







1. On January 17, 2006, various members of the GCI issued press releases concerning a settlement reached with Peoples involving both the above eight cited Commission reconciliation dockets and certain other lawsuits brought against Peoples and its utility affiliates, The Peoples Gas Light & Coke Co. and North Shore Gas Co., by the Attorney General and the City of Chicago. On January 18, 2005, the settlement was used to justify deferring the potential issuance of a final order in Docket No. 01-0707.

2. Although a scheduling order concerning the settlement has been entered in Docket No. 01-0707, Staff is concerned that, given the shortened schedule upon which the Commission will be expected to approve (in some manner) this settlement by the other active parties, there is insufficient time to find out how this settlement relates to the evidence in Ill.C.C. Dockets 01-0706 and 01-0707 and, ultimately, to the reconciliation of gas revenues and costs for prudence in all eight dockets under Subsection 9-220(a) of the Public Utilities Act, 220 ILCS 5/ 9-220(a).

3. 83 Ill. Adm. Code 200.410 provides for a 28-day response to data requests. This amount of time is unworkable, since the Commission is expected to rule on this settlement by early February and Staff has been directed to respond to this settlement in Ill.C.C. Docket No. 01-0707 by January 27, 2006.

4. Staff's data requests will be aimed at the evidence and the issues in Ill.C.C. Dockets 01-0706 and 01-0707, since the record in both cases are closed, the numbers reported in the press releases do not obviously relate to the submitted evidence, and a number of issues are not mentioned at all. Although seeing the settlement will perhaps clarify some of these matters, additional questions may arise.

5. Staff's data requests will also be aimed at the relation of this settlement with the six other reconciliation dockets that the settlement apparently affects. Staff has conducted discovery in all six dockets and, while far from complete, Staff believes that significant refunds are owed to the customers of the utilities. Ultimately, Staff is concerned that this settlement cannot be used as a gas revenue and cost reconciliation for these still far from complete reconciliation years as required by the statute (220 ILCS 5/9-220(a)).

6. Staff also has concerns on how this settlement may affect future rate cases of The Peoples Gas Light & Coke Co. and North Shore Gas Co. The issue of recovery for uncollectibles/bad debts has been an issue in the rate cases of both of these companies. It is a matter which the Commission has always been concerned with, since the recovery of said uncollectibles, is borne by the other customers of the utility.

7. For all these reasons, Staff asks that a two-day return time be provided for the data requests it issues related to the settlement. Attached hereto are the first set of proposed data requests which Staff has developed from the information released publicly without seeing the settlement agreement itself. Staff anticipates that it may have additional data requests.

**WHEREFORE**, for all the reasons stated herein, Staff asks that the return time for data requests involving the above cited cases and the announced settlement be set at two days.

Respectfully submitted,

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the Illinois Commerce Commission*

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Dated: January 20, 2006

## **Staff Data Request**







**STAFF DATA REQUEST SA 1  
TO THE PEOPLES GAS LIGHT AND COKE COMPANY, NORTH SHORE GAS  
COMPANY, CITIZEN'S UTLITY BOARD, THE CITY OF CHICAGO AND  
THE ATTORNEY GENERAL'S OFFICE OF THE PEOPLE OF THE STATE OF  
ILLINOIS**

Staff Witnesses of the Illinois Commerce Commission ("Staff") hereby submits Staff Data Request SA 1 to The Peoples Gas Light and Coke Company, North Shore Gas Company (collectively referred to as "Company" or "Companies"), Citizen's Utility Board, the City of Chicago and The Attorney General's Office of the People of the State of Illinois (Collectively referred to as "GCI" – Government and Consumer Intervenors). Responses should be delivered on or before Monday, January 23, 2006 ("Response Due Date"), in accordance with the instructions set forth below.

**DEFINITIONS AND INSTRUCTIONS**

1. "Relate to" or "refer to" shall mean, in addition to their customary and usual meaning, to reflect on, to pertain to, support, evidence, constitute, or mention.
2. "And" as well as "or" are to be construed either disjunctively or conjunctively so as to bring within the scope of this request any matters that might be construed outside its scope.
3. The terms "document" or "documents" are intended to be comprehensive, including without limitation any kind of written or graphic material, whether typed, handwritten, printed, computer-generated, or matter of any kind from which information can be derived, however produced, reproduced or stored on paper, cards, machines, tapes, film, electronic facsimile, disks, computer tapes, printouts, computer programs or computer storage devices or any other medium, of any nature whatsoever, including all originals, copies and drafts.
4. When asked to "identify" a person, provide that person's name, job title and last known business address.
5. All documents requested herein are all those in the custody of, possession of, or control of each and every Company and GCI or its experts, consultants, agents, employees or representatives (including attorneys), or to which the Company or

GCI its experts, consultants, agents, employees or representatives (including attorneys) have access.

6. If any of the information requested in a data request cannot be furnished, please indicate what information is not being provided and the reason that it cannot be provided.
7. If any of the Companies or GCI asserts any privilege as to any documents responsive to this request, it shall identify the author(s) of the document, the addressee(s), the recipients(s) of copies, the date of the document, the nature of the document (e.g., letter, memorandum, handwritten notes), the length of the document, the document's current location, and the specific reason(s) why the Company or GCI making such a claim contends that the document is privileged or otherwise protected from discovery.
8. The response to each data request question should begin on a new page. As part of each response, please identify the data request question to which the response is made by typing it at the top of the page. In addition, each response should identify the name, job title and telephone number of the person or persons responsible for providing the information requested for each data request question. If any person so identified is not a witness in this proceeding, the response shall also identify the witness or witnesses who will be responsible for the answering of cross-examination questions pertaining to both the request and the response.
9. Documents provided as part of a response should be attached to the sheet containing the response. Each page of all documents provided in response to any data request question should be clearly marked with the data request question number, unless stapled together, in which case only the first page need be marked.
10. Please provide individual responses as they become available. If, in your responses to a data request, you make reference to written testimony or affidavits filed in this docket, please include page numbers and line numbers where the information sought by Staff in each question can be found.
11. Electronic responses rather than paper responses are preferred, except that an original paper verification as set forth in paragraph 12 below must always be provided. If data is provided in response to a particular request, such data should be provided in an electronic format that allows data manipulation (i.e., spreadsheet – preferably Microsoft Excel - or database – preferably Microsoft Access -- not .pdf). If a portion of a response needs to be provided in paper, please provide the entire response in paper and also provide electronically the portion that is able to be provided electronically. Responses shall be provided on or before the Response Due Date as follows:

Electronic responses shall be provided to the following persons:

Dianna Hathhorn  
Illinois Commerce Commission  
[dhatthor@icc.illinois.gov](mailto:dhatthor@icc.illinois.gov)

James E. Weging  
Illinois Commerce Commission  
[jweging@icc.illinois.gov](mailto:jweging@icc.illinois.gov)

Sean Brady  
[sbrady@icc.illinois.gov](mailto:sbrady@icc.illinois.gov)

If a paper response is required (i.e., where an electronic response cannot be provided), the paper response shall be provided to the following persons:

Dianna Hathhorn  
Finance and Accounting Division  
Illinois Commerce Commission  
527 E. Capitol Avenue  
Springfield, IL 62701

Sean Brady  
James E. Weging  
Office of General Counsel  
Illinois Commerce Commission  
160 North LaSalle, Ste. C-800  
Chicago, IL 60601

If a response to any of the data requests cannot be provided by the Response Due Date, please provide notification within ten (10) days of the date of these data requests identifying those items that cannot be responded to by the requested date, and provide an estimate as to when the responses to such items will be provided.

12. Each data request response shall be sworn to and verified by providing an attestation in the following form:



## DESCRIPTION OF DATA REQUESTED

These questions pertain to the settlement agreement (“Agreement”) that Peoples Energy Corporation, The City of Chicago, the Attorney General of the State of Illinois and the Citizen’s Utility Board announced on and signed on Tuesday, January 17, 2006.

- SA -- 1.1 Identify the settlement terms of the Agreement that relate to each of the following Docket Nos.: 01-0706, 01-0707, 02-0726, 02-0727, 03-0704, 03-0705, 04-0682 and 04-0683. Provide such information by docket.
- SA – 1.2 In their January 19th Form 8-K, Peoples Energy Corporation stated that it expects to record a \$92 million pre-tax charge, or approximately \$1.45 per share, in its fiscal first quarter ended December 31, 2005. The charge is expected to be allocated approximately \$75 million to The Peoples Gas Light and Coke Company and \$17 million to North Shore Gas Company.
- a. Explain how the \$92 million pre-tax charge was determined.
  - b. Explain how the allocation between Peoples Gas and North Shore were determined in the January 19th Form 8-K.
- SA – 1.3 A press release issued by the Illinois Attorney General’s Office indicates that \$52.3 million of debt will be forgiven, and outstanding debt of 12,000 customers that had been disconnected because of inability to pay the high prices will be erased.
- a. What are the components of the \$52.3 million figure, *i.e.*, is it one-year or multiple years of uncollectibles, does it include both Peoples Gas and North Shore, are there other types of debt included other than uncollectibles?
  - b. Does the Agreement prohibit the recovery of the \$52.3 million in any future rate case?
  - c. Why did the January 19<sup>th</sup> Form 8-K not acknowledge the \$52.3 million of debt?
- SA – 1.4 A press release issued by the Illinois Attorney General’s Office indicates that Peoples Energy will turn on gas service for those households whose debt is to be erased.
- a. Does the Agreement prohibit the recovery of the reconnection costs in any future rate case?
  - b. Why did the January 19<sup>th</sup> Form 8-K not acknowledge the costs of having to reconnect customers whose debt is to be erased?
- SA – 1.5 Does the Agreement require hub revenues be recovered through the Gas Charge, pursuant to 83 Ill. Admin. Code Part 525.40(d)?
- SA – 1.6 The press release issued by the Illinois Attorney General’s Office indicates that Peoples Energy will refund to all current Peoples Gas and North Shore Gas customers \$100 million:

- a. Does the Agreement expect that the \$100 million refund will be run through the PGA clauses?
- b. How does the \$100 million refund relate to the adjustments proposed in the proposed order in Docket No. 01-0707?
- c. Is the \$100 million refund based on the evidence supporting adjustments in Docket Nos. 01-0706 and 01-0707? If yes, explain how it is related?

SA – 1.7 Explain how each of the seventeen findings, in the Findings and Ordering paragraphs (pp. 134-36) of the ALJ proposed order in Docket No. 01-0707, would be affected by the settlement.

SA – 1.8 Provide a copy of the August 25, 2005 subpoena that is mentioned on pages 12 and 13 of Section VI.E of the *Settlement Agreement and Release* dated January 17, 2006.

SA – 1.9 What is the purpose and meaning of the acknowledgements in Section III.B of the *Settlement Agreement and Release* dated January 17, 2006?