

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
-vs-	:	
The Peoples Gas Light and Coke Company	:	
Integrys Energy Group, Inc.,	:	
and Wisconsin Energy Corporation	:	
	:	15-0608
Investigation concerning possible violation	:	
of Section 5-202.1 of the Public Utilities Act	:	
and dismissal of Petition in 15-0593	:	

INITIATING ORDER

On May 20, 2015, representatives of The Peoples Gas Light and Coke Company (“Peoples Gas”) and Integrys Energy Group, Inc. (“Integrys”) appeared before the Illinois Commerce Commission (“Commission”) at an Open Meeting. The representatives of Peoples Gas and Integrys provided information and responded to questions from the Commission concerning, among other things, the cost of Peoples Gas’ Accelerated Main Replacement Program (“AMRP”). On July 27, 2015, subsequent to the merger between Peoples Gas, Integrys and Wisconsin Energy Corporation (subsequently renamed WEC Energy Group, Inc.) (“WEC”), the president of Peoples Gas, Charles R. Matthews, delivered to the Commission a letter which addressed the cost of Peoples Gas’ AMRP.

Based upon information contained in the July 27, 2015 letter from Mr. Matthews and information contained in the Liberty Consulting Group First Quarterly Report for Phase Two audit of Peoples Gas’ AMRP, Staff prepared a Staff Report recommending that the Commission initiate a proceeding pursuant to Sections 5-202.1 and 10-101 of the Public Utilities Act to determine whether Peoples Gas, Integrys or WEC knowingly misled or withheld material information from the Commission at its May 20, 2015 Open Meeting.

The Commission, being fully advised in the premises, is of the opinion and finds that:

- (1) The Peoples Gas Light and Coke Company is an Illinois corporation engaged in the distribution of natural gas to the public in Illinois, and is a “public utility” as is defined in Section 3-105 of the Public Utilities Act;
- (2) Integrys and WEC are corporations as defined under Section 3-113 of the Public Utilities Act;

- (3) the Commission has jurisdiction over the Peoples Gas Light and Coke Company, Integrys and WEC and the subject matter of this proceeding, pursuant to Section 5-202.1 of the Public Utilities Act;
- (4) the Staff Report dated November 16, 2015 should be made part of the record in this proceeding;
- (5) the recitals of fact set forth in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;
- (6) the Commission should initiate a proceeding pursuant to Section 5-202.1 and 10-101 of the Public Utilities Act to determine whether Peoples Gas, Integrys or WEC knowingly misled or withheld material information from the Commission at its May 20, 2015 Open Meeting;
- (7) the Peoples Gas Light and Coke Company, Integrys and WEC shall provide, within fourteen days of the entry of an order initiating an investigation, the following information:
 - The date upon which any Peoples Gas or Integrys employee, agent or representative became aware of any estimate indicating that the estimated cost of AMRP would exceed \$8 billion;
 - The identity of each and every Peoples Gas or Integrys employee, agent or representative who had knowledge prior to May 20, 2015 of any estimate indicating that the estimated cost of AMRP would exceed \$8 billion;
 - The date upon which WEC management was provided with any estimate indicating that the estimated cost of AMRP would exceed \$8 billion;
 - The identity of each and every person who provided WEC's management with such an estimate; and
 - Any and all correspondence, documents and records associated with such an estimate.
- (8) Peoples Gas, Integrys and WEC shall proceed first with a pleading and submit direct testimony, in a manner and time to be determined by the Administrative Law Judge assigned to the docket, and all parties shall file subsequent pleadings in a manner set forth by the Administrative Law Judge thereafter;

IT IS THEREFORE ORDERED that, pursuant to Section 5-202.1 and 10-101 of the Public Utilities Act a proceeding of a specified scope and duration be initiated to determine whether Peoples Gas, Integrys or WEC or any employee, agent or

representative thereof knowingly misled or withheld material information from the Commission at its May 20, 2015 Open Meeting.

IT IS FURTHER ORDERED that the Peoples Gas Light and Coke Company, Integrys and WEC be made respondents to this proceeding;

IT IS FURTHER ORDERED that the Peoples Gas Light and Coke Company, Integrys and WEC shall submit in this docket within fourteen days of the entry of an order initiating an investigation, the following information:

1. The date upon which any Peoples Gas or Integrys employee, agent or representative became aware of any estimate indicating that the estimated cost of AMRP would exceed \$8 billion;
2. The identity of each and every Peoples Gas or Integrys employee, agent or representative who had knowledge prior to May 20, 2015 of any estimate indicating that the estimated cost of AMRP would exceed \$8 billion;
3. The date upon which WEC's management was provided with any estimate indicating that the estimated cost of AMRP would exceed \$8 billion;
4. The identity of each and every person who provided WEC's management with such an estimate; and
5. Any and all correspondence, documents and records associated with such an estimate.

IT IS FURTHER ORDERED THAT Peoples Gas, Integrys and WEC shall proceed first with a pleading and submit in this docket direct testimony, in a manner and at a time determined by the Administrative Law Judge assigned to the docket, setting forth its legal and factual position(s) responding to the Staff Report, and all parties shall file subsequent pleadings in a manner set forth by the Administrative Law Judge thereafter.

IT IS FURTHER ORDERED that the Administrative Law Judge assigned shall submit a Proposed Order to the Commission within 180 days of entry of an order initiating an investigation.

IT IS FURTHER ORDERED that the Chief Clerk shall serve a copy of this Order on the designated agent of the Respondents, Peoples Gas Light and Coke Company, Integrys and WEC.

IT IS FURTHER ORDERED that the Staff Report dated November 16, 2015 be made a part of the record in this proceeding.

IT IS FURTHER ORDERED that the Verified Petition of the People of the State of Illinois and the Citizens Utility Board to Request Investigation of Possible Violations of Section 5-202.1 of the Public Utilities Act by The Peoples Gas Light and Coke Company,

Integrus Holdings Inc., and WEC Energy Group, Inc. and for Other Relief filed in Docket 15-0593 be dismissed.

IT IS FURTHER ORDERED that the failure of the Respondents to appear as ordered may result in civil penalties being imposed pursuant to Section 5-202 of the Public Utilities Act.

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

By order of the Commission this 18th day of November, 2015.

(SIGNED) BRIEN SHEAHAN

Chairman