into effect with the January 2025 billing period.

24-0727 Illinois Power Agency

Petition for Approval of the Illinois Power Agency's 2024 Electricity Procurement Plan Pursuant to Section 16-111.5(d)(4) of the Public Utilities Act.

On December 19, 2024, the Commission entered an Order approving the Illinois Power Agency's 2025 Power Procurement Plan, with modifications. The Commission found the 2025 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 approved 2025 Plan's energy hedging strategy is consistent with the strategies previously used in prior years.

Gas

17-0137 The Peoples Gas Light and Coke Company

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

On August 14, 2024, the Commission entered an Order on Peoples Gas' reconciliation of its 2016 costs associated with Qualifying Infrastructure Investment. The Commission determined \$7.82 million was spent on avoidable program Construction and Management costs due to the Company closing long-standing and material Program and Construction Management gaps in 2016. The Commission also disallowed expenses associated with several project-specific change orders, expenses associated with project bids, and some meter cost increases because the Company did not demonstrate that those costs were prudent and reasonable consistent with the Public Utilities Act.

23-0068/
23-0069

**North Shore Gas Company
The Peoples Gas Light and Coke Company**

Proposed general increase in rates and revisions to service classifications, riders and terms and conditions of service. (tariff filed January 6, 2023)

On November 16, 2023, the Commission entered a Final Order authorizing a rate increase for North Shore Gas Company (“North Shore”) and The Peoples Gas Light and Coke Company (“Peoples Gas”). On January 3, 2024, the Commission granted rehearing for both North Shore and Peoples Gas. The Commission granted rehearing on North Shore’s implementation timeline for the billing system changes the Commission required to accommodate monthly billing of customer charges. The Commission also granted rehearing for Peoples Gas and required it to provide information regarding its System Modernization Project (“SMP”) work-in-progress that was started in 2023 and remained uncompleted as of the Commission’s Final Order and emergency work. Peoples Gas argued that the Commission should also include System Improvement (“SI”), and Public Improvement (“PI”) work that it had started in 2023 as emergency work. North Shore resolved its billing implementation system changes and withdrew this as an issue for rehearing. On February 20, 2024, the Commission granted North Shore’s Unopposed Motion and issued an Interim Order on Rehearing.

On May 30, 2024, the Commission entered an Order on Rehearing which denied Peoples Gas’ request to include the SI and PI work as emergency work and found that this work should be considered part of the Commission’s SMP investigation. The Commission authorized an additional \$28.5 million for Peoples Gas to address true emergency work conditions. The Commission rejected Peoples Gas’ proposed revenue requirement increase on rehearing of \$7.9 million and adopted a lesser revenue requirement increase on rehearing of \$1.6 million. The Commission found that this will provide Peoples Gas with the opportunity to recover its prudent and reasonable costs of service for projects within the scope of rehearing and allow the Company to continue to provide safe and reliable natural gas service.

23-0774

Consumers Gas Company

Proposed Increase in Gas Service Rates. (tariffs filed November 6, 2023).

On September 12, 2024, the Commission entered an Order approving Consumers Gas Company’s proposed increase in gas service rates as agreed by the parties. The Commission found that the requested revenue increase of \$695,777 is fair and reasonable for Consumers Gas Company based on the evidence in the record.

24-0043 Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities d/b/a Liberty-Midstates Gas

Proposed general increase in natural gas rates. (tariffs filed on December 20, 2023)

On October 31, 2024, the Commission entered an Order which authorized Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities d/b/a Liberty-Midstates Gas (“Liberty”) to place into effect tariff sheets designed to produce annual base rate revenues of \$17,297,269 in addition to \$98,415 of other revenues, which represents a total base rate increase of \$3,174,077 or 22.32 in base rate revenues. The Order rejected Liberty’s request to include approximately \$1.4 million in rate base for four compressed natural gas fueling stations. In addition, the Order declined to adopt Liberty’s proposed capital structure of 54.00% common equity and 46.00% debt. The Order adopted a capital structure of 54.70 debt and 45.30% common equity.

Water & Sewer

24-0044 Aqua Illinois, Inc.

Proposed Rate Increase for Water and Sewer Service. (tariffs filed January 2, 2024)

On November 21, 2024, the Commission entered an Order approving a rate increase of \$11.6 million for Aqua Illinois, Inc. (“Aqua”). This represents a 43% reduction from Aqua’s original request of \$19.2 million. The Commission disallowed 64.3% of Aqua’s post-acquisition investments for its Village of Peotone Water System and 40.9% of post-acquisition investments for its Oak Brook Water System. The Commission also required additional reporting requirements for any future acquisition investments made by Aqua. The Commission rejected Aqua’s request for a return on equity of 10.8% and instead found a return on equity of 9.60% as just and reasonable and supported by the evidentiary record. The Commission approved a common equity ratio of 51%. Additionally, the Commission adopted Aqua’s low-income discount rate proposal, which will be available to Aqua’s residential customers with incomes at or below 150 percent of the Federal Poverty Level.

24-0097 Illinois American Water Company

Proposed Rate Increase for Water and Sewer Service. (tariffs filed January 25, 2024)

On December 5, 2024, the Commission entered an Order approving a rate increase of 27.82% for Illinois American Water Company’s (“ILAWC”). The Commission rejected ILAWC’s two step proposal for its equity ratio of 52.42% for step one and 54.46% for

step two and approved a common equity ratio of 49.00%. The Commission rejected the Company's request for a return on equity of 10.75% and instead found a return on equity of 9.84% as just and reasonable and supported by the evidentiary record. The Commission required additional reporting requirements for any new acquisition investments made by ILAWC. The Commission rejected a Rider VBA Modification and a new proposed Rider ATCR. The Commission further expanded the low-income discount rate for eligible customers whose incomes are up to 300 percent of the Federal Poverty Level.

Telecommunications

23-0305 DISH Wireless L.L.C. d/b/a Gen Mobile

Application for Designation as an Eligible Telecommunications Carrier in the State of Illinois for the Limited Purpose of Providing Lifeline Service to Qualifying Customers

On July 24, 2024, the Commission entered an Order pursuant to Section 214(e)(2) of the Telecommunications Act of 1996, Sections 54.101 through 54.207 of the Federal Communications Commission rules at 47 C.F.R. § 54, and the rules and regulations of the Commission authorizing DISH Wireless L.L.C. as an Eligible Telecommunications Carrier ("ETC") for the limited purpose of providing Lifeline services under the brand name "Gen Mobile" to qualifying Illinois consumers outlined in the designated service area. The Order found that, subject to certain commitments as detailed by the staff of the Commission, DISH Wireless L.L.C. has sufficiently demonstrated that it satisfies the federal and state requirements for designation as an ETC for the limited purpose of receiving federal universal service Lifeline support. The Order also granted DISH Wireless' request for waiver filed pursuant to Section 13-513 of the Public Utilities Act. The Commission found that the designation of DISH Wireless L.L.C. as an ETC is consistent with the public interest, convenience, and necessity to serve low-income consumers.

23-0666 Sage Telcom Communications, LLC d/b/a TruConnect**Petition to Expand Its Eligible Telecommunications Carrier Service Area**

On October 17, 2024, the Commission entered an Order pursuant to Section 214(e)(2) of the Telecommunications Act of 1996, granting Sage's Petition for to expand its designed service area for providing Lifeline service under its designation as an Eligible Telecommunications Carrier ("ETC"). Sage was designated as an ETC in Docket No. 18-1055. On October 18, 2023, Sage filed a Request for Waiver of the requirement of 83 Ill. Adm. Code 736.555. The Order grants Sage's petition to expand its designated service area for providing Lifeline service. The Order also grants Sage's Request for Waiver.

23-0694 Cable One VoIP LLC d/b/a Sparklight IL**Application for Designation as an Eligible Telecommunications Carrier to Receive Rural Digital Opportunity Fund (Auction 904) Support**

On July 2, 2024, the Commission entered an Order pursuant to Section 214(e)(1)(A) of the Telecommunications Act of 1996 authorizing Cable One VoIP LLC as an eligible telecommunications carrier eligible ("ETC") under the provisions of Section 54.201 (d) to receive federal universal service support. Cable One VoIP LLC received an ETC designation to receive Rural Digital Opportunity Fund ("RDOF") support from the federal Universal Service Fund to provide voice and broadband internet access services in certain underserved census blocks in Illinois. The staff of the Commission worked with Cable One VoIP LLC and determined it complied with all of the requirements to receive an ETC designation. The Commission found that the designation of Cable One VoIP LLC as an ETC is consistent with the public interest, convenience, and necessity to serve low-income consumers.

Miscellaneous

Appendix B | Acronyms

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

LTRRPP – Long-Term Renewable Resources Procurement Plan
MCPU – Mt. Carmel Public Utility Company
MEC – MidAmerican Energy Company
MISO – Midcontinent Independent System Operator (a regional RTO)
MOPR – Minimum Offer Price Rule
MWH – Megawatt Hour
MWRD – Metropolitan Water Reclamation District
MWs – Megawatts
NARUC – National Association of Regulatory Utility Commissioners
NM – Net Metering (Rider NM)
NOI – Notice of Inquiry
OBF – On-bill financing
ORMD – Office of Retail Marketing Development
P.A. – Public Act
PIPP – Percentage of Income Payment Plan
PJM – PJM Interconnection (a regional RTO)
PTC – Price to Compare
PUA – Public Utilities Act
PV – Photovoltaic
QIP – Qualifying Infrastructure Plant
RECs – Renewable Energy Credits
RES – Retail Electric Supplier (also referred to ARES - Alternative Retail Electric Supplier)
RFP – Request for Proposals
ROE – Return on Equity
RPS – Renewable Portfolio Standards
RTO – Regional Transmission Organizations
SAIFI – System Average Interruption Frequency Index
SMP – System Modernization Program
UDS – Uniform Disclosure Statement
ZEC – Zero Emission Credits
ZES – Zero Emission Standard