

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Ill.C.C. Docket No. 04-0779  
Oral Data Requests Pursuant to Ill.C.C. Staff Field Audit  
Conducted January 25 – January 28, 2005**

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**Oral Request 12:** Explain if F-4 project 9 is out of tolerance and provide a document from an authorized party that individual capital project budgets do not include overhead costs.

**Response:** It is the company's practice to budget for the direct costs of individual capital projects. This practice is addressed in the Direct Testimony of Christine L. Suppes, page 17, lines 364-366.

Project 9, Daily Metering of Transportation Customers Rate 74, was budgeted at \$6.659 million per WP (F-4) 7 2/16. The attached Exhibit 1 presents actual direct costs for this project of \$6.528 million, which resulted in this project being under budget by \$0.131 million. Exhibit 1 also reflects associated overhead costs of \$0.389 million, which are a component of total budgeted capital overheads.

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Project 8806 - Daily Metering of Transportation Customers  
Total Additions to Plant In Service**

Work Order	Description	Direct Costs thru 3/2004	Overhead Costs thru 3/2004	Total Costs thru 3/2004	Date Unitized	ICC Plant Account	Status	CPR Authorized	CWIP as of 12/31/98	CWIP as of 12/31/97
<b>Project 8806 Daily Metering of Transportation Customers:</b>										
172037	Northern	34,219.99	2,039.51	36,259.50	8/98	39120	Closed		0.00	0.00
172038	Central	91,249.71	5,438.48	96,688.19	8/98	39120	Closed		0.00	0.00
172039	W. Central	68,520.33	4,083.81	72,604.14	8/98	39120	Closed		0.00	0.00
172040	Eastern (1)		0.00	0.00					0.00	0.00
172041	Northwest	79,766.59	4,754.09	84,520.68	8/98	39120	Closed		0.00	0.00
172042	Southern-All	41,134.38	2,451.61	43,585.99	8/98	39120	Closed		0.00	0.00
172043	Western	21,410.11	1,276.04	22,686.15	8/98	39120	Closed		0.00	0.00
172044	Meter Shop	5,063,880.55	301,807.28	5,365,687.83	8/98	39120	Closed		0.00	0.00
	Contractor labor, parts and material -installation of residential meter reading devices(RMD) and commercial meter reading devices, rotary and diaphragm									
172045		699,174.28	41,670.79	740,845.07	10/98	39120	Closed	\$6,659,000.00	0.00	0.00
	Contractor labor, parts and material -installation of corrector integrating devices and units									
172046		110,148.52	6,564.85	116,713.37	10/98	39120	Closed		0.00	0.00
172047	Labor and transportation costs to install TC heads-northern	14,439.08	860.57	15,299.65	10/98	39120	Closed		0.00	0.00
172048	Labor and transportation costs to install TC heads-central	19,117.46	1,139.40	20,256.86	10/98	39120	Closed		0.00	0.00
172049	Labor and transportation costs to install TC heads-metro	20,514.20	1,222.65	21,736.85	10/98	39120	Closed		0.00	0.00
172050	Labor and transportation costs to install TC heads-Southern	6,149.85	366.53	6,516.38	10/98	39120	Closed		0.00	0.00
172051	General Meter shop and purchase of TC heads	258,280.82	15,393.54	273,674.36	10/98	39120	Closed		0.00	0.00
		<b>6,528,005.87</b>	<b>389,069.15</b>	<b>6,917,075.02</b>					<b>0.00</b>	<b>0.00</b>

Overhead Rate per Plant Ledger as of 12/31/98 for account 39120

5.96%

(1) There was no work order 172040 in the work order control books and presumably this work order may not have been used per Jim Chudzick, plant accounting.

Description of Addition: Daily metering of Transportation Customers.

Date Project Started: 1994 (from first PBAR- Phase 1) 1997 (from second PBAR - Phase 2)

Completion Date: 1995, 1996 and 1997

Completion Cost: **\$6,917,075.02** (excludes work order 172040 which was not available - Jim checked pre-lawson and archived Lawson and work order does not exist and is not on control books - presumably not used)

Reason for the Project: Provide daily metering as an option to 11,800 variable backup transportation customers.

Alternatives Considered and Reasons for Rejecting Each: Exhibit F

List of Reports Relied Upon by Management when Deciding to Pursue the Addition: Exhibit F

Note: No AFUDC taken on project.

FA ORNL 12.00  
 Exhibit F  
 Page 1 of 1

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Response to:  
Illinois Commerce Commission  
Ill.C.C. Docket No. 04-0779  
TEE First Data Request**

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TEE 1-15 Q. Provide a detailed listing of the individual items that make up the \$155,138 of Other Membership Dues/Event Tickets shown on WP (C-2.1)1 page 2 of 3.

TEE 1-15 A. See attached Exhibit 1.

*Witness who can testify subject to appropriate, in scope cross-examination:*  
Gerald P. O'Connor and James M. Gorenz

**Northern Illinois Gas Company  
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Response to:  
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Center for Corp. Citizenship	\$ 3,500.00
Commercial Club of Chicago	30,000.00
Conference Board, The	6,000.00
Donors Forum	2,600.00
Executives' Club	3,000.00
IL Business Round Table	8,000.00
Midwest Energy	48,000.00
Public Affairs Council	1,000.00
Southern Gas Association	13,500.00
The Chicago Network	3,000.00
Points of Light	2,000.00
Chicago Wilderness Trust	2,500.00
Independent Sector	4,438.00
Chicagoland Chamber of Commerce	8,000.00
Council on Foundations	4,500.00
Membership event tickets, training & other	15,100.00
	<u>\$ 155,138.00</u>

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Response to:  
Illinois Commerce Commission  
Ill.C.C. Docket No. 04-0779  
LAP Eighth Data Request**

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LAP 8.01 Q. Referring to Exhibit 1 (page 1 of 1) in the Company's response to Staff Data Request TEE 1-15, provide explanations as to the nature and purpose for each organization provided on the detailed listing of individual items that make up the \$155,138 of Other Membership Dues/Event Tickets shown on WP (C-2.1) 1 page 2 of 3.

LAP 8.01 A. Please see attached Exhibit 1.

*Witness(es) who can testify subject to appropriate, in scope cross-examination:*  
Gerald P. O'Connor and James M. Gorenz

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LAP Eighth Data Request**

**Organization**

**Nature and Purpose of Organization**

Center for Corp. Citizenship

The Center engaged with companies to redefine business success as creating measurable gains for business and society. The Center achieves results through the power of research to help companies improve in corporate citizenship.

Commercial Club of Chicago

The Commercial Club of Chicago promotes the social and economic vitality of the metropolitan area of Chicago by co-operative effort, social interaction, and a free interchange of views.

Conference Board, The

The Conference Board is a not-for-profit membership organization focused on increasing the effectiveness of businesses. It sponsors conferences, conducts research, makes forecasts, and publishes reports and other products.

Donors Forum

The Donors Forum of Chicago is the premier resource for networking and education, information and knowledge, and leadership on behalf of philanthropy in the region. As a nonprofit membership association of grantmakers, individual donors and advisor, the Donors Forum advances philanthropy by serving its members and by promoting an effective and informed nonprofit sector.

Executives' Club

The Executives Club of Chicago is a business forum for thought leadership, education and best business practices. The Club provides the Chicago business community with the information and resources needed to establish effective global partnerships; enhance intellectual exchange, develop future business leaders; and promote Chicago as a world class business center.

IL Business Round Table

The Illinois Business Roundtable (IBRT) is a voluntary association of 63 chief executive officers of Illinois' leading businesses, formed in 1989 to study, make recommendations and take action on critical public policy issues facing Illinois. IBRT is nonprofit and nonpartisan. The work is solely supported by dues and contributions from corporate members. IBRT applies the knowledge, creativity and leadership resources of its members to the complex problems affecting both current and future economic, education and social vitality of Illinois.

**Organization**

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**Nature and Purpose of Organization**

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Midwest Energy

MEA is a consortium of energy industry organizations that pursue operational excellence by providing training and information resources to enhance employee safety, productivity and positive customer relations.

Public Affairs Council

The Public Affairs Council is the leading association for public affairs professionals. Its mission is to advance the field of public affairs and to provide tools and resources that enable public affairs executives and managers to achieve their business and professional goals.

Southern Gas Association

The mission of the Southern Gas Association is to link people, ideas, and information in providing services and support activities that improve individual and corporate performance in the transmission, distribution and marketing of natural gas service to all customers serviced by member companies.

The Chicago Network

The mission of the Chicago Network is to create a forum for friendship and congenial interaction, to advance and celebrate successes, to provide mutual support and counsel regarding careers and interests and to raise awareness of broad professional and social issues facing women today.

Points of Light

The Foundation's mission is to engage more people more effectively in volunteer community service to help solve serious social problems.

Chicago Wilderness Trust

The consortium's mission is to restore the region's natural communities to long term viability, enrich local residents' quality of life and contribute to the preservation of global biodiversity.

Independent Sector

To advance the common good by leading, strengthening, and mobilizing the non profit sector.

Chicagoland Chamber of Commerce

Enhance members' success through aggressive programs of advocacy, member benefits and services, and actionable information. Make Chicagoland the most business-friendly region in America.

Council on Foundations

The Council on Foundations is a membership organization of more than 2,000 grantmaking foundations and giving programs worldwide. They provide leadership expertise, legal services and networking opportunities -among other services- to members and to the general public.