

Rebuttal Testimony

of

Mike Luth

Rates Department

Financial Analysis Division

Illinois Commerce Commission

Proposed general increase in natural gas rates

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

Docket Nos. 07-0241 and 07-0242
Consolidated

August 21, 2007

Witness Identification

1 Q. Please state your name and business address.

2 A. Mike Luth, Illinois Commerce Commission, 527 East Capitol Avenue, Springfield,
3 Illinois 62701.

4 Q. Are you the same Mike Luth who filed direct testimony in this docket, which was
5 identified as ICC Staff Exhibit 7.0 with accompanying schedules?

6 A. Yes, I am.

Introduction to Testimony

7 Q. What is the subject matter of this rebuttal testimony?

8 A. I will reply to the comments in the rebuttal testimony of The Peoples Gas Light
9 and Coke Company (“Peoples Gas”) and North Shore Gas Company (“North
10 Shore”) (individually, the “Company” and collectively, the “Companies”) witnesses
11 Valerie H. Grace (North Shore/Peoples Gas Ex. VG-2.0) and Ronald J. Amen
12 (North Shore/Peoples Gas Ex. RJA-2.0). I will address rate design discussed by
13 Ms. Grace and cost of service discussed by Mr. Amen.

Cost of Service Study

14 Q. Please summarize Mr. Amen’s response to the differences in the cost of service
15 study you presented in direct testimony compared to the cost of service study
16 that Mr. Amen presented in his direct testimony.

17 A. Mr. Amen agreed with my classification of account no. 375 as an entirely
18 demand-related cost, and partially agreed with my conclusion that account nos.
19 303.1 and 303.2 should be not be functionalized as an entirely customer-related
20 cost, and disagreed with my classification of account no. 904, Uncollectible
21 Accounts as a blend of customer, demand, and commodity costs. Mr. Amen
22 prefers to view Uncollectible Accounts as entirely a customer cost. Mr. Amen
23 also disagrees with my recommended allocation of demand-based costs
24 according to a blend of average load and peak demand (“A&P”), preferring to
25 allocate demand-based costs solely upon coincident peak (“CP”).

Uncollectible Accounts

26 Q. Should account no. 904, Uncollectible Accounts, be considered entirely a
27 customer-related cost?

28 A. No, uncollectible accounts should not be considered an entirely customer-related
29 cost because uncollectible accounts do not result from billings for costs that are
30 entirely customer-related. As explained in my direct testimony, uncollectible
31 accounts result from bills that are not paid. Bills are issued to recover customer-
32 related costs through the customer charge, and demand and commodity-related
33 costs through distribution and demand charges. An unpaid bill does not change
34 the nature of the costs billed. An unpaid bill means that other customers must
35 pay more for the costs that are not recovered because the bill was unpaid. As a
36 result, the distribution and demand charge should recognize a reasonable
37 estimate of the amounts that will not be recovered from customers who do not

38 pay their bills. If uncollectible accounts are considered to be an entirely
39 customer-related cost, as suggested by Mr. Amen, then the amount of
40 uncollectible accounts will be recovered entirely through the customer charge
41 rather than spread among the customer charge, demand charge, and distribution
42 charge.

43 Q. Does North Shore/Peoples Gas witness Grace's agreement that transportation
44 customers should pay less than sales customers to recognize the impact that gas
45 costs have on uncollectible accounts support your position that uncollectible
46 accounts should be recovered through the demand and distribution charges, in
47 addition to the customer charge?

48 A. Yes, the recognition that an uncollectible sales account is more costly than an
49 uncollectible transportation account that was billed for the same number of
50 terms supports the recovery of uncollectible accounts in general through the
51 demand and distribution charges, as well as the customer charge. Gas costs for
52 sales customers are not billed through the customer charge, and neither Ms.
53 Grace nor I recommend a lower transportation customer charge to recognize the
54 effect of uncollectible gas costs from sales customers. Instead, transportation
55 customers would have a lower distribution charge compared to sales customers
56 because gas costs are billed through Rider 2, which is billed according to terms
57 used by sales customers. Consistent with the handling of uncollectible gas
58 costs, part of the distribution charge applicable to both sales and transportation
59 customers should be for uncollectible costs other than gas costs to recognize

60 that uncollectible accounts originate from unpaid distribution charges as well as
61 unpaid customer charges. The Commission should therefore conclude that
62 uncollectible accounts are part of all costs to provide service, not just customer
63 costs, making it appropriate to include a component for uncollectible accounts in
64 all charges applicable to customer service classifications affected by uncollectible
65 accounts.

66 Q. In recent years, have the Companies written off as uncollectible accounts from
67 customer service classifications than SC 1 and SC 2?

68 A. Yes, according to the Companies' response to Staff data request ML 3.01,
69 industrial accounts have been written off in recent years at both North Shore and
70 Peoples Gas. Unfortunately, I received the response to Staff data request ML
71 3.01, which was a re-issue of Staff data request ML 2.01, on the date of the filing
72 for this rebuttal testimony, so I have not been able to fully develop the effects of
73 changing the allocation of uncollectible accounts. My preliminary review
74 indicates that the percentage of uncollectible industrial accounts is approximately
75 1.62 percent of total Peoples Gas uncollectible accounts over the 2003 through
76 2006 calendar years, and 3.01 percent of North Shore uncollectible accounts
77 over the same period. The final cost of service study resulting from the Order in
78 this docket should include a 3.01 percent allocation of uncollectible accounts to
79 North Shore SC 3 and 1.62 percent to Peoples Gas SC 4.

Peoples Gas Account Nos. 303.1 and 303.2

80 Q. Did North Shore/Peoples Gas witness Amen change the classification of Peoples
81 Gas account nos. 303.1 and 303.2 in his rebuttal testimony compared to his
82 direct testimony?

83 A. Mr. Amen indicates that he changed the classification of Peoples Gas account
84 nos. 303.1 and 303.2, and provides a schedule to show how he would suggest
85 calculating how to classify those two accounts; but his supporting workpapers do
86 not include a revised complete version of his rebuttal cost of service study. It
87 appears that Mr. Amen changed account nos. 303.1 and 303.2 because the
88 summary of customer-related rate base on page 2 of RJA-2.3 is different from
89 the comparable page 2 of Section 285.5110 Schedule E-6 from the Peoples Gas
90 filing that initiated this docket. Mr. Amen agreed with the change in classification
91 of account no. 375 that I recommended in direct testimony which results in a
92 reduction in customer-related rate base. The amount of the reduction in
93 customer-related rate base is more than the change in the functionalization and
94 classification of Peoples Gas account no. 375 would cause, so it appears that Mr.
95 Amen has changed the classification of Peoples Gas account nos. 303.1 and
96 303.2 as well. Mr. Amen should detail the classification of Peoples Gas account
97 nos. 303.1 and 303.2 so that the effects of his re-classification of those accounts
98 on pages 5 through 13, as well as page 2, of Section 285.5110 Schedule E-6 can
99 be fully evaluated.

Average and Peak allocation of distribution system costs

100 Q. Is Mr. Amen correct in concluding that because the distribution system must be
101 sized to accommodate peak demand, the cost of distribution equipment and
102 attendant operating and maintenance expenses should be allocated solely on the
103 basis of coincident peak demand (“CP”)?

104 A. No, Mr. Amen is not correct in concluding that the costs of the distribution system
105 should be allocated solely according to CP. As discussed in my direct testimony
106 (ICC Staff Exhibit 7.0, pp. 12-16), CP allocates distribution system costs
107 according to the relative volume of natural gas delivered to each customer
108 service classification on the system’s peak day, and does not take into
109 consideration the relative volume of gas delivered to each customer service
110 classification throughout the year. Average load and Peak demand allocation
111 (“A&P”) takes into consideration both the volumes delivered to each customer
112 service classification throughout the year, which is the average load, as well as
113 the volumes delivered to each customer service classification on the peak day,
114 which is coincident peak. In arguing against an average and peak (“A&P”) allocation,
115 Mr. Amen ignores the fact that the most significant factor in A&P is in
116 fact peak demand because it represents approximately $\frac{3}{4}$ of the allocation. Mr.
117 Amen disagrees with A&P because A&P also takes into consideration average
118 load, with his position centered on the conclusion that if the distribution system
119 was sized to accommodate only average load the distribution system would not
120 be able to accommodate peak demand. The flaw in Mr. Amen’s conclusion is
121 that the cost of the distribution system is not entirely tied to the capacity of the
122 distribution system. As discussed in my direct testimony, there are costs

123 associated with putting a distribution system in place and operating the system,
124 regardless of capacity, that are not affected by a change in capacity. An A&P
125 allocation of distribution system costs recognizes that the distribution system is in
126 operation throughout the year and that customers benefit from its operation
127 throughout the year. A&P also recognizes that the cost of the distribution system
128 is influenced by, but not entirely dependent upon, the sizing of the distribution
129 system to provide adequate capacity at the time of system coincident peak.
130 Compared to A&P, CP does not appropriately recognize the benefit that high-use
131 customers receive from the distribution system being in place throughout the
132 year. The Commission should reject Peoples Gas' and North Shore's proposed
133 CP allocation of distribution system equipment and continue the A&P allocation
134 that was approved in the previous North Shore and Peoples Gas rate
135 proceedings. (Order, Docket No. 95-0031, pp. 33-36; and Order, Docket No. 95-
136 0032, pp. 41-42)

Overall Rate Design

137 Q. What is the basis of the differences in your rate design compared with Ms. Grace'
138 rate design?

139 A. The main differences in the rates that I recommend compared to Ms. Grace'
140 proposals are cost of service differences among the various customer service
141 classifications at Peoples Gas and North Shore. Rates should be designed to
142 recover the cost of service applicable to each customer service classification to
143 the extent possible, with significant rate increases tempered when necessary.

144 Rates will differ when there is a difference in cost of service among customer
145 service classifications given the same total revenue requirement, as there is in
146 the cost of service study that is the basis for the rates designed by Ms. Grace
147 compared to the cost of service study that is the basis for the rates I recommend.

148 Ms. Grace also comments on errors in rates that I recommended in direct
149 testimony. I agree that there were some errors in rates that were based upon the
150 revenue requirements proposed by Peoples Gas and North Shore in my direct
151 testimony. Staff recommends a different revenue requirement than the
152 Companies, which would affect rates because revenue requirement affects the
153 cost of service study that determines the amount that each customer service
154 classification should pay toward the recovery of revenue requirement. It is likely
155 that the Commission's Order will find that the appropriate revenue requirement is
156 different from the amount proposed by the Companies. While it is certainly best
157 for the purpose of comparison that illustrative rates contain no errors at each
158 stage of the proceeding, it is most important that the Commission's Order clarify
159 and resolve the approaches to cost of service and the general concepts and
160 objectives in the rate design process.

Designation of SC 1N and SC 1H Customers

161 Q. Have you revised your recommendation that the designation of SC 1N and SC
162 1H customers should be made on a monthly basis according to usage over the
163 previous 12 months?

164 A. Yes, I think my recommendation that the designation of SC 1N and SC 1H
165 customers should be made on a monthly basis according to usage over the
166 previous 12 months could be revised to make it more workable and simpler for
167 the Companies to administer, although I continue to believe that usage is the key
168 component in determining whether a residential customer should be billed under
169 SC 1N or SC 1H. The trade-off for the lower customer charge under SC 1N is a
170 lower distribution rate per therm under SC 1H. At the break-even usage point,
171 the lower distribution charges begin to overtake the SC 1N customer's savings
172 from a lower customer charge. A relatively high-use non-heating customer
173 should not pay more than a heating customer for the same usage. If anything,
174 the relatively high-use non-heating customer should pay less than the heating
175 customer for the same usage because load profile for the non-heating customer
176 should be expected to be more constant, thereby minimizing the need for extra
177 capacity costs for service during demand peaks.

178 From Ms. Grace' discussion, it appears that usage is a key factor for the
179 Companies in determining whether a customer is a non-heating or heating
180 customer. Another factor may be the customer's load profile, where usage
181 during the winter is considerably higher than in the summer months. SC 1N
182 should be an opt-in customer service classification for customers whose usage
183 over the 12 months before rates determined in this docket go into effect exceeds
184 the break-even level between SC 1N and SC 1H because the bills for those
185 customers under SC 1N would exceed the bills under SC 1H. It is possible,

186 however, that a non-heating customer may expect his or her usage to be
187 reduced in the future, however, so the option to be billed under SC 1N should be
188 available. I recommend that residential customers be given the choice to be
189 billed under SC 1N or SC 1H from the months of June through September.
190 Specifically, residential customers should be able to choose either SC 1N or SC
191 1H for the next 12 months on their bills due during the non-heating months of
192 June 15th through October 15th. The choice would remain in effect indefinitely for
193 a minimum of the next 12 billing cycles and until the customer changes his or her
194 billing status. Customers should be advised of the SC 1N/SC 1H choice in their
195 monthly bills due between June 15th and October 15th every year, advised of the
196 usage factors to consider in making an SC 1N or SC 1H choice, advised that the
197 customer must inform the Company of the customer's wish to change billing
198 status, and that the choice will remain in effect at least until the first bill due on
199 June 15th of the following year.

200 Q. Should customers have a choice between SC 1N and SC 1H billing before rates
201 go into effect through this docket?

202 A. Rates established through this docket will probably go into effect sometime in
203 February 2008, possibly sooner. Company-identified SC 1N customers should
204 be able to opt-out of SC 1N billing over the next 4 or 5 months until the first
205 annual choice period occurs with monthly bills due June 15th through October
206 15th, 2008 if the customer directs the Company to change billing status under the
207 conditions discussed previously. Notice of the opportunity for this choice should

208 be included in the notice that Ms. Grace discusses in her rebuttal testimony in
209 which Peoples Gas and North Shore will inform customers of the difference in
210 rates between SC 1N and SC 1H and changes in each customer's rates (North
211 Shore/Peoples Gas Ex. VG-2.0, p. 32). The notice of the choice to opt-out of SC
212 1N for the initial 4 or 5 month period after rates go into effect through this docket
213 should include the same advisories to the customer as the annual notice of SC
214 1N/SC 1H choice discussed earlier.

215 Q. If the Companies believe that the 5-month annual choice period for SC 1N or SC
216 1H billing is too difficult to administer or understand, should the Companies
217 abandon the SC 1N/SC 1H bifurcation?

218 A. Yes, the Companies should abandon the SC 1N/SC 1H bifurcation if it is
219 determined that my recommendations for annual choice are too difficult to
220 administer or understand. I am attempting to avoid significant adverse billing
221 impacts to potential SC 1N customers with sufficiently high usage. The
222 difference between the SC 1N distribution charge and the SC 1H distribution
223 charge is at least 10¢ per therm for the first 50 therms in a month and 35¢ per
224 therm over 50 therms per month. The \$7.00 to \$8.00 lower North Shore SC 1N
225 customer charge will disappear very quickly at 35¢ per therm, so it is important
226 that relatively high-use non-heating customers are not penalized for usage that
227 would cause lower bills under SC 1H applicable to heating customers.

228 Q. If the SC 1N/SC 1H bifurcation is abandoned, how should SC 1 rates be
229 determined?

230 A. Cost and billing information for SC 1N and SC 1H should be combined, with rates
231 determined based upon that information. An alternative might be to offer SC 1N
232 customers a significantly lower distribution rate over 50 therms per month at or
233 near the comparable SC 1H distribution rate, but rate design under this
234 alternative could prove to be difficult with an even higher first usage block under
235 SC 1N necessary to properly recover SC 1N costs.

Transportation Credit for Uncollectible Gas Costs

236 Q. Did Peoples Gas and North Shore accept your recommendation that the
237 distribution charge to transportation customers should be lower than the
238 distribution charge to sales customers in SC 1N, SC 1H, and SC 2?

239 A. The answer to this question is a qualified yes, in that the Companies appear to
240 accept the concept behind adjusting the distribution charge to recognize the
241 difference in the responsibility for uncollectible gas costs applicable to sales
242 customers versus transportation customers, but do not agree with my
243 adjustments to distribution rates. The Companies' primary position on the
244 recovery of uncollectible gas costs is to implement Rider UBA, but Staff does not
245 support another variable charge to customers in the form of Rider UBA, as
246 explained in the testimony of Staff witness Lazare (ICC Staff Exhibits 8.0 and
247 20.0). Staff recommends a continuation of the current practice of including
248 uncollectible gas costs in rates established in this docket, rather than separating

249 uncollectible gas costs for recovery under the Companies' proposed Rider UBA
250 that will fluctuate from month to month.

251 Q. Please explain your proposal for determining the effect that uncollectible gas
252 costs should have on sales and transportation distribution charges.

253 A. Since transportation customers obtain gas from suppliers other than North Shore
254 or Peoples Gas, distribution charges paid by transportation customers should not
255 include uncollectible gas costs. Uncollectible gas costs should be recovered
256 from sales customers because their gas is supplied by North Shore or Peoples
257 Gas. Broadly stated, uncollectible gas costs from transportation customers must
258 be separated from costs shared with sales customers in each customer service
259 classification, with lower distribution charges applicable to transportation therms,
260 and higher distribution charges applicable to sales therms to offset the lower
261 customer service classification revenues from transportation therms. The
262 process of separating uncollectible gas costs, reducing transportation distribution
263 charges and increasing distribution charges is shown in Schedule 19.2 attached
264 to this testimony.

265 To determine the amount of uncollectible gas costs that would otherwise be
266 included in transportation distribution rates, the uncollectible accounts rate for
267 each customer service classification should be determined. The uncollectible
268 account rates for customer service classifications SC 1N, SC 1H, and SC 2 are
269 shown on line no. 5. According to North Shore and Peoples Gas, there were no

270 uncollectible accounts in other customer service classifications during the test
271 year. The uncollectible accounts rate for each customer service classification is
272 then multiplied by test year gas costs for the corresponding customer service
273 classification to determine the amount of uncollectible gas costs resulting from
274 each customer service classification, as shown on line nos. 6 through 8. The
275 amount of uncollectible gas costs for each customer service classification is then
276 divided by total therms, including both sales and transportation therms, to
277 determine the amount that would be included in the distribution rate per therm if
278 uncollectible gas costs were recovered from both transportation and sales
279 customers. The amount of uncollectible gas costs per therm, shown on line no.
280 10, is the amount that the distribution charges applicable to transportation
281 customers are reduced in comparison to the unadjusted distribution charges
282 applicable to sales customers.

283 As a result of the reduced transportation distribution charges, North Shore and
284 Peoples Gas would recover less than the necessary revenues from distribution
285 charges unless sales distribution charges are increased. The amount of
286 uncollectible gas costs per therm shown on line no. 10 is multiplied by
287 transportation therms to determine the loss of revenues from reduced
288 transportation distribution charges, as shown on line nos. 11 and 12. The loss of
289 revenues from reduced transportation distribution charges is then divided by test
290 year sales therms to determine the amount that sales distribution charges should

291 be increased to fully recover uncollectible gas costs, as shown on line nos. 13
292 and 14.

293 The explanation above details the process to determine uncollectible gas costs
294 included in SC 1N, SC 1H, and SC 2 cost of service, removing those costs from
295 charges to transportation customers, and charging the full amount to sales
296 customers. This approach to determining uncollectible gas costs included in SC
297 1N, SC 1H, and SC 2 cost of service is straightforward, reasonable, and
298 consistent.

299 Q. Do you believe that your approach to isolating uncollectible gas costs in sales
300 distribution charges is more complicated than the approach discussed by
301 Peoples Gas/North Shore witness Grace?

302 A. No, I do not believe that the approach to isolating uncollectible gas costs in sales
303 distribution charges shown on Schedule 19.2 is more complicated than the
304 approach briefly discussed by Ms. Grace (North Shore/Peoples Gas Ex. VG-2.0,
305 pp. 20-21, I. 423-438). Ms. Grace indicates that the process she describes is
306 simpler because it begins with uncollectible gas costs that the Company
307 proposes would be recovered under Rider UBA, with the Rider UBA amounts
308 allocated to SC 1N, SC 1H, SC 2, and SC 4 added to sales distribution rates and
309 simply not added to transportation rates. The process described by Ms. Grace
310 may appear simple because it is not fully explained. The most important factor
311 that is not explained on North Shore/Peoples Gas Ex. VG 2.3-PGL and VG 2.3-

312 NSG is the very first factor shown on line no. 1 – Write-off Percentages. Even if
 313 the Write-off Percentages had been explained by Ms. Grace, it appears that
 314 North Shore/Peoples Gas Ex. VG 2.3-PGL and VG 2.3-NSG have some errors
 315 because the uncollectible gas amounts allocated to SC 1N, SC 1H, and SC 2
 316 conflict with proposed Rider UBA revenues shown in Peoples Gas 285.5105,
 317 Schedule E-5, Section A, column (N), line nos. 24-28, and North Shore
 318 285.5105, Schedule E-5, Section A, column (N), line nos. 18-21. The following
 319 tables shows the differences between the amounts proposed as Rider UBA
 320 revenues on Peoples Gas’ and North Shore’s Schedule E-5s vs. the uncollectible
 321 gas costs allocated to SC 1N, SC 1H, and SC 2:

| Peoples Gas | SC 1N | SC 1H | SC 2 |
|--------------------|--------------|----------------|--------------|
| E-5 | \$ 376,000 | \$ 17,050,000 | \$ 9,087,000 |
| Exhibit VG 2.3-PGL | \$ 1,432,688 | \$ 21,033,253 | \$ 4,175,110 |
| Difference | \$ 1,056,688 | \$ (3,983,253) | \$ 4,911,890 |

| North Shore | SC 1N | SC 1H | SC 2 |
|--------------------|-------------|--------------|-------------|
| E-5 | \$ 4,000 | \$ 1,227,000 | \$ 308,000 |
| Exhibit VG 2.3-NSG | \$ 30,379 | \$ 1,156,575 | \$ 355,146 |
| Difference | \$ (26,379) | \$ 70,425 | \$ (47,156) |

322 These tables indicate that the process described by Ms. Grace to determine
 323 uncollectible gas costs for each customer service classification has some
 324 difficulties, and is not simple or reliable. Additionally, the amounts calculated as
 325 Rider UBA revenues on the Peoples Gas and North Shore Schedule E-5s do not
 326 differentiate uncollectible accounts rates among the customer service

327 classifications. For the test year, Peoples Gas Ex. VG-1.15 indicates that Rider
328 UBA revenues are determined by multiplying 2.482¢ per sales therm, while North
329 Shore Ex. VG-1.14 indicates that Rider UBA revenues are determined by
330 multiplying 0.672¢ per sales therm. This suggests that the uncollectible accounts
331 rate for SC 1N is the same as the uncollectible accounts rate for SC 1H and SC 2
332 because the same amount per therm would be charged under Rider UBA, but a
333 review of the Companies' response to Staff data request ML 1.06 indicates that
334 the uncollectible accounts rate varies among the customer service classifications.
335 According to the response to ML 1.06, the Peoples Gas SC 1N uncollectible
336 accounts rate during the test year was 5.92 percent of revenues at present rates,
337 the SC 1H rate was 3.22 percent, and the SC 2 rate was only 1.16 percent.
338 Even though the test year Peoples Gas SC 1N uncollectible accounts rate was
339 more than five times higher than the SC 2 rate, SC 2 customers taking the same
340 volumes as SC 1N customers would pay the same amount for uncollectible gas
341 costs under Rider UBA. This would be an inequitable result for SC 2 customers
342 and provides further indication that the Commission should reject the Peoples
343 Gas/North Shore proposed Rider UBA and include uncollectible gas costs in the
344 respective sales distribution charges for each customer service classification.

345 In determining the amount of uncollectible gas costs to include in distribution
346 charges charged to sales customers under each service classification (SC), the
347 Commission should apply the approach shown in Schedule 19.2 attached to this

348 testimony, thereby rejecting the Companies' Rider UBA and alternative approach
349 presented by North Shore/Peoples Gas witness Grace.

Peoples Gas Rates

350 Q. According to your cost of service study, what would be the subsidy provided to
351 Peoples Gas SC 1N and SC 1H customers under the rates you proposed in
352 direct testimony?

353 A. According to the cost of service study, SC 1N and SC 1H customers have a
354 combined cost of service totaling \$326,588,155. The corrected rates that I
355 developed based upon the partial rate relief from full cost of service would have
356 required SC 1N and SC 1H customers to pay \$316,648,000 in revenues. The
357 result is that SC 1N and SC 1H would pay a combined \$9.94 million less than
358 cost of service. Thus, \$9.94 million more in revenues would be required from SC
359 1N and SC 1H customers in order for revenues to equal cost of service, which
360 would represent an additional 4¼ percent increase from present rates. Rates
361 developed from my assumptions in direct testimony result in a 35.42 percent
362 increase in combined SC 1N and SC 1H revenues, even with the benefit of rates
363 below cost of service. Rates from other customer service classifications would
364 recover revenues 6.92 percent above cost of service to provide the funding for
365 the SC 1N and SC 1H underrecovery.

366 The assumption that each customer service classification other than SC 2 would
367 fund rates below cost of service for SC 1N and SC 1H customers would result in

368 increases for other customer classes that exceed, on a percentage basis, the
369 increases to SC 1N and SC 1H customers. For those customer service
370 classifications, I now recommend setting the increase in rates for those customer
371 service classifications at cost of service. This constraint leaves only SC 2
372 available to fund SC 1N and SC 1H rates below cost of service.

373 Q. Are you recommending an increase in the amount that SC 2 customers would
374 pay to fund the amount SC 1N and SC 1H rates would be below cost of service
375 that you proposed in direct testimony?

376 A. Yes, a further increase in SC 2 rates of 0.89 percent above present rates would
377 fully fund below cost of service SC 1N and SC 1H rates that I proposed in direct
378 testimony. In direct testimony, the amount that SC 2 would provide for SC 1N
379 and SC 1H cost of service totaled \$8.84 million in revenues at the Peoples Gas-
380 proposed revenue requirement. Eliminating other customer service
381 classifications from funding SC 1N and SC 1H costs requires an additional \$1.1
382 million from SC 2 customers. The additional revenues that SC 2 customers
383 would pay through rates to fully fund the deficit in SC 1N and SC 1H cost of
384 service results in a 10.43 percent increase in SC 2 revenues, even though an
385 increase of only 3.28 percent would be warranted at the Peoples Gas-proposed
386 revenue requirement under my cost of service study.

387 The goal should be to move SC 1 rates closer to cost of service when other
388 customer service classifications also face significant percentage increases.

389 Unfortunately, at an average of approximately 44¢ per therm under my proposed
390 rates at the Peoples Gas-proposed revenue requirement, it is difficult to require
391 much more from SC 1N and SC 1H customers. SC 2 customers would pay an
392 average of approximately 17.75¢ per therm under my proposed rates at the
393 Peoples Gas-proposed revenue requirement, which includes the funding of the
394 deficit in recovery of SC 1N and SC 1H costs. Although considerably less on
395 average per therm than SC 1N and SC 1H rates, my proposed SC 2 rates
396 require SC 2 customers to pay revenues in excess of cost of service, but less
397 than the Peoples Gas-proposed SC 2 rates.

398 Q. How should SC 2 rates recover the funding of SC 1N and SC 1H costs?

399 A. Peoples Gas' proposed distribution charges for each of the three SC 2
400 distribution blocks should be reduced by a smaller amount than I discussed in
401 direct testimony, so that a lower but sufficient level of SC 1N and SC 1H costs
402 are recovered through SC 2 rates. At the Peoples Gas-proposed revenue
403 requirement, the decrease in each Peoples Gas-proposed SC 2 block would be
404 approximately 11.555 percent before adjustment for uncollectible gas costs.

405 Q. What are your rate proposals for Peoples Gas customer service classifications
406 SC 4, 6, and 8?

407 A. Rates for customers in Peoples Gas SC 4, SC 6, and SC 8 should be based
408 upon the cost of service study that I am presenting. Customer costs should be
409 recovered through the customer charge, demand costs should be recovered

410 through the demand charge and distribution charge, and commodity costs should
411 be recovered through the distribution charge. Rates that I discussed in direct
412 testimony should eliminate funding for SC 1N and SC 1H costs because the
413 percentage increases at the Peoples Gas-proposed revenue requirement should
414 not be increased further to include funding of SC 1N and SC 1H costs.

415 Q. Do you agree with Peoples Gas witness Grace' observation that your proposed
416 SC 4 demand and distribution charges would cause some customers to be
417 served under SC 2 or bypass the Peoples Gas distribution system?

418 A. Ms. Grace states that the third block of my proposed SC 2 distribution charges
419 would be so low that some SC 4 customers would be forced to take service
420 under SC 2, bypass the Peoples Gas distribution system, or use alternative
421 sources of energy. She did not document that observation and I have not been
422 able to obtain a result in which a customer that qualifies for SC 4 rates would
423 benefit from SC 2 rates. A third block SC 2 distribution charge of 5.663¢ per
424 therm is higher than an SC 4 distribution charge of 3.665¢ per therm, so the SC 4
425 distribution charge would not cause an SC 4 customer to benefit from SC 2 rates.
426 At the 41,000 therms per month SC 4 minimum, the difference in the distribution
427 charge billing under SC 4 is \$819 less than under SC 2 (= 41,000 x (3.665¢ –
428 5.663¢). If an SC 4 customer has a poor average monthly load factor that
429 approaches or is lower than the residential heating customer SC 1H average
430 load factor, it is possible that an SC 4 customer would begin to benefit from SC 2
431 rates as a result of SC 4 demand charges. An SC 4 customer with a poor load

432 factor resembling that of a residential heating customer, however, should
433 probably not benefit from lower rates that should be based upon better than
434 system-average load factors.

North Shore rates

435 Q. Have you changed your approach to design North Shore's rate design that you
436 discussed in direct testimony?

437 A. No, I have not changed my approach to North Shore's rate design, although I
438 have corrected the errors discussed by Ms. Grace. The most significant change
439 as a result of correcting North Shore's rates based upon the North Shore
440 proposed revenue requirement is a decrease in SC 2 transportation
441 administrative charges by the same 10.272 percent decrease that I recommend
442 in the Company proposed SC 2 customer charges. The decrease in SC 2
443 transportation administrative charges addresses the overrecovery of SC 2 costs
444 that Ms. Grace noted in her rebuttal testimony so that SC 2 revenues
445 approximate SC 2 costs. The specific amount of the change to SC 2 customer
446 and transportation administrative charges is subject to modification by an Order
447 revenue requirement that is different from the amount proposed by North Shore.

448 Q. Please clarify which SC 2 distribution charge block you are proposing to increase
449 so that SC 2 revenues equal SC 2 costs at the Company-proposed revenue
450 requirement.

451 A. I recommend an increase of 0.607¢ per therm in each of the three North Shore
452 proposed SC 2 distribution charges to recover SC 2 demand and distribution
453 costs. The specific amount of the change to SC 2 distribution charges is subject
454 to modification with an Order revenue requirement that is different from the
455 amount proposed by North Shore.

456 Q. Do agree with Ms. Grace' opinion that you have not demonstrated that North
457 Shore's proposed SC 2 rates are unreasonable?

458 A. No, I do not agree that North Shore's proposed SC 2 rates have not been shown
459 to be unreasonable and do not agree that those rates should therefore be put
460 into effect pending the outcome of the Order's conclusion on revenue
461 requirement and the cost of service study. The results of the cost of service
462 study are important because the allocation of costs affects revenues that are to
463 be recovered from each customer service classification and also affects how
464 those revenues should be charged. Revenues for customer costs are generally
465 recovered through the customer charge and other administrative charges, and
466 revenues for demand and distribution costs are generally recovered through
467 demand and distribution charges.

468 As shown on Schedule 7.3-NS attached to my direct testimony, SC 2 customer
469 costs would be overrecovered under North Shore's proposed customer charges,
470 and SC 2 distribution and demand costs would be underrecovered through North
471 Shore's proposed distribution charges. In order to properly balance North

472 Shore's revenue recovery with SC 2 costs at the Company-proposed revenue
473 requirement, SC 2 customer and transportation administrative charges should be
474 reduced and SC 2 distribution charges should be increased, pending the effect
475 that the Commission's conclusion on revenue requirement would have on rates.

476 Q. Does this conclude your rebuttal testimony?

477 A. Yes, it does.

North Shore Gas Company
Jurisdictional Operating Revenue Without Rider UBA
Test Year Ending September 30, 2006

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| Sales Line No. | Present / Proposed Rate [A] | Present Rates Normalized Actual | | | Proposed Rates | | | |
|----------------|--|---------------------------------|-----------------------|---------------------------|----------------------|------------------------|-------------------------|----------------------------|
| | | Billing Units [B] | Present Charge [C] | Normalized Revenue [D] | Billing Units [E] | Proposed Charge [F] | Proposed Revenue [G] | |
| 1 | Rate 1 Non-Heating / Rate 1 Non-Heating | | | | | | | |
| 2 | Customer Charge | 28,636 | \$ 8.50 | \$ 243,000 | 28,636 | \$ 10.50 | \$ 300,678 | |
| 3 | Distribution Charge | | | | | | | |
| 4 | First 50 | 363,000 | \$ 0.23151 | \$ 84,000 | 363,000 | \$ 0.33970 | \$ 123,311 | |
| 5 | All Over 50 | <u>204,000</u> | \$ 0.12200 | <u>\$ 25,000</u> | <u>204,000</u> | \$ 0.33970 | <u>\$ 69,299</u> | |
| 6 | Total Distribution | 567,000 | | \$ 109,000 | 567,000 | | \$ 192,610 | |
| 7 | Total Base Rate Revenue | | | \$ 352,000 | | | \$ 493,288 | 0.401 increase |
| 8 | Rider 2 Gas Charge | 567,000 | \$ 0.92769 | \$ 526,000 | 567,000 | \$ 0.92593 | \$ 525,000 | \$ 0.870 average per therm |
| 9 | Rider 11 Environmental Charge | 567,000 | \$ 0.00705 | \$ 4,000 | 567,000 | \$ 0.00705 | \$ 4,000 | |
| 10 | Rider UBA | - | \$ - | \$ - | 567,000 | \$ - | \$ - | |
| 11 | Taxes - State and Municipal | | | \$ 52,000 | | | \$ 57,000 | |
| 12 | Other State Charges | | | | | | | |
| 13 | Energy Assistance | 28,636 | \$ 0.40 | \$ 12,000 | 28,636 | \$ 0.40 | \$ 12,000 | |
| 14 | Renewable Energy Sources | 28,636 | \$ 0.05 | <u>\$ 1,000</u> | 28,636 | \$ 0.05 | <u>\$ 1,000</u> | |
| 15 | Total Other State Charges | | | \$ 13,000 | | | \$ 13,000 | |
| 16 | Total Rate 1 NH/ Rate 1 NH Revenue | | | <u>\$ 947,000</u> | | | <u>\$ 1,092,288</u> | |
| 17 | Rate 1 Heating / Rate 1 Heating | | | | | | | |
| 18 | Customer Charge | 1,671,285 | \$ 8.50 | \$ 14,205,000 | 1,671,285 | \$ 16.00 | \$ 26,740,560 | |
| 19 | Distribution Charge | | | | | | | |
| 20 | First 50 | 64,346,000 | \$ 0.23151 | \$ 14,890,000 | 64,346,000 | \$ 0.24541 | \$ 15,791,152 | |
| 21 | All Over 50 | <u>118,261,000</u> | \$ 0.12200 | <u>\$ 14,428,000</u> | <u>118,261,000</u> | \$ 0.06398 | <u>\$ 7,566,339</u> | |
| 22 | Total Distribution | 182,607,000 | | \$ 29,318,000 | 182,607,000 | | \$ 23,357,491 | |
| 23 | Total Base Rate Revenue | | | \$ 43,523,000 | | | \$ 50,098,051 | 0.151 increase |
| 24 | Rider 2 Gas Charge | 182,607,000 | \$ 0.98032 | \$ 179,013,000 | 182,607,000 | \$ 0.97857 | \$ 178,693,000 | \$ 0.274 average per therm |
| 25 | Rider 11 Environmental Charge | 182,607,000 | \$ 0.00625 | \$ 1,141,000 | 182,607,000 | \$ 0.00625 | \$ 1,141,000 | |
| 26 | Rider UBA | - | \$ - | \$ - | 182,607,000 | \$ - | \$ - | |
| 27 | Taxes - State and Municipal | | | \$ 10,674,000 | | | \$ 10,865,000 | |
| 28 | Other State Charges | | | | | | | |
| 29 | Energy Assistance | 1,671,285 | \$ 0.40 | \$ 668,000 | 1,671,285 | \$ 0.40 | \$ 668,000 | |
| 30 | Renewable Energy Sources | 1,671,285 | \$ 0.05 | <u>\$ 84,000</u> | 1,671,285 | \$ 0.05 | <u>\$ 84,000</u> | |
| 31 | Total Other State Charges | | | \$ 752,000 | | | \$ 752,000 | |
| 32 | Total Rate 1 Htg / Rate 1 Htg Revenue | | | <u>\$ 235,103,000</u> | | | <u>\$ 241,549,051</u> | |
| 33 | Rate 2 / Rate 2 | | | | | | | |

North Shore Gas Company
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| Sales Line No. | Present / Proposed Rate [A] | Present Rates Normalized Actual | | | Proposed Rates | | |
|----------------|--------------------------------------|---------------------------------|--------------------|------------------------|-------------------|---------------------|----------------------|
| | | Billing Units [B] | Present Charge [C] | Normalized Revenue [D] | Billing Units [E] | Proposed Charge [F] | Proposed Revenue [G] |
| 34 | Customer Charge | | | | | | |
| 35 | Small Meters | 96,280 | \$ 15.00 | \$ 1,447,000 | 96,921 | \$ 15.24 | \$ 1,477,454 |
| 36 | Large Meters | <u>32,294</u> | \$ 22.00 | <u>\$ 695,000</u> | <u>31,746</u> | \$ 53.82 | <u>\$ 1,708,521</u> |
| 37 | Total Customer Charge | 128,574 | | \$ 2,142,000 | 128,667 | | \$ 3,185,975 |
| 38 | Distribution Charge | | | | | | |
| 39 | First 100 | 7,269,000 | \$ 0.22360 | \$ 1,626,000 | 7,269,000 | \$ 0.25785 | \$ 1,874,312 |
| 40 | Next 2,900 | 30,454,000 | \$ 0.11500 | \$ 3,502,000 | 30,454,000 | \$ 0.10674 | \$ 3,250,660 |
| 41 | All Over 3,000 | <u>6,971,000</u> | \$ 0.05329 | <u>\$ 371,000</u> | <u>6,971,000</u> | \$ 0.04489 | <u>\$ 312,928</u> |
| 42 | Total Distribution Charge | 44,694,000 | | \$ 5,499,000 | 44,694,000 | | \$ 5,437,900 |
| 43 | Total Base Rate Revenue | | | \$ 7,641,000 | | | \$ 8,623,875 |
| 44 | Rider 2 Gas Charge | 44,694,000 | \$ 0.97722 | \$ 43,676,000 | 44,694,000 | \$ 0.97546 | \$ 43,597,000 |
| 45 | Rider 11 Environmental Charge | 44,694,000 | \$ 0.00622 | \$ 278,000 | 44,694,000 | \$ 0.00622 | \$ 278,000 |
| 46 | Rider UBA | - | \$ - | \$ - | 44,694,000 | \$ - | \$ - |
| 47 | Taxes - State and Municipal | | | \$ 2,377,000 | | | \$ 2,394,000 |
| 48 | Other State Charges | | | | | | |
| 49 | Energy Assistance | 128,574 | \$ 4.00 | \$ 514,000 | 128,667 | \$ 3.99 | \$ 514,000 |
| 50 | Renewable Energy Sources | 128,574 | \$ 0.50 | <u>\$ 64,000</u> | 128,667 | \$ 0.50 | <u>\$ 64,000</u> |
| 51 | Total Other State Charges | | | \$ 578,000 | | | \$ 578,000 |
| 52 | Total Rate 2 / Rate 2 Revenue | | | <u>\$ 54,550,000</u> | | | <u>\$ 55,470,875</u> |
| 53 | Rate 3 / Rate 3 | | | | | | |
| 54 | Customer Charge | - | \$ 1,000.00 | \$ (6,000) | \$ - | \$ 705.00 | \$ - |
| 55 | Demand Charge | | | | | | |
| 56 | First 5,000 / 10,000 | (882) | \$ 0.62587 | \$ (1,000) | \$ - | \$ 0.56491 | \$ - |
| 57 | All Over 5,000 / 10,000 | - | \$ 0.38640 | \$ - | \$ - | \$ 0.38000 | \$ - |
| 58 | Total Demand Charge | (882) | | \$ (1,000) | \$ - | | \$ - |
| 59 | Distribution Charge | (15,000) | \$ 0.01817 | \$ - | \$ - | \$ 0.01179 | \$ - |
| 60 | Standby Service Charge | (882) | \$ 0.14000 | \$ - | \$ - | \$ 0.07000 | \$ - |
| 61 | Total Base Rate Revenue | | | \$ (7,000) | | | |
| 62 | Rider 2 Gas Charge | (15,000) | \$ 0.73333 | \$ (11,000) | | | \$ - |
| 63 | Rider 11 Environmental Charge | (15,000) | \$ 0.00706 | \$ - | | | \$ - |
| 64 | Rider UBA | - | \$ - | \$ - | | | \$ - |
| 65 | Taxes - State and Municipal | | | \$ - | | | \$ - |
| 66 | Other State Charges | | | | | | |
| 67 | Energy Assistance | - | \$ 200.00 | \$ - | | | \$ - |

0.129 increase
\$ 0.193 average per therm

North Shore Gas Company
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| Sales Line No. | Present / Proposed Rate [A] | Present Rates Normalized Actual | | | Proposed Rates | | |
|----------------|---|---------------------------------|-----------------------|---------------------------|----------------------|------------------------|-------------------------|
| | | Billing Units [B] | Present Charge [C] | Normalized Revenue [D] | Billing Units [E] | Proposed Charge [F] | Proposed Revenue [G] |
| 68 | Renewable Energy Sources | - | \$ 25.00 | \$ - | | | \$ - |
| 69 | Total Other State Charges | | | \$ - | | | \$ - |
| 70 | Total Rate 3 / Rate 3 Revenue | | | \$ (18,000) | | | |
| 71 | Rate 4 / Rate 4 | | | | | | |
| 72 | There are no customers currently taking service under Rate 4 Sales. | | | | | | |
| 73 | Rate 5 / Rate 5 | | | | | | |
| 74 | Customer Charge | 991 | \$ 15.00 | \$ 15,000 | 907 | \$ 42.32 | \$ 38,384 |
| 75 | Demand Charge | 22,065 | \$ 0.98551 | \$ 22,000 | 22,065 | \$ 0.10414 | \$ 2,298 |
| 76 | Distribution Charge | 28,000 | \$ 0.01000 | \$ - | 28,000 | \$ 0.01875 | \$ 525 |
| 77 | Total Base Rate Revenue | | | \$ 37,000 | | | \$ 41,207 |
| 78 | Rider 2 Gas Charge | 28,000 | \$ 0.96429 | \$ 27,000 | 28,000 | \$ 1.00000 | \$ 28,000 |
| 79 | Rider 11 Environmental Charge | 28,000 | \$ - | \$ - | 28,000 | \$ - | \$ - |
| 80 | Rider UBA | - | \$ - | \$ - | 28,000 | \$ - | \$ - |
| 81 | Taxes - State and Municipal | | | \$ 1,000 | | | \$ 1,000 |
| 82 | Other State Charges | | | | | | |
| 83 | Energy Assistance | 991 | \$ 4.00 | \$ 4,000 | 907 | \$ 4.00 | \$ 4,000 |
| 84 | Renewable Energy Sources | 991 | \$ 0.50 | \$ 1,000 | 907 | \$ 0.50 | \$ 1,000 |
| 85 | Total Other State Charges | | | \$ 5,000 | | | \$ 5,000 |
| 86 | Total Rate 5 / Rate 5 Revenue | | | <u>\$ 70,000</u> | | | <u>\$ 75,207</u> |
| 87 | Rate 6 / Rate 6 | | | | | | |
| 88 | There are no customers currently taking service under Rate 6 Sales. | | | | | | |

0.114 increase
\$ 1.472 average per therm

North Shore Gas Company
Jurisdictional Operating Revenue Without Rider UBA
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| Transportation Line No. | Present / Proposed Rate [A] | Present Rates Normalized Actual | | | Proposed Rates | | | |
|-------------------------------|--|---------------------------------|--------------------------|------------------------------|----------------------|---------------------------|----------------------------|--|
| | | Billing Units [B] | Present Charge [C] | Normalized Revenue [D] | Billing Units [E] | Proposed Charge [F] | Proposed Revenue [G] | |
| 1 | Rate 1 Non-Heating / Rate 1 Non-Heating | | | | | | | |
| 2 | Customer Charge | 242 | \$ 8.50 | \$ 2,000 | 242 | \$ 10.50 | \$ 3,000 | |
| 3 | Distribution Charge | | | | | | | |
| 4 | First 50 | 6,000 | \$ 0.23151 | \$ 1,000 | 6,000 | \$ 0.31033 | \$ 1,862 | |
| 5 | All Over 50 | <u>4,000</u> | \$ 0.12200 | <u>\$ 1,000</u> | <u>4,000</u> | \$ 0.31033 | <u>\$ 1,241</u> | |
| 6 | Total Distribution | 10,000 | | \$ 2,000 | 10,000 | | \$ 3,103 | |
| 7 | SVT Pool Administration Charge per pool | | \$ 200.00 | \$ - | - | \$ 200.00 | \$ - | |
| 8 | SVT Pool Administration Charge per account | 242 | \$ 0.73 | \$ - | 242 | \$ 1.40 | \$ - | |
| 9 | Total SVT Pool Administration Charge | - | \$ - | \$ - | - | \$ - | \$ - | |
| 10 | SVT Pool Customer Change Charge | - | \$ 10.00 | \$ - | - | \$ - | \$ - | |
| 11 | Total Base Rate Revenue | | | \$ 4,000 | | | \$ 6,103 | 0.526 increase |
| 12 | SVT Aggregation Balancing Charge | 10,000 | \$ 0.10000 | \$ 1,000 | 10,000 | \$ 0.10000 | \$ 1,000 | \$ 0.610 average per therm |
| 13 | Rider SVT Penalty Charges | - | \$ - | \$ - | - | \$ - | \$ - | |
| 14 | Rider 11 Environmental Charge | 10,000 | \$ - | \$ - | 10,000 | \$ - | \$ - | |
| 15 | Taxes - State and Municipal | | | \$ - | | | \$ - | |
| 16 | Other State Charges | | | | | | | |
| 17 | Energy Assistance | 242 | \$ 0.40 | \$ - | 242 | \$ 0.40 | \$ - | |
| 18 | Renewable Energy Sources | 242 | \$ 0.05 | \$ - | 242 | \$ 0.05 | \$ - | |
| 19 | Total Other State Charges | | | \$ - | | | \$ - | |
| 20 | Total Rate 1 NH / Rate 1 NH Revenue | | | <u>\$ 5,000</u> | | | <u>\$ 7,103</u> | |
| 21 | Rate 1 Heating / Rate 1 Heating | | | | | | | |
| 22 | Customer Charge | 39,323 | \$ 8.50 | \$ 334,000 | 39,323 | \$ 16.00 | \$ 629,000 | |
| 23 | Distribution Charge | | | | | | | |
| 24 | First 50 | 1,534,000 | \$ 0.23151 | \$ 355,000 | 1,534,000 | \$ 0.24055 | \$ 369,004 | |
| 25 | All Over 50 | <u>2,713,000</u> | \$ 0.12200 | <u>\$ 331,000</u> | <u>2,713,000</u> | \$ 0.05912 | <u>\$ 160,393</u> | |
| 26 | Total Distribution | 4,247,000 | | \$ 686,000 | 4,247,000 | | \$ 529,397 | |
| 27 | SVT Pool Administration Charge per pool | 39 | \$ 200.00 | \$ 8,000 | 39 | \$ 200.00 | \$ 8,000 | |
| 28 | SVT Pool Administration Charge per account | 39,323 | \$ 0.73 | \$ 29,000 | 39,323 | \$ 1.40 | \$ 55,000 | |
| 29 | Total SVT Pool Administration Charge | | | \$ 37,000 | | | \$ 63,000 | |
| 30 | SVT Pool Customer Change Charge | 2,000 | \$ 10.00 | \$ 20,000 | 2,000 | \$ - | \$ - | |
| 31 | Total Base Rate Revenue | | | \$ 1,077,000 | | | \$ 1,221,397 | 0.134 increase \$ 0.288 average per therm |

North Shore Gas Company
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Transportation

| Line No. | Present / Proposed Rate [A] | Present Rates Normalized Actual | | | Proposed Rates | | | |
|----------|--|---------------------------------|--------------------|------------------------|-------------------|---------------------|----------------------|--|
| | | Billing Units [B] | Present Charge [C] | Normalized Revenue [D] | Billing Units [E] | Proposed Charge [F] | Proposed Revenue [G] | |
| 32 | SVT Aggregation Balancing Charge | 4,247,000 | \$ 0.06075 | \$ 258,000 | 4,247,000 | \$ 0.06075 | \$ 258,000 | |
| 33 | Rider SVT Penalty Charges | 7,000 | \$ 1.14286 | \$ 8,000 | 7,000 | \$ 1.14286 | \$ 8,000 | Combined SC 1N and SC 1H |
| 34 | Rider 11 Environmental Charge | 4,247,000 | \$ 0.00612 | \$ 26,000 | 4,247,000 | \$ 0.00612 | \$ 26,000 | -- Sales and Transportation |
| 35 | Taxes - State and Municipal | | | \$ 45,000 | | | \$ 67,000 | 0.153 increase \$ 0.276 average per therm |
| 36 | Other State Charges | | | | | | | |
| 37 | Energy Assistance | 39,323 | \$ 0.40 | \$ 16,000 | 39,323 | \$ 0.40 | \$ 16,000 | |
| 38 | Renewable Energy Sources | 39,323 | \$ 0.05 | \$ 2,000 | 39,323 | \$ 0.05 | \$ 2,000 | |
| 39 | Total Other State Charges | | | \$ 18,000 | | | \$ 18,000 | |
| 40 | Total Rate 1 Heating / Rate 1 Heating Revenue | | | \$ 1,432,000 | | | \$ 1,598,397 | |
| 41 | Rate 2 / Rate 2 | | | | | | | |
| 42 | Customer Charge | | | | | | | |
| 43 | Small Meters | 9,989 | \$ 15.00 | \$ 154,000 | 10,680 | \$ 15.24 | 162,805 | |
| 44 | Large Meters | 18,460 | \$ 22.00 | \$ 400,000 | 17,760 | \$ 53.82 | 955,816 | |
| 45 | Total Customer Charge | 28,449 | | \$ 554,000 | 28,440 | | \$ 1,118,621 | |
| 46 | Distribution Charge | | | | | | | |
| 47 | First 100 | 2,311,000 | \$ 0.22360 | \$ 517,000 | 2,311,000 | \$ 0.24257 | \$ 560,579 | |
| 48 | Next 2,900 | 25,761,000 | \$ 0.11500 | \$ 2,962,000 | 25,761,000 | \$ 0.09146 | \$ 2,356,101 | |
| 49 | All Over 3,000 | 57,381,000 | \$ 0.05329 | \$ 3,058,000 | 57,381,000 | \$ 0.02961 | \$ 1,699,051 | |
| 50 | Total Distribution | 85,453,000 | | \$ 6,537,000 | 85,453,000 | | \$ 4,615,731 | |
| 51 | Demand Device Charge | | | | | | | |
| 52 | Type 1 | 2,727 | \$ 34.00 | \$ 93,000 | 2,727 | \$ 30.51 | \$ 83,000 | |
| 53 | Type 2 | 3,780 | \$ 37.00 | \$ 140,000 | 3,780 | \$ 30.51 | \$ 114,000 | |
| 54 | Type 3 | 43 | \$ 45.00 | \$ 2,000 | 86 | \$ 30.51 | \$ 3,000 | |
| 55 | Rider FST/SST Contract Admin - 1 account | 240 | \$ 48.00 | \$ 11,000 | - | \$ - | \$ - | |
| 56 | Rider FST/SST Contract Admin - 2 accounts | 57 | \$ 58.00 | \$ 3,000 | - | \$ - | \$ - | |
| 57 | Rider FST/SST Contract Admin - 3 accounts | 35 | \$ 58.00 | \$ 2,000 | - | \$ - | \$ - | |
| 58 | Rider FST/SST Contract Admin - 4 accounts | - | \$ 58.00 | \$ - | - | \$ - | \$ - | |
| 59 | Rider FST/SST Contract Admin - 5 or more accounts | 172 | \$ 14.00 | \$ 1,000 | - | \$ - | \$ - | |
| 60 | Total Contract Administration Units - FST to SST | 504 | | \$ 17,000 | 504 | \$ 18.84 | \$ 9,000 | |
| 61 | Rider SST/SST Contract Admin - 1 account | 193 | \$ 60.00 | \$ 11,000 | - | \$ - | \$ - | |
| 62 | Rider SST/SST Contract Admin - 2 accounts | 29 | \$ 73.00 | \$ 2,000 | - | \$ - | \$ - | |
| 63 | Rider SST/SST Contract Admin - 3 accounts | 13 | \$ 73.00 | \$ 1,000 | - | \$ - | \$ - | |
| 64 | Rider SST/SST Contract Admin - 4 accounts | 497 | \$ 23.00 | \$ 11,000 | - | \$ - | \$ - | |
| 65 | Rider SST/SST Contract Admin - 5 or more accounts | | | \$ - | - | \$ - | \$ - | |
| 66 | Total Contract Administration Units - SST to SST | 732 | | \$ 25,000 | 732 | \$ 18.84 | \$ 14,000 | |
| 67 | Rider FST/SVT Contract Admin - 1 account | 235 | \$ 48.00 | \$ 11,000 | - | \$ - | \$ - | |

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| Transportation Line No. | Present / Proposed Rate [A] | Present Rates Normalized Actual | | | Proposed Rates | | | |
|-------------------------------|--|---------------------------------|--------------------------|------------------------------|----------------------|---------------------------|----------------------------|--|
| | | Billing Units [B] | Present Charge [C] | Normalized Revenue [D] | Billing Units [E] | Proposed Charge [F] | Proposed Revenue [G] | |
| 68 | Rider FST/SVT Contract Admin - 2 accounts | 57 | \$ 58.00 | \$ 3,000 | - | \$ - | \$ - | |
| 69 | Rider FST/SVT Contract Admin - 3 accounts | 8 | \$ 58.00 | \$ - | - | \$ - | \$ - | |
| 70 | Rider FST/SVT Contract Admin - 4 accounts | 24 | \$ 58.00 | \$ 1,000 | - | \$ - | \$ - | |
| 71 | Rider FST/SVT Contract Admin - 5 or more accounts | 3,708 | \$ 14.00 | \$ 52,000 | - | \$ - | \$ - | |
| 72 | Contract Admin. Charge - Rider FST to Rider SVT | 4,032 | | \$ 67,000 | 4,032 | \$ 1.26 | \$ 4,000 | |
| 73 | Total Contract Admin Charge | | | \$ 109,000 | | | \$ 23,000 | |
| 74 | SVT Pool Administration Charge per pool | 9 | \$ 200.00 | \$ 2,000 | 9 | \$ 179.46 | \$ 2,000 | |
| 75 | SVT Pool Administration Charge per account | 9,037 | \$ 0.73 | \$ 7,000 | 9,037 | \$ 1.26 | \$ 11,000 | |
| 76 | Total SVT Pool Administration Charge | | | \$ 9,000 | | | \$ 13,000 | |
| 77 | Rider P FST to Rider SVT Admin Charge per account | 8,304 | \$ 10.00 | \$ 83,000 | 8,304 | \$ 1.26 | \$ 10,000 | |
| 78 | Rider P Pool Administration Charge per pool | 300 | \$ 200.00 | \$ 60,000 | 300 | \$ 199.10 | \$ 60,000 | |
| 79 | Rider P/Rider P Pool Administration Charge per account | 6,734 | \$ 10.00 | \$ 67,000 | 6,734 | \$ 11.66 | \$ 79,000 | |
| 80 | Total Rider P Pool Administration Charge | | | \$ 127,000 | | | \$ 139,000 | |
| 81 | SVT and Rider P Pool Administration Charge | | | \$ 219,000 | | | \$ 180,000 | |
| 82 | Pool Change Charge | 653 | \$ 10.00 | \$ 7,000 | 653 | \$ - | \$ - | |
| 83 | Trade Charge | 248 | \$ 5.00 | \$ 1,000 | 248 | \$ 4.10 | \$ 1,000 | |
| 84 | Total Base Rate Revenue | | | \$ 7,662,000 | | | \$ 6,124,352 | (0.201) increase \$ 0.072 average per therm |
| 85 | SVT Aggregation Balancing Charge | -4,130,000 | \$ (0.04455) | \$ 184,000 | 2,829,000 | \$ 0.06504 | \$ 184,000 | |
| 86 | SVT Penalty Charge | 5,000 | \$ - | \$ 6,000 | 5,000 | \$ - | \$ 6,000 | |
| 87 | Standby Commodity Charge | 1,183,000 | \$ 0.99746 | \$ 1,180,000 | 1,183,000 | \$ 0.97971 | \$ 1,159,000 | |
| 88 | Standby Demand Charge | 3,622,000 | \$ 0.21038 | \$ 762,000 | 3,622,000 | \$ 0.31530 | \$ 1,142,000 | |
| 89 | Excess Bank Charge | 506,000 | \$ 0.10000 | \$ 50,000 | 506,000 | \$ 0.10000 | \$ 50,000 | |
| 90 | Unauthorized Use Charge | 138,000 | \$ 0.50000 | \$ 69,000 | 138,000 | \$ 0.50000 | \$ 69,000 | |
| 91 | Retail Gas Charge (Overtake) | 203,000 | \$ 0.82759 | \$ 168,000 | 203,000 | \$ 0.80788 | \$ 164,000 | |
| 92 | Rider 11 Environmental Charge | 85,453,000 | \$ 0.00594 | \$ 508,000 | 85,453,000 | \$ 0.00594 | \$ 508,000 | |
| 93 | Rider UBA | - | \$ - | \$ - | 1,183,000 | \$ - | \$ - | |
| 94 | Taxes - State and Municipal | | | \$ 386,000 | | | \$ 440,000 | |
| 95 | Other State Charges | | | | | | | |
| 96 | Energy Assistance | 28,449 | \$ 4.00 | \$ 87,000 | 28,440 | \$ 4.00 | \$ 87,000 | |
| 97 | Renewable Energy Sources | 28,449 | \$ 0.50 | \$ 11,000 | 28,440 | \$ 0.50 | \$ 11,000 | |
| 98 | Total Other State Charges | | | \$ 98,000 | | | \$ 98,000 | |
| 99 | Total Rate 2 / Rate 2 Revenue | | | \$ 11,073,000 | | | \$ 9,944,352 | |

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| Line No. | Present / Proposed Rate | Present Rates Normalized Actual | | | Proposed Rates | | |
|----------|---|---------------------------------|----------------|---------------------|----------------|-----------------|---------------------|
| | | Billing Units | Present Charge | Normalized Revenue | Billing Units | Proposed Charge | Proposed Revenue |
| | [A] Rate 3 / Rate 3 | [B] | [C] | [D] | [E] | [F] | [G] |
| 100 | Customer Charge | 36 | \$ 1,000.00 | \$ 36,000 | 36 | \$ 705.00 | \$ 25,000 |
| 102 | Demand Charge | | | | | | |
| 103 | First 5,000 / 10,000 | 180,000 | \$ 0.62587 | \$ 113,000 | 359,000 | \$ 0.57987 | \$ 208,000 |
| 104 | All Over 5,000 / 10,000 | <u>756,000</u> | \$ 0.38640 | <u>\$ 292,000</u> | <u>576,000</u> | \$ 0.39496 | <u>\$ 227,000</u> |
| 105 | Total Demand Charge | 936,000 | | \$ 405,000 | 935,000 | | \$ 435,000 |
| 106 | Distribution Charge | 18,547,000 | \$ 0.01817 | \$ 337,000 | 18,532,000 | \$ 0.01179 | \$ 218,583 |
| 107 | Standby Service Charge | 366,000 | \$ 0.14000 | \$ 51,000 | 365,000 | \$ 0.07000 | \$ 26,000 |
| 108 | Rider LST/SST Contract Admin - 1 account | 24 | \$ 60.00 | \$ 1,000 | - | \$ - | \$ - |
| 109 | Rider LST/SST Contract Admin - 2 accounts | <u>12</u> | \$ 36.50 | <u>\$ 1,000</u> | - | \$ - | \$ - |
| 110 | Total Contract Administration Charge Rider LST to SST | 36 | | \$ 2,000 | 36 | \$ 21.00 | \$ 1,000 |
| 111 | Rider P Pool Administration Charge per pool | - | \$ 200.00 | \$ - | - | \$ 200.00 | \$ - |
| 112 | Rider P Pool Administration Charge per account | - | \$ 10.00 | \$ - | - | \$ 13.00 | \$ - |
| 113 | Total Pool Administration Charge | | | \$ - | | | \$ - |
| 114 | Pool Change Charge | - | \$ 10.00 | \$ - | - | \$ - | \$ - |
| 115 | Trade Charge | 18 | \$ 5.00 | \$ - | 18 | \$ 5.00 | \$ - |
| 116 | Total Base Rate Revenue | | | \$ 831,000 | | | \$ 705,583 |
| 117 | Standby Commodity Charge | 237,000 | \$ 0.78481 | \$ 186,000 | 237,000 | \$ 0.76793 | \$ 182,000 |
| 118 | Standby Demand Charge | 366,000 | \$ 0.21038 | \$ 77,000 | 366,000 | \$ 0.31421 | \$ 115,000 |
| 119 | Retail Gas Charge (Overtake) | 77,000 | \$ 0.67532 | \$ 52,000 | 77,000 | \$ 0.66234 | \$ 51,000 |
| 120 | Rider LST Unauthorized Use | - | \$ - | \$ - | - | \$ - | \$ - |
| 121 | Rider LST IA non-critical | 844,000 | \$ 0.10000 | \$ 84,000 | 844,000 | \$ 0.10000 | \$ 84,000 |
| 122 | Rider 11 Environmental Charge | 18,547,000 | \$ 0.00582 | \$ 108,000 | 18,532,000 | \$ 0.00583 | \$ 108,000 |
| 123 | Rider UBA | - | \$ - | \$ - | 237,000 | \$ - | \$ - |
| 124 | Taxes - State and Municipal | | | \$ 55,000 | | | \$ 59,000 |
| 125 | Other State Charges | | | | | | |
| 126 | Energy Assistance | 36 | \$ 200.00 | \$ 7,000 | 36 | \$ 200.00 | \$ 7,000 |
| 127 | Renewable Energy Sources | 36 | \$ 25.00 | <u>\$ 1,000</u> | 36 | \$ 25.00 | <u>\$ 1,000</u> |
| 128 | Total Other State Charges | | | \$ 8,000 | | | \$ 8,000 |
| 129 | Total Rate 3 / Rate 3 Revenue | | | <u>\$ 1,401,000</u> | | | <u>\$ 1,312,583</u> |

(0.151) increase
\$ 0.038 average per therm

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| Transportation Line No. | Present / Proposed Rate [A] | Present Rates Normalized Actual | | | Proposed Rates | | |
|-------------------------------|--------------------------------------|---------------------------------|--------------------------|------------------------------|----------------------|---------------------------|----------------------------|
| | | Billing Units [B] | Present Charge [C] | Normalized Revenue [D] | Billing Units [E] | Proposed Charge [F] | Proposed Revenue [G] |
| 130 | Rate 4 / Rate 4 | | | | | | |
| 131 | Customers | 36 | (1) | | 36 | (1) | |
| 132 | Base Rate Charges | 22,405,000 | (1) | \$ 667,000 | 22,405,000 | (1) | \$ 667,000 |
| 133 | Taxes - State and Municipal | | | \$ 20,000 | | | \$ 20,000 |
| 134 | Other State Charges | | | | | | |
| 135 | Energy Assistance | 36 | (1) | \$ 4,000 | 36 | (1) | \$ 4,000 |
| 136 | Renewable Energy Sources | 36 | (1) | \$ - | 36 | (1) | \$ - |
| 137 | Total Other State Charges | | | \$ 4,000 | | | \$ 4,000 |
| 138 | Total Rate 4 / Rate 4 Revenue | | | \$ 691,000 | | | \$ 691,000 |

139 Notes: (1) Individually Negotiated Contract with different customer and distribution charges applicable to each contract.

140 **Rate 5 / Rate 5**

141 There are no customers currently taking service under Rate 5 Transportation.

142 **Rate 6 / Rate 6**

143 There are no customers currently taking service under Rate 6 Transportation

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| Sales Line No. | Present / Proposed Rate [A] | Present Rates Normalized Actual | | | Proposed Rates | | | Line No. | |
|----------------------|--|---------------------------------|-------------------|-------------------------|--------------------|--------------------|-------------------------|-------------|--|
| | | Billing Units | Present Charge | Normalized Revenue | Billing Units | Proposed Charge | Proposed Revenue | | |
| | | [B] | [C] | [D] | [E] | [F] | [G] | | |
| 1 | <u>Rate 1 Non-Heating / Rate 1 Non-Heating</u> | | | | | | | 1 | |
| 2 | Customer Charge | 1,598,703 | \$ 9.00 | \$ 14,387,000 | 1,598,703 | \$ 12.00 | \$ 19,184,436 | 2 | |
| 3 | Distribution Charge | | | | | | | 3 | |
| 4 | First 50 | 11,975,000 | \$ 0.36375 | \$ 4,357,000 | 11,974,805 | \$ 0.48845 | \$ 5,849,094 | 4 | |
| 5 | All Over 50 | <u>3,173,000</u> | \$ 0.11445 | <u>\$ 362,000</u> | <u>3,173,510</u> | \$ 0.48845 | <u>\$ 1,550,101</u> | 5 | |
| 6 | Total Distribution | 15,148,000 | | \$ 4,719,000 | 15,148,315 | | \$ 7,399,195 | 6 | |
| 7 | Total Base Rate Revenue | | | \$ 19,106,000 | | | \$ 26,583,631 | 7 | 0.3914 increase \$ 1.755 cost per therm |
| 8 | Rider 2 Gas Charge | 15,148,000 | \$ 0.95181 | \$ 14,418,000 | 15,148,315 | \$ 0.95027 | \$ 14,395,000 | 8 | |
| 9 | Rider 11 Environmental Charge | 15,148,000 | \$ 0.01881 | \$ 285,000 | 15,148,315 | \$ 0.01881 | \$ 285,000 | 9 | |
| 10 | Rider UBA | - | \$ - | \$ - | 15,148,315 | \$ - | \$ - | 10 | |
| 11 | Taxes - State and Municipal | | | \$ 3,243,000 | | | \$ 3,684,000 | 11 | |
| 12 | Other State Charges | | | | | | | 12 | |
| 13 | Energy Assistance | 1,598,703 | \$ 0.40 | \$ 639,000 | 1,598,703 | \$ 0.40 | \$ 639,000 | 13 | |
| 14 | Renewable Energy | 1,598,703 | \$ 0.05 | <u>\$ 80,000</u> | 1,598,703 | \$ 0.05 | <u>\$ 80,000</u> | 14 | |
| 15 | Total Other State Charges | | | \$ 719,000 | | | \$ 719,000 | 15 | |
| 16 | Total Rate 1 NH/ Rate 1 NH Revenue | | | <u>\$ 37,771,000</u> | | | <u>\$ 45,666,631</u> | 16 | |
| 17 | <u>Rate 1 Heating / Rate 1 Heating</u> | | | | | | | 17 | |
| 18 | Customer Charge | 7,275,757 | \$ 9.00 | \$ 65,472,000 | 7,275,757 | \$ 19.00 | \$ 138,239,383 | 18 | |
| 19 | Distribution Charge | | | | | | | 19 | |
| 20 | First 50 | 263,015,000 | \$ 0.36375 | \$ 94,949,000 | 263,014,754 | \$ 0.36447 | \$ 95,860,987 | 20 | |
| 21 | All Over 50 | <u>423,923,000</u> | \$ 0.11445 | <u>\$ 48,513,000</u> | <u>423,922,853</u> | \$ 0.11517 | <u>\$ 48,823,195</u> | 21 | |
| 22 | Total Distribution | 686,938,000 | | \$ 143,462,000 | 686,937,607 | | \$ 144,684,182 | 22 | 0.3541 increase \$ 0.412 cost per therm |
| 23 | Total Base Rate Revenue | | | \$ 208,934,000 | | | \$ 282,923,565 | 23 | |
| 24 | Rider 2 Gas Charge | 686,938,000 | \$ 1.00444 | \$ 689,986,000 | 686,937,607 | \$ 1.00297 | \$ 688,975,000 | 24 | |
| 25 | Rider 11 Environmental Charge | 686,938,000 | \$ 0.01801 | \$ 12,373,000 | 686,937,607 | \$ 0.01801 | \$ 12,373,000 | 25 | |
| 26 | Rider UBA | - | \$ - | \$ - | 686,937,607 | \$ - | \$ - | 26 | |
| 27 | Taxes - State and Municipal | | | \$ 92,636,000 | | | \$ 97,849,000 | 27 | |
| 28 | Other State Charges | | | | | | | 28 | |
| 29 | Energy Assistance | 7,275,757 | \$ 0.40 | \$ 2,910,000 | 7,275,757 | \$ 0.40 | \$ 2,910,000 | 29 | |
| 30 | Renewable Energy | 7,275,757 | \$ 0.05 | <u>\$ 364,000</u> | 7,275,757 | \$ 0.05 | <u>\$ 364,000</u> | 30 | |
| 31 | Total Other State Charges | | | \$ 3,274,000 | | | \$ 3,274,000 | 31 | |
| 32 | Total Rate 1 Htg / Rate 1 Htg Revenue | | | <u>\$ 1,007,203,000</u> | | | <u>\$ 1,085,394,565</u> | 32 | |

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| Sales Line No. | Present / Proposed Rate [A] | Present Rates Normalized Actual | | | Proposed Rates | | | Line No. |
|----------------------|--------------------------------------|---------------------------------|--------------------------|------------------------------|----------------------|---------------------------|----------------------------|-------------|
| | | Billing Units [B] | Present Charge [C] | Normalized Revenue [D] | Billing Units [E] | Proposed Charge [F] | Proposed Revenue [G] | |
| 33 | <u>Rate 2 / Rate 2</u> | | | | | | | 33 |
| 34 | Customer Charge | | | | | | | 34 |
| 35 | Small Meters | 528,551 | \$ 15.00 | \$ 8,195,000 | 557,101 | \$ 21.00 | \$ 11,699,121 | 35 |
| 36 | Large Meters | <u>289,096</u> | \$ 22.00 | <u>\$ 5,806,000</u> | <u>260,308</u> | \$ 60.00 | <u>\$ 15,618,480</u> | 36 |
| 37 | Total Customer Charge | 817,647 | | \$ 14,001,000 | 817,409 | | \$ 27,317,601 | 37 |
| 38 | Distribution Charge | | | | | | | 38 |
| 39 | First 100 | 53,563,000 | \$ 0.34107 | \$ 18,270,000 | 53,520,532 | \$ 0.33938 | \$ 18,163,798 | 39 |
| 40 | Next 4,900 | 257,676,000 | \$ 0.13180 | \$ 33,959,000 | 257,675,564 | \$ 0.13458 | \$ 34,677,977 | 40 |
| 41 | All Over 5,000 | <u>39,716,000</u> | \$ 0.07338 | <u>\$ 2,914,000</u> | <u>39,715,190</u> | \$ 0.07372 | <u>\$ 2,927,804</u> | 41 |
| 42 | Total Distribution Charge | 350,955,000 | | \$ 55,143,000 | 350,911,286 | | \$ 55,769,579 | 42 |
| 43 | Total Base Rate Revenue | | | \$ 69,144,000 | | | \$ 83,087,180 | 43 |
| 44 | Rider 2 Gas Charge | 350,955,000 | \$ 0.99323 | \$ 348,579,000 | 350,911,286 | \$ 0.99176 | \$ 348,019,000 | 44 |
| 45 | Rider 11 Environmental Charge | 350,955,000 | \$ 0.01815 | \$ 6,371,000 | 350,911,286 | \$ 0.01816 | \$ 6,371,000 | 45 |
| 46 | Rider UBA | - | \$ - | \$ - | 350,911,286 | \$ - | \$ - | 46 |
| 47 | Taxes - State and Municipal | | | \$ 43,824,000 | | | \$ 45,758,000 | 47 |
| 48 | Other State Charges | | | | | | | 48 |
| 49 | Energy Assistance | 817,647 | \$ 4.00 | \$ 3,293,000 | 817,409 | \$ 4.00 | \$ 3,292,000 | 49 |
| 50 | Renewable Energy | 817,647 | \$ 0.50 | <u>\$ 412,000</u> | 817,409 | \$ 0.50 | <u>\$ 412,000</u> | 50 |
| 51 | Total Other State Charges | | | \$ 3,705,000 | | | \$ 3,704,000 | 51 |
| 52 | Total Rate 2 / Rate 2 Revenue | | | <u>\$ 471,623,000</u> | | | <u>\$ 486,939,180</u> | 52 |

0.2017 increase
 \$ 0.237 cost per therm

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| Sales Line No. | Present / Proposed Rate [A] | Present Rates Normalized Actual | | | Proposed Rates | | | Line No. |
|----------------------|--------------------------------------|---------------------------------|-------------------|-----------------------|----------------|--------------------|---------------------|-------------|
| | | Billing Units | Present Charge | Normalized Revenue | Billing Units | Proposed Charge | Proposed Revenue | |
| | | [B] | [C] | [D] | [E] | [F] | [G] | |
| 53 | <u>Rate 3 / Rate 4</u> | | | | | | | 53 |
| 54 | Customer Charge | 137 | \$ 300.00 | \$ 41,000 | 137 | \$ 565.00 | \$ 77,405 | 54 |
| 55 | Demand Charge | | | | | | | 55 |
| 56 | First 7,500 | | | | 377,562 | \$ 0.30921 | \$ 116,744 | 56 |
| 57 | All Over 7,500 | | | | 85,203 | \$ 0.20648 | \$ 17,593 | 57 |
| 58 | Total Demand Charge | 463,000 | \$ 0.19834 | \$ 91,000 | 462,765 | | \$ 134,337 | 58 |
| 59 | Total Distribution Charge | 7,260,000 | \$ 0.02994 | \$ 221,000 | 7,259,800 | \$ 0.03667 | \$ 266,217 | 59 |
| 60 | Standby Service Charge | 462,765 | \$ 0.21 | \$ 97,000 | 462,765 | \$ 0.24 | \$ 111,064 | 60 |
| 61 | Total Base Rate Revenue | | | \$ 450,000 | | | \$ 589,023 | 61 |
| 62 | Rider 2 Gas Charge | 7,260,000 | \$ 0.96915 | \$ 7,036,000 | 7,259,800 | \$ 0.96766 | \$ 7,025,000 | 62 |
| 63 | Rider 11 Environmental Charge | 7,260,000 | \$ 0.01901 | \$ 138,000 | 7,259,800 | \$ 0.01901 | \$ 138,000 | 63 |
| 64 | Rider UBA | - | \$ - | \$ - | 7,259,800 | \$ - | \$ - | 64 |
| 65 | Taxes - State and Municipal | | | \$ 775,000 | | | \$ 793,000 | 65 |
| 66 | Other State Charges | | | | | | | 66 |
| 67 | Energy Assistance | 137 | \$ 4.00 | \$ 1,000 | 137 | \$ 4.00 | \$ 1,000 | 67 |
| 68 | Renewable Energy | 137 | \$ 0.50 | \$ - | 137 | \$ 0.50 | \$ - | 68 |
| 69 | Total Other State Charges | | | \$ 1,000 | | | \$ 1,000 | 69 |
| 70 | Total Rate 3 / Rate 4 Revenue | | | <u>\$ 8,400,000</u> | | | <u>\$ 8,546,023</u> | 70 |
| 71 | <u>Rate 4 / Rate 4</u> | | | | | | | 71 |
| 72 | Customer Charge | 3 | \$ 1,000.00 | \$ 3,000 | - | \$ 565.00 | \$ - | 72 |
| 73 | Demand Charge | | | | | | | 73 |
| 74 | First 7,500 | 10,276 | \$ 0.56565 | \$ 6,000 | - | \$ 0.30921 | \$ - | 74 |
| 75 | All Over 7,500 | 2,508 | \$ 0.41660 | \$ 1,000 | - | \$ 0.20648 | \$ - | 75 |
| 76 | Total Demand Charge | 12,784 | | \$ 7,000 | - | | \$ - | 76 |
| 77 | Distribution Charge | 146,000 | \$ 0.00852 | \$ 1,000 | - | \$ 0.03667 | \$ - | 77 |
| 78 | Standby Service Charge | 12,784 | \$ 0.21 | \$ 3,000 | - | \$ 0.24 | \$ - | 78 |
| 79 | Total Base Rate Revenue | | | \$ 14,000 | | | \$ - | 79 |
| 80 | Rider 2 Gas Charge | 146,000 | \$ 1.15068 | \$ 168,000 | - | \$ - | \$ - | 80 |
| 81 | Rider 11 Environmental Charge | 146,000 | \$ 0.02055 | \$ 3,000 | - | \$ - | \$ - | 81 |
| 82 | Taxes - State and Municipal | | | \$ 19,000 | | | \$ - | 82 |
| 83 | Other State Charges | | | | | | | 83 |
| 84 | Energy Assistance | 3 | \$ 4.00 | \$ - | - | \$ 4.00 | \$ - | 84 |
| 85 | Renewable Energy | 3 | \$ 0.50 | \$ - | - | \$ 0.50 | \$ - | 85 |
| 86 | Total Other State Charges | | | \$ - | | | \$ - | 86 |
| 87 | Total Rate 4 / Rate 4 Revenue | | | <u>\$ 204,000</u> | | | <u>\$ -</u> | 87 |

0.3089 increase
\$ 0.081 cost per therm

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| Sales Line No. | Present / Proposed Rate [A] | Present Rates Normalized Actual | | | Proposed Rates | | | Line No. | |
|----------------|---|---------------------------------|-----------------------|---------------------------|----------------------|------------------------|-------------------------|----------|-------------------------|
| | | Billing Units [B] | Present Charge [C] | Normalized Revenue [D] | Billing Units [E] | Proposed Charge [F] | Proposed Revenue [G] | | |
| 88 | <u>Rate 5 / Rate 5</u> | | | | | | | 88 | |
| 89 | There are no customers currently taking service under Rate 5 Sales. | | | | | | | 89 | |
| 90 | <u>Rate 6 / Rate 6</u> | | | | | | | 90 | |
| 91 | Customer Charge | 140 | \$ 15.00 | \$ 2,000 | 384 | \$ 91.81 | \$ 35,255 | 91 | |
| 92 | Demand Charge | | | | | | | 92 | |
| 93 | Heating | - | \$ 8.52325 | \$ - | - | \$ 8.48930 | \$ - | 93 | |
| 94 | Non-heating | 14,000 | \$ 2.27605 | \$ 35,000 | 996 | \$ 8.48930 | \$ 8,455 | 94 | |
| 95 | Total Demand Charge | 14,000 | | \$ 35,000 | 996 | | \$ 8,455 | 95 | |
| 96 | Distribution Charge | (32,000) | \$ 0.01000 | \$ - | 10,656 | \$ 0.15658 | \$ 1,669 | 96 | |
| 97 | Total Base Rate Revenue | | | \$ 37,000 | | | \$ 45,379 | 97 | 0.2265 increase |
| 98 | Rider 2 Gas Charge | (32,000) | \$ 0.56250 | \$ (18,000) | 10,656 | \$ 0.56306 | \$ 6,000 | 98 | \$ 4.259 cost per therm |
| 99 | Rider 11 Environmental Charge | (32,000) | \$ - | \$ - | 10,656 | \$ - | \$ - | 99 | |
| 100 | Rider UBA | - | \$ - | \$ - | 10,656 | \$ - | \$ - | 100 | |
| 101 | Taxes - State and Municipal | | | \$ (2,000) | | | \$ 5,000 | 101 | |
| 102 | Other State Charges | | | | | | | 102 | |
| 103 | Energy Assistance | 140 | \$ 4.00 | \$ 1,000 | 384 | \$ 4.00 | \$ 2,000 | 103 | |
| 104 | Renewable Energy | 140 | \$ 0.50 | \$ - | 384 | \$ 0.50 | \$ - | 104 | |
| 105 | Total Other State Charges | | | \$ 1,000 | | | \$ 2,000 | 105 | |
| 106 | Total Rate 6 / Rate 6 Revenue | | | <u>\$ 18,000</u> | | | <u>\$ 58,379</u> | 106 | |
| 107 | <u>Rate 7 / Rate 7</u> | | | | | | | 107 | |
| 108 | There are no customers currently taking service under Rate 7 Sales. | | | | | | | 108 | |
| 109 | <u>Rate 8 / Rate 8</u> | | | | | | | 109 | |
| 110 | Customer Charge | 50 | \$ 65.00 | \$ 3,000 | 50 | \$ 80.00 | \$ 4,000 | 110 | |
| 111 | Distribution Charge | 179,000 | \$ 0.02396 | \$ 5,000 | 178,541 | \$ 0.07797 | \$ 13,921 | 111 | |
| 112 | Total Base Rate Revenue | | | \$ 8,000 | | | \$ 17,921 | 112 | 1.2401 increase |
| 113 | Rider 2 Gas Charge | 179,000 | \$ 0.94413 | \$ 169,000 | 178,541 | \$ 0.94656 | \$ 169,000 | 113 | \$ 0.100 cost per therm |
| 114 | Rider 11 Environmental Charge | 179,000 | \$ 0.01676 | \$ 3,000 | 178,541 | \$ 0.01680 | \$ 3,000 | 114 | |
| 115 | Rider UBA | - | \$ - | \$ - | 178,541 | \$ - | \$ - | 115 | |
| 116 | Taxes - State and Municipal | | | \$ 12,000 | | | \$ 13,000 | 116 | |
| 117 | Other State Charges | | | | | | | 117 | |
| 118 | Energy Assistance | 50 | \$ 4.00 | \$ - | 50 | \$ 4.00 | \$ - | 118 | |
| 119 | Renewable Energy | 50 | \$ 0.50 | \$ - | 50 | \$ 0.50 | \$ - | 119 | |
| 120 | Total Other State Charges | | | \$ - | | | \$ - | 120 | |
| 121 | Total Rate 8 / Rate 8 Revenue | | | <u>\$ 192,000</u> | | | <u>\$ 202,921</u> | 121 | |

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| Line No. | Transportation Present / Proposed Rate [A] | Present Rates - Normalized Actual | | | Proposed Rates - Test Year | | | |
|----------|--|-----------------------------------|-------------------|---------------------|----------------------------|-------------------|---------------------|--|
| | | Billing Units | Present Charge | Normalized Revenue | Billing Units | Proposed Charge | Proposed Revenue | |
| | | [B] | [C] | [D] | [E] | [F] | [G] | |
| 1 | <u>Rate 1 Non-Heating / Rate 1 Non-Heating</u> | | | | | | | |
| 2 | Customer Charge | 14,298 | \$ 9.00 | \$ 129,000 | 14,298 | \$ 12.00 | \$ 171,576 | |
| 3 | Distribution Charge | | | | | | | |
| 4 | First 50 | 159,000 | \$ 0.36375 | \$ 58,000 | 158,968 | \$ 0.43800 | \$ 69,628 | |
| 5 | All Over 50 | <u>51,000</u> | <u>\$ 0.11445</u> | <u>\$ 5,000</u> | <u>50,658</u> | <u>\$ 0.43800</u> | <u>\$ 22,188</u> | |
| 6 | Total Distribution | 210,000 | | \$ 63,000 | 209,626 | | \$ 91,816 | |
| 7 | SVT Aggregation Charge per pool | 4 | \$ 200.00 | \$ 1,000 | 4 | \$ 200.00 | \$ 800 | |
| 8 | SVT Aggregation Charge per customer | 14,298 | \$ 0.49 | <u>\$ 7,000</u> | 14,298 | \$ 1.30 | <u>\$ 18,587</u> | |
| 9 | Total SVT Pool Aggregation Charge | | | \$ 8,000 | | | \$ 19,395 | |
| 10 | SVT Customer Pool Activation Charge | 1,326 | \$ 10.00 | \$ 13,000 | 1,326 | \$ - | \$ - | |
| 11 | Total Base Rate Revenue | | | \$ 213,000 | | | \$ 282,787 | 0.3276 increase |
| 12 | SVT Aggregation Balancing Charge | 210,000 | \$ 0.03333 | \$ 7,000 | 209,626 | \$ 0.03447 | \$ 7,225 | \$ 1.349 cost per therm |
| 13 | SVT Penalty Charges | - | \$ - | \$ - | 120 | \$ 0.71667 | \$ 86 | |
| 14 | Rider 11 Environmental Charge | 210,000 | \$ 0.01905 | \$ 4,000 | 209,626 | \$ 0.01901 | \$ 3,985 | |
| 15 | Taxes - State and Municipal | | | \$ 19,000 | | | \$ 23,713 | |
| 16 | Other State Charges | | | | | | | |
| 17 | Energy Assistance | 14,298 | \$ 0.40 | \$ 6,000 | 14,298 | \$ 0.40 | \$ 5,718 | |
| 18 | Renewable Energy | 14,298 | \$ 0.05 | <u>\$ 1,000</u> | 14,298 | \$ 0.05 | <u>\$ 716</u> | |
| 19 | Total Other State Charges | | | \$ 7,000 | | | \$ 6,434 | |
| 20 | Total Rate 1 NH / Rate 1 NH Revenue | | | <u>\$ 250,000</u> | | | <u>\$ 324,144</u> | |
| 21 | <u>Rate 1 Heating / Rate 1 Heating</u> | | | | | | | |
| 22 | Customer Charge | 180,470 | \$ 9.00 | \$ 1,624,000 | 180,470 | \$ 19.00 | \$ 3,428,930 | |
| 23 | Distribution Charge | | | | | | | |
| 24 | First 50 | 6,768,000 | \$ 0.36375 | \$ 2,462,000 | 6,768,002 | \$ 0.33518 | \$ 2,268,499 | |
| 25 | All Over 50 | <u>10,638,000</u> | <u>\$ 0.11445</u> | <u>\$ 1,218,000</u> | <u>10,638,696</u> | <u>\$ 0.08588</u> | <u>\$ 913,651</u> | |
| 26 | Total Distribution | 17,406,000 | | \$ 3,680,000 | 17,406,698 | | \$ 3,182,150 | |
| 27 | SVT Aggregation Charge per pool | 52 | \$ 200.00 | \$ 10,000 | 52 | \$ 200.00 | \$ 10,400 | |
| 28 | SVT Aggregation Charge per customer | 180,470 | \$ 0.49 | <u>\$ 88,000</u> | 180,470 | \$ 1.30 | <u>\$ 234,611</u> | |
| 29 | Total SVT Pool Aggregation Charge | | | \$ 99,000 | | | \$ 245,000 | |
| 30 | SVT Customer Pool Activation Charge | 16,700 | \$ 10.00 | \$ 167,000 | 16,700 | \$ - | \$ - | |
| 31 | Total Base Rate Revenue | | | \$ 5,570,000 | | | \$ 6,856,080 | 0.2309 increase \$ 0.394 cost per therm |
| 32 | SVT Aggregation Balancing Charge | 17,406,000 | \$ 0.03344 | \$ 582,000 | 17,406,698 | \$ 0.03344 | \$ 582,000 | |
| 33 | SVT Penalty Charges | 10,000 | \$ 0.70000 | \$ 7,000 | 10,000 | \$ 0.70000 | \$ 7,000 | Combined SC 1N and SC 1H, -- Sales and Transportation |
| 34 | Rider 11 Environmental Charge | 17,406,000 | \$ 0.01821 | \$ 317,000 | 17,406,698 | \$ 0.01821 | \$ 317,000 | |
| 35 | Taxes - State and Municipal | | | \$ 554,000 | | | \$ 646,000 | 0.5385 increase \$ 0.4400 cost per therm |
| 36 | Other State Charges | | | | | | | |
| 37 | Energy Assistance | 180,470 | \$ 0.40 | \$ 72,000 | 180,470 | \$ 0.40 | \$ 72,000 | |
| 38 | Renewable Energy | 180,470 | \$ 0.05 | <u>\$ 9,000</u> | 180,470 | \$ 0.05 | <u>\$ 9,000</u> | |
| 39 | Total Other State Charges | | | \$ 81,000 | | | \$ 81,000 | |
| 40 | Total Rate 1 Heating / Rate 1 Heating Revenue | | | <u>\$ 7,111,000</u> | | | <u>\$ 8,489,080</u> | |

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| Line No. | Present / Proposed Rate [A] | Present Rates - Normalized Actual | | | Proposed Rates - Test Year | | |
|----------|---|-----------------------------------|----------------|----------------------|----------------------------|-----------------|----------------------|
| | | Billing Units | Present Charge | Normalized Revenue | Billing Units | Proposed Charge | Proposed Revenue |
| | | [B] | [C] | [D] | [E] | [F] | [G] |
| 41 | <u>Rate 2 / Rate 2</u> | | | | | | |
| 42 | Customer Charge | | | | | | |
| 43 | Small Meters | 67,457 | \$ 15.00 | \$ 1,157,000 | 78,780 | \$ 21.00 | \$ 1,654,380 |
| 44 | Large Meters | <u>124,812</u> | \$ 22.00 | <u>\$ 2,797,000</u> | <u>113,484</u> | \$ 60.00 | <u>\$ 6,809,040</u> |
| 45 | Total Customer Charge | 192,269 | | \$ 3,954,000 | 192,264 | | \$ 8,463,420 |
| 46 | Distribution Charge | | | | | | |
| 47 | First 100 | 15,082,000 | \$ 0.34107 | \$ 5,144,000 | 15,082,165 | \$ 0.32842 | \$ 4,953,285 |
| 48 | Next 4,900 | 214,063,000 | \$ 0.13180 | \$ 28,214,000 | 214,063,300 | \$ 0.12362 | \$ 26,462,505 |
| 49 | All Over 5,000 | <u>195,254,000</u> | \$ 0.07338 | <u>\$ 14,328,000</u> | <u>195,254,379</u> | \$ 0.06276 | <u>\$ 12,254,165</u> |
| 50 | Total Distribution | 424,399,000 | | \$ 47,686,000 | 424,399,844 | | \$ 43,669,955 |
| 51 | Daily Demand Measurement Device Charge | | | | | | |
| 52 | Device Type 1 | 13,641 | \$ 28.00 | \$ 382,000 | 13,641 | \$ 28.00 | \$ 381,948 |
| 53 | Device Type 2 | 23,668 | \$ 29.00 | \$ 686,000 | 23,668 | \$ 28.00 | \$ 662,704 |
| 54 | Device Type 3 | 2,917 | \$ 32.00 | \$ 94,000 | 5,834 | \$ 28.00 | \$ 163,352 |
| 55 | Rider FST/SST Contract Admin - 1 account | 2,183 | \$ 48.00 | \$ 105,000 | - | \$ - | \$ - |
| 56 | Rider FST/SST Contract Admin - 2 accounts | 61 | \$ 29.00 | \$ 2,000 | - | \$ - | \$ - |
| 57 | Rider FST/SST Contract Admin - 3 accounts | - | \$ 19.00 | \$ - | - | \$ - | \$ - |
| 58 | Rider FST/SST Contract Admin - 4 accounts | - | \$ 14.50 | \$ - | - | \$ - | \$ - |
| 59 | Rider FST/SST Contract Admin - 5 or more accounts | - | \$ 14.00 | \$ - | - | \$ - | \$ - |
| 60 | Contract Admin. Charge - FST to SST | <u>2,244</u> | | \$ 107,000 | 2,244 | \$ 23.00 | \$ 51,612 |
| 61 | Rider SST/SST Contract Admin - 1 account | 826 | \$ 60.00 | \$ 50,000 | - | \$ - | \$ - |
| 62 | Rider SST/SST Contract Admin - 2 accounts | 290 | \$ 36.50 | \$ 11,000 | - | \$ - | \$ - |
| 63 | Rider SST/SST Contract Admin - 3 accounts | 201 | \$ 24.00 | \$ 5,000 | - | \$ - | \$ - |
| 64 | Rider SST/SST Contract Admin - 4 accounts | 9,279 | \$ 23.00 | \$ 213,000 | - | \$ - | \$ - |
| 65 | Rider SST/SST Contract Admin - 5 or more accounts | - | | \$ - | - | \$ - | \$ - |
| 66 | Contract Admin. Charge - SST to SST | <u>10,596</u> | | \$ 279,000 | 10,596 | \$ 23.00 | \$ 243,708 |
| 67 | Rider FST/SVT Contract Admin - 1 account | 2,184 | \$ 48.00 | \$ 105,000 | - | \$ - | \$ - |
| 68 | Rider FST/SVT Contract Admin - 2 accounts | 1,371 | \$ 29.00 | \$ 40,000 | - | \$ - | \$ - |
| 69 | Rider FST/SVT Contract Admin - 3 accounts | 1,093 | \$ 19.00 | \$ 21,000 | - | \$ - | \$ - |
| 70 | Rider FST/SVT Contract Admin - 4 accounts | 592 | \$ 14.50 | \$ 9,000 | - | \$ - | \$ - |
| 71 | Rider FST/SVT Contract Admin - 5 or more accounts | <u>14,906</u> | \$ 14.00 | <u>\$ 209,000</u> | - | \$ - | \$ - |
| 72 | Contract Admin. Charge - FST to SVT Pool Admin | 20,146 | | \$ 384,000 | 20,146 | \$ 1.30 | \$ 26,189 |
| 73 | Total Contract Admin. Charge - FST and SST | 32,986 | | \$ 770,000 | 12,840 | | \$ 295,320 |

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| Transportation | | Present Rates - Normalized Actual | | | Proposed Rates - Test Year | | | |
|----------------|---|-----------------------------------|----------------|----------------------|----------------------------|-----------------|----------------------|--|
| | | Billing Units | Present Charge | Normalized Revenue | Billing Units | Proposed Charge | Proposed Revenue | |
| Line No. | Present / Proposed Rate | [B] | [C] | [D] | [E] | [F] | [G] | |
| | [A] | | | | | | | |
| 74 | SVT/SVT Aggregation Charge per pool | 30 | \$ 200.00 | \$ 6,000 | 30 | \$ 200.00 | \$ 6,000 | |
| 75 | SVT/SVT Aggregation Charge per customer | 106,326 | \$ 0.49 | \$ 52,000 | 106,326 | \$ 1.30 | \$ 138,224 | |
| 76 | Total SVT/SVT Pool Aggregation Charge | | | \$ 58,000 | | | \$ 144,224 | |
| 77 | Rider P to Rider P Pooling Charge per customer group | 723 | \$ 200.00 | \$ 144,000 | 723 | \$ 200.00 | \$ 144,600 | |
| 78 | Rider P Pooling Charge per account (SST to SST) | 25,408 | \$ 10.00 | \$ 254,000 | 25,408 | \$ 18.00 | \$ 457,344 | |
| 79 | Rider P Pooling Charge per account (FST to SST) | 3,228 | \$ 10.00 | \$ 32,000 | 3,228 | \$ 18.00 | \$ 58,104 | |
| 80 | Total Rider P / Rider P Pooling Charge | | | \$ 430,000 | | | \$ 660,048 | |
| 81 | Rider P FST Pooling Charge per account to Rider SVT Aggregation Charge per customer | 28,956 | \$ 10.00 | \$ 290,000 | 28,956 | \$ 1.30 | \$ 37,643 | |
| 82 | Total SVT Aggregation and Rider P Pooling Charge | | | \$ 778,000 | | | \$ 867,827 | |
| 83 | Pool Customer Change Charge | 10,865 | \$ 10.00 | \$ 109,000 | 10,865 | \$ - | \$ - | |
| 84 | Imbalance Trade Charge | 663 | \$ 5.00 | \$ 3,000 | 663 | \$ 5.00 | \$ 3,315 | |
| 85 | Total Base Rate Revenue | | | \$ 54,462,000 | 206,516 | | \$ 54,508,118 | 0.0008 increase \$ 0.128 cost per therm |
| 86 | SVT Aggregation Balancing Charge | 40,477,000 | \$ 0.03553 | \$ 1,438,000 | 40,477,000 | \$ 0.03553 | \$ 1,438,000 | |
| 87 | Standby Commodity Charge | 15,178,000 | \$ 0.98267 | \$ 14,915,000 | 15,178,000 | \$ 0.96943 | \$ 14,714,000 | |
| 88 | Standby Demand Charge | 25,175,000 | \$ 0.09279 | \$ 2,336,000 | 25,175,000 | \$ 0.16143 | \$ 4,064,000 | |
| 89 | Excess Bank Charge | 14,462,000 | \$ 0.10000 | \$ 1,448,000 | 14,462,000 | \$ 0.10000 | \$ 1,448,000 | |
| 90 | Unauthorized Use Charge | 147,000 | \$ 0.46259 | \$ 68,000 | 147,000 | \$ 0.46259 | \$ 68,000 | |
| 91 | Rider SVT Penalty Charges | 24,000 | \$ 0.70833 | \$ 17,000 | 24,000 | \$ 0.70833 | \$ 17,000 | |
| 92 | Retail Gas Charge (Overtake) | 134,000 | \$ 0.97015 | \$ 130,000 | 134,000 | \$ 0.95522 | \$ 128,000 | |
| 93 | Rider 11 Environmental Charge | 424,399,000 | \$ 0.01782 | \$ 7,564,000 | 424,399,844 | \$ 0.01782 | \$ 7,564,000 | |
| 94 | Rider UBA | - | \$ - | \$ - | 15,178,000 | \$ - | \$ - | |
| 95 | Taxes - State and Municipal | | | \$ 7,933,000 | | | \$ 8,637,000 | |
| 96 | Other State Charges | | | | | | | |
| 97 | Energy Assistance | 192,269 | \$ 4.00 | \$ 775,000 | 192,264 | \$ 4.00 | \$ 775,000 | |
| 98 | Renewable Energy | 192,269 | \$ 0.50 | \$ 97,000 | 192,264 | \$ 0.50 | \$ 97,000 | |
| 99 | Total Other State Charges | | | \$ 872,000 | | | \$ 872,000 | |
| 100 | Total Rate 2 / Rate 2 Revenue | | | \$ 91,183,000 | | | \$ 93,458,118 | |

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| Line No. | Present / Proposed Rate [A] | Present Rates - Normalized Actual | | | Proposed Rates - Test Year | | |
|----------|---|-----------------------------------|----------------|----------------------|----------------------------|-----------------|---|
| | | Billing Units | Present Charge | Normalized Revenue | Billing Units | Proposed Charge | Proposed Revenue |
| | | [B] | [C] | [D] | [E] | [F] | [G] |
| 101 | Rate 3 / Rate 4 | | | | | | |
| 102 | Customer Charge | 1,831 | \$ 300.00 | \$ 549,000 | 1,831 | \$ 565.00 | \$ 1,034,515 |
| 103 | Demand Charge | | | | | | |
| 104 | First 7,500 | | | | 8,080,530 | \$ 0.30921 | \$ 2,498,542 |
| 105 | All Over 7,500 | | | | <u>1,823,504</u> | \$ 0.20648 | <u>\$ 376,517</u> |
| 106 | Total Demand Charge | 9,904,000 | \$ 0.19834 | \$ 1,963,000 | <u>9,904,000</u> | | <u>\$ 2,875,059</u> |
| 107 | Distribution Charge | 131,709,000 | \$ 0.02994 | \$ 3,943,000 | 131,708,826 | \$ 0.03667 | \$ 4,829,763 |
| 108 | Standby Service Charge | 2,275,000 | \$ 0.21 | \$ 478,000 | 2,275,378 | \$ 0.24 | \$ 546,091 |
| 109 | Daily Demand Measurement Device Charge | | | | | | |
| 110 | Device Type 1 | 310 | \$ 28.00 | \$ 9,000 | 310 | \$ - | \$ - |
| 111 | Device Type 2 | 2,040 | \$ 29.00 | \$ 59,000 | 2,040 | \$ - | \$ - |
| 112 | Device Type 3 | 84 | \$ 32.00 | \$ 3,000 | 84 | \$ - | \$ - |
| 113 | Rider FST/SVT Contract Admin - 4 accounts | - | \$ 23.00 | \$ - | - | \$ 1.30 | \$ - |
| 114 | Rider FST/SST Contract Admin - 1 account | 12 | \$ 48.00 | \$ 1,000 | - | \$ - | \$ - |
| 115 | Rider LST/SST Contract Admin - 1 account | 105 | \$ 60.00 | \$ 6,000 | - | \$ - | \$ - |
| 116 | Rider LST/SST Contract Admin - 2 accounts | 16 | \$ 36.50 | \$ 1,000 | - | \$ - | \$ - |
| 117 | Rider LST/SST Contract Admin - 3 accounts | 37 | \$ 24.00 | \$ 1,000 | - | \$ - | \$ - |
| 118 | Rider LST/SST Contract Admin - 4 or more accounts | <u>148</u> | \$ 23.00 | <u>\$ 3,000</u> | - | \$ - | \$ - |
| 119 | Total Contract Administrative Charge FST & LST to SST | 318 | | \$ 12,000 | 318 | \$ 23.00 | \$ 6,900 |
| 120 | Rider P to Rider P Pooling Charge per customer group | 102 | \$ 200.00 | \$ 21,000 | 102 | \$ 200.00 | \$ 20,400 |
| 121 | Rider P Pooling Charge per account | 1,534 | \$ 10.00 | <u>\$ 15,000</u> | 1,534 | \$ 18.00 | <u>\$ 27,612</u> |
| 122 | Total Rider P / Rider P Pooling Charge | | | \$ 36,000 | | | \$ 48,048 |
| 123 | Pool Customer Change Charge | 26 | \$ 10.00 | \$ - | 26 | \$ - | \$ - |
| 124 | Imbalance Trade Charge | 88 | \$ 5.00 | \$ - | 88 | \$ 5.00 | \$ - |
| 125 | Rider TB Contract Administration Charge | 57 | \$ 25.00 | \$ 1,000 | 57 | \$ - | \$ - |
| 126 | Rider TB CDBQ Base Rate Charge | 906,000 | \$ 0.02410 | \$ 22,000 | 906,000 | \$ 0.04040 | \$ 36,602 |
| 127 | Total Base Rate Revenue | | | \$ 7,075,000 | | | \$ 9,376,978 |
| | | | | | | | \$ 0.3254 increase \$ 0.071 cost per therm |
| 128 | Standby Commodity Charge | 700,000 | \$ 1.01143 | \$ 708,000 | 700,000 | \$ 0.99857 | \$ 699,000 |
| 129 | Standby Demand Charge | 2,303,000 | \$ 0.09249 | \$ 213,000 | 2,303,000 | \$ 0.16109 | \$ 371,000 |
| 130 | Rider TB CDBQ Gas Charge | 906,000 | \$ 0.20199 | \$ 183,000 | 906,000 | \$ 0.20199 | \$ 183,000 |
| 131 | Rider TB Penalty Charge | 143,000 | \$ 1.54545 | \$ 221,000 | 143,000 | \$ 1.54545 | \$ 221,000 |
| 132 | Rider TB Scheduling Charge Non-critical | 55,000 | \$ 0.50909 | \$ 28,000 | 55,000 | \$ 0.50909 | \$ 28,000 |
| 133 | Retail Gas Charge (Overtake) | 131,000 | \$ 1.00000 | \$ 131,000 | 131,000 | \$ 1.00000 | \$ 131,000 |
| 134 | Rider FST Excess Bank | 2,000 | \$ 0.10000 | \$ - | 2,000 | \$ 0.10000 | \$ - |
| 135 | Rider LST Unauthorized Use | 117,000 | \$ 0.46154 | \$ 54,000 | 117,000 | \$ 0.45299 | \$ 53,000 |
| 136 | Rider LST IA non-critical | 1,117,000 | \$ 0.10027 | \$ 112,000 | 1,117,000 | \$ 0.10027 | \$ 112,000 |
| 137 | Rider 11 Environmental Charge | 131,709,000 | \$ 0.01897 | \$ 2,498,000 | 131,708,826 | \$ 0.01897 | \$ 2,498,000 |
| 138 | Rider UBA | - | \$ - | \$ - | 700,000 | \$ - | \$ 1,000 |
| 139 | Taxes - State and Municipal | | | \$ 1,097,000 | | | \$ 1,216,000 |
| 140 | Other State Charges | | | | | | |
| 141 | Energy Assistance | 1,831 | \$ 4.00 | \$ 7,000 | 1,831 | \$ 4.00 | \$ 7,000 |
| 142 | Renewable Energy | 1,831 | \$ 0.50 | <u>\$ 1,000</u> | 1,831 | \$ 0.50 | <u>\$ 1,000</u> |
| 143 | Total Other State Charges | | | \$ 8,000 | | | \$ 8,000 |
| 144 | Total Rate 3 / Rate 4 Revenue | | | <u>\$ 12,328,000</u> | | | <u>\$ 14,897,978</u> |

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| Line No. | Present / Proposed Rate [A] | Present Rates - Normalized Actual | | | Proposed Rates - Test Year | | |
|----------|--|-----------------------------------|----------------|---------------------|----------------------------|-----------------|---------------------|
| | | Billing Units | Present Charge | Normalized Revenue | Billing Units | Proposed Charge | Proposed Revenue |
| | | [B] | [C] | [D] | [E] | [F] | [G] |
| 145 | Rate 4 / Rate 4 | | | | | | |
| 146 | Customer Charge | 325 | \$ 1,000.00 | \$ 325,000 | 328 | \$ 565.00 | \$ 185,320 |
| 147 | Demand Charge | | | | | | |
| 148 | First 7,500 | 2,203,000 | \$ 0.56565 | \$ 1,246,000 | 2,213,194 | \$ 0.30921 | \$ 684,331 |
| 149 | All Over 7,500 | <u>3,851,000</u> | \$ 0.41660 | <u>\$ 1,605,000</u> | <u>3,854,003</u> | \$ 0.20648 | <u>\$ 795,775</u> |
| 150 | Total Demand Charge | 6,054,000 | | \$ 2,851,000 | 6,067,197 | | \$ 1,480,106 |
| 151 | Distribution Charge | 106,579,000 | \$ 0.00852 | \$ 908,000 | 106,725,115 | \$ 0.03667 | \$ 3,913,610 |
| 152 | Standby Service Charge | 1,205,000 | \$ 0.21 | \$ 253,000 | 1,217,514 | \$ 0.24 | \$ 292,000 |
| 153 | Rider LST/SST Contract Admin - 1 account | 29 | \$ 60.00 | \$ 2,000 | - | \$ - | \$ - |
| 154 | Rider LST/SST Contract Admin - 2 accounts | - | \$ 36.50 | \$ - | - | \$ - | \$ - |
| 155 | Rider LST/SST Contract Admin - 3 accounts | - | \$ 24.00 | \$ - | - | \$ - | \$ - |
| 156 | Rider LST/SST Contract Admin - 4 or more accounts | <u>100</u> | \$ 23.00 | <u>\$ 2,000</u> | - | \$ - | \$ - |
| 157 | Total Contract Administrative Charge LST to SST | 129 | | \$ 4,000 | 129 | \$ 23.00 | \$ 3,036 |
| 158 | Rider P to Rider P Pooling Charge per customer group | 10 | \$ 200.00 | \$ 2,000 | 10 | \$ 200.00 | \$ 1,912 |
| 159 | Rider P Pooling Charge per account | 190 | \$ 10.00 | <u>\$ 2,000</u> | 190 | \$ 18.00 | <u>\$ 3,427</u> |
| 160 | Total Rider P / Rider P Pooling Charge | | | \$ 4,000 | | | \$ 5,456 |
| 161 | Pool Customer Change Charge | - | \$ 10.00 | \$ - | - | \$ - | \$ - |
| 162 | Imbalance Trade Charge | - | \$ 5.00 | \$ - | - | \$ 5.00 | \$ 41 |
| 163 | Rider TB Contract Administration Charge | 7 | \$ 25.00 | \$ - | 7 | \$ - | \$ - |
| 164 | Rider TB CDBQ Base Rate Charge | 327,000 | \$ 0.02410 | \$ 8,000 | 327,069 | \$ 0.04040 | \$ 13,214 |
| 165 | Total Base Rate Revenue | | | \$ 4,353,000 | | | \$ 5,892,783 |
| 166 | Standby Commodity Charge | 498,000 | \$ 1.01807 | \$ 507,000 | 498,000 | \$ 1.00602 | \$ 501,000 |
| 167 | Standby Demand Charge | 1,205,000 | \$ 0.09295 | \$ 112,000 | 1,205,000 | \$ 0.16100 | \$ 194,000 |
| 168 | Rider TB CDBQ Gas Charge | 327,000 | \$ 0.20795 | \$ 68,000 | 327,069 | \$ 0.20791 | \$ 68,000 |
| 169 | Rider TB Penalty Charge | 82,000 | \$ 1.54878 | \$ 127,000 | 82,000 | \$ 1.54878 | \$ 127,000 |
| 170 | Rider TB Scheduling Charge Non-critical | 32,000 | \$ 0.50000 | \$ 16,000 | 32,000 | \$ 0.50000 | \$ 16,000 |
| 171 | Retail Gas Charge (Overtake) | 119,000 | \$ 1.00000 | \$ 119,000 | 119,000 | \$ 0.98319 | \$ 117,000 |
| 172 | Rider FST Excess Bank | - | \$ 0.10000 | \$ - | - | \$ 0.10000 | \$ - |
| 173 | Rider LST Unauthorized Use | 106,000 | \$ 0.45283 | \$ 48,000 | 106,000 | \$ 0.45283 | \$ 48,000 |
| 174 | Rider LST IA non-critical | 1,012,000 | \$ 0.09980 | \$ 101,000 | 1,012,000 | \$ 0.09980 | \$ 101,000 |
| 175 | Rider 11 Environmental Charge | 106,579,000 | \$ 0.01906 | \$ 2,031,000 | 106,725,115 | \$ 0.01906 | \$ 2,034,000 |
| 176 | Rider UBA | - | \$ - | \$ - | 498,000 | \$ - | \$ - |
| 177 | Taxes - State and Municipal | | | \$ 754,000 | | | \$ 775,000 |
| 178 | Other State Charges | | | | | | |
| 179 | Energy Assistance | 325 | \$ 4.00 | \$ 40,000 | 328 | \$ 4.00 | \$ 40,000 |
| 180 | Renewable Energy | 325 | \$ 0.50 | <u>\$ 5,000</u> | 328 | \$ 0.50 | <u>\$ 5,000</u> |
| 181 | Total Other State Charges | | | \$ 45,000 | | | \$ 45,000 |
| 182 | Total Rate 4 / Rate 4 Revenue | | | <u>\$ 8,281,000</u> | | | <u>\$ 9,918,783</u> |

0.3537 increase
 \$ 0.055 cost per therm

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| Line No. | Present / Proposed Rate [A] | Present Rates - Normalized Actual | | | Proposed Rates - Test Year | | |
|----------|--|-----------------------------------|-----------------------|---------------------------|----------------------------|------------------------|-------------------------|
| | | Billing Units [B] | Present Charge [C] | Normalized Revenue [D] | Billing Units [E] | Proposed Charge [F] | Proposed Revenue [G] |
| 183 | <u>Rate 5 / Rate 5</u> | | | | | | |
| 184 | There are no customers currently taking service under Rate 5 Transportation. | | | | | | |
| 185 | <u>Rate 6 / Rate 6</u> | | | | | | |
| 186 | Customer Charge | 37 | \$ 15.00 | \$ 1,000 | 36 | \$ 91.81 | \$ 3,305 |
| 187 | Distribution Charge | 58,000 | \$ 0.01000 | \$ 1,000 | 58,353 | \$ 0.15657 | \$ 9,136 |
| 188 | Demand Charge | | | | | | |
| 189 | Heating | 1,014 | \$ 8.52325 | \$ 8,000 | 1,014 | \$ 0.71817 | \$ 728 |
| 190 | Non-heating | - | \$ 2.27605 | \$ - | - | \$ 8.48930 | \$ - |
| 191 | Total Demand Charge | 1,014 | | \$ 8,000 | 1,014 | | \$ 728 |
| 192 | Rider FST/SST Contract Admin - 1 account | 24 | \$ 48.00 | \$ 1,000 | - | \$ - | \$ - |
| 193 | Total Contract Administrative Charge FST to SST | 24 | | \$ 1,000 | 24 | \$ 23.00 | \$ 552 |
| 194 | Rider P Pooling Charge per customer group | - | \$ 200.00 | \$ - | - | \$ 200.00 | \$ - |
| 195 | Rider P Pooling Charge per account to Rider SVT | 12 | \$ 10.00 | \$ - | 12 | \$ 1.30 | \$ 16 |
| 196 | Total Rider P Pooling Charge | | | \$ - | | | \$ 16 |
| 197 | Total Base Rate Revenue | | | \$ 11,000 | | | \$ 13,737 |
| 198 | Standby Commodity Charge | 7,000 | \$ 1.00000 | \$ 7,000 | 7,000 | \$ 1.00000 | \$ 7,000 |
| 199 | Standby Demand Charge | 14,000 | \$ 0.07143 | \$ 1,000 | 14,000 | \$ 0.21429 | \$ 3,000 |
| 200 | Rider FST Excess Bank | - | \$ 0.10000 | \$ - | - | \$ 0.10000 | \$ - |
| 201 | Rider 11 Environmental Charge | 58,000 | \$ 0.01724 | \$ 1,000 | 58,353 | \$ 0.01714 | \$ 1,000 |
| 202 | Rider UBA | | \$ - | \$ - | 7,000 | \$ - | \$ - |
| 203 | Taxes - State and Municipal | | | \$ 2,000 | | | \$ 2,000 |
| 204 | Other State Charges | | | | | | |
| 205 | Energy Assistance | 37 | \$ 4.00 | \$ - | 36 | \$ 4.00 | \$ - |
| 206 | Renewable Energy | 37 | \$ 0.50 | \$ - | 36 | \$ 0.50 | \$ - |
| 207 | Total Other State Charges | | | \$ - | | | \$ - |
| 208 | Total Rate 6 / Rate 6 Revenue | | | <u>\$ 22,000</u> | | | <u>\$ 26,737</u> |

0.2488 increase
 \$ 0.235 cost per therm

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| Line No. | Present / Proposed Rate [A] | Present Rates - Normalized Actual | | | Proposed Rates - Test Year | | |
|----------|--|-----------------------------------|-----------------------|---------------------------|----------------------------|------------------------|-------------------------|
| | | Billing Units [B] | Present Charge [C] | Normalized Revenue [D] | Billing Units [E] | Proposed Charge [F] | Proposed Revenue [G] |
| 209 | <u>Rate 7 / Rate 7</u> | | | | | | |
| 210 | Customers | 36 | (1) | | 36 | (1) | |
| 211 | Base Rate Charge | 35,305,000 | (1) | \$ 2,007,000 | 35,305,231 | (1) | \$ 2,007,000 |
| 212 | Storage and Balancing Gas Charge | | (1) | \$ 284,000 | | (1) | \$ 284,000 |
| 213 | Taxes - State and Municipal | | | \$ 244,000 | | | \$ 244,000 |
| 214 | Other State Charges | | | | | | |
| 215 | Energy Assistance | 36 | (1) | \$ 4,000 | 36 | (1) | \$ 4,000 |
| 216 | Renewable Energy | 36 | (1) | \$ - | 36 | (1) | \$ - |
| 217 | Total Other State Charges | | | \$ 4,000 | | | \$ 4,000 |
| 218 | Total Rate 7 / Rate 7 Revenue | | | <u>\$ 2,539,000</u> | | | <u>\$ 2,539,000</u> |
| 219 | Notes: (1) Individually Negotiated Contracts with different customer and distribution charges applicable to each contract. | | | | | | |
| 220 | <u>Rate 8 / Rate 8</u> | | | | | | |
| 221 | There are no customers currently taking service under Rate 8 transportation. | | | | | | |

North Shore Gas Company
 Summary of Customer Class Cost of Service and
 Revenues Recovered under Company-proposed Rates

| | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------------|----------------|-------------------|-------------------|------------------|----------------|
| | S.C. 1 Non-Heating | S.C. 1 Heating | S.C. 2 | S.C. 3 | S.C. 6 | S.C. 5 |
| Total Revenue Requirement -- Re-classified Uncollectible Accounts | | | | | | |
| DEM | 25,767,086 | 37,572 | 15,575,374 | 9,471,537 | 680,300 | 2,304 |
| COM | 917,868 | 1,496 | 576,476 | 339,558 | 209 | 129 |
| CUS | 39,495,259 | 442,981 | 34,297,942 | 4,689,496 | 26,060 | 38,779 |
| UNCOLLECTIBLE GAS COSTS | 1,133,673 | 16,687 | 869,501 | 247,486 | - | - |
| ~ | | | | | | |
| Sub-total | 67,313,886 | 498,735 | 51,319,293 | 14,748,077 | 706,569 | 41,212 |
| Revenue Recovery per Company | | | | | | |
| <i>Sales:</i> | | | | | | |
| Customer Charge Revenues | 30,633,000 | 301,000 | 26,741,000 | 3,552,000 | - | 39,000 |
| Distribution Charge Revenues | 28,728,000 | 192,000 | 23,817,000 | 4,718,000 | - | 1,000 |
| Demand Charge Revenues | 2,000 | - | - | - | - | 2,000 |
| Sales Total | <u>59,363,000</u> | <u>493,000</u> | <u>50,558,000</u> | <u>8,270,000</u> | <u>-</u> | <u>42,000</u> |
| <i>Transportation:</i> | | | | | | |
| Customer Charge Revenues | 2,400,000 | 3,000 | 692,000 | 1,679,000 | 26,000 | - |
| Distribution Charge Revenues | 5,199,000 | 3,000 | 561,000 | 4,546,000 | 89,000 | - |
| Demand Charge Revenues | 352,000 | - | - | - | 352,000 | - |
| Transportation Total | <u>7,951,000</u> | <u>6,000</u> | <u>1,253,000</u> | <u>6,225,000</u> | <u>467,000</u> | <u>-</u> |
| <i>Combined Sales and Transportation:</i> | | | | | | |
| Customer Charge Revenues | 33,033,000 | 304,000 | 27,433,000 | 5,231,000 | 26,000 | 39,000 |
| Distribution Charge Revenues | 33,927,000 | 195,000 | 24,378,000 | 9,264,000 | 89,000 | 1,000 |
| Demand Charge Revenues | 354,000 | - | - | - | 352,000 | 2,000 |
| Total Revenues | <u>67,314,000</u> | <u>499,000</u> | <u>51,811,000</u> | <u>14,495,000</u> | <u>467,000</u> | <u>42,000</u> |
| <i>Amount/(under)/over class cost of services:</i> | | | | | | |
| Customer Charge Revenues | (6,462,259) | (138,981) | (6,864,942) | 541,504 | (60) | 221 |
| Distribution Charge Revenues | 31,875,458 | 176,817 | 22,932,023 | 8,676,956 | 88,791 | 871 |
| Demand Charge Revenues | (25,413,086) | (37,572) | (15,575,374) | (9,471,537) | (328,300) | (304) |
| Customer Class (under)/over recovery | <u>114</u> | <u>265</u> | <u>491,707</u> | <u>(253,077)</u> | <u>(239,569)</u> | <u>788</u> |
| | | <u>265</u> | <u>491,707</u> | <u>(253,077)</u> | <u>(239,569)</u> | <u>788</u> |
| <i>Percentage/(under)/over class cost of services:</i> | | | | | | |
| Customer Charge Revenues | (0.16362) | (0.31374) | (0.20016) | 0.11547 | (0.00231) | 0.00569 |
| Distribution Charge Revenues | 15.53732 | 3.17134 | 1.34725 | 0.86264 | 423.94131 | 0.35828 |
| Demand Charge Revenues | (0.98626) | | | | (0.48258) | (0.13181) |
| Customer Class (under)/over recovery | <u>0.00000</u> | <u>0.00053</u> | <u>0.00958</u> | <u>(0.01716)</u> | <u>(0.33906)</u> | <u>0.01913</u> |

The Peoples Gas Light and Coke Company
Summary of Customer Class Cost of Service and
Revenues Recovered under Company-proposed Rates

| | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|--------------------|----------------|--------------|--------------|-------------|-------------|-----------|
| | S.C. 1 Non-Heating | S.C. 1 Heating | S.C. 2 | S.C. 3 | S.C. 4 | S.C. 8 | S.C. 6 |
| Total Revenue Requirement -- Re-classified Uncollectible Accounts | | | | | | | |
| DEM | 171,878,066 | 1,241,099 | 78,452,316 | 78,543,393 | 8,413,478 | 5,206,283 | 12,139 |
| COM | 24,019,505 | 201,068 | 11,386,429 | 11,624,156 | 486,036 | 318,790 | 1,731 |
| CUS | 249,551,841 | 26,855,574 | 187,566,379 | 33,643,291 | 1,059,208 | 374,833 | 4,088 |
| UNCOLLECTIBLE GAS COSTS | 24,731,290 | 764,254 | 20,121,035 | 3,846,001 | - | - | - |
| ~ | | | | | | | |
| Sub-total | 470,180,701 | 29,061,995 | 297,526,159 | 127,656,841 | 9,958,723 | 5,899,907 | 17,957 |
| Revenue Recovery per Company | | | | | | | |
| <u>Sales:</u> | | | | | | | |
| Customer Charge Revenues | 183,658,000 | 17,985,000 | 138,239,000 | 27,318,000 | 77,000 | - | 4,000 |
| Distribution Charge Revenues | 203,727,000 | 7,778,000 | 135,060,000 | 60,676,000 | 199,000 | - | 12,000 |
| Demand Charge Revenues | 233,000 | | | | 225,000 | - | 8,000 |
| Sales Total | 387,618,000 | 25,763,000 | 273,299,000 | 87,994,000 | 501,000 | - | 16,000 |
| <u>Transportation:</u> | | | | | | | |
| Customer Charge Revenues | 16,016,000 | 180,000 | 3,674,000 | 10,837,000 | 1,127,000 | 194,000 | - |
| Distribution Charge Revenues | 59,059,000 | 108,000 | 3,447,000 | 51,757,000 | 2,141,000 | 1,598,000 | - |
| Demand Charge Revenues | 7,491,000 | | | | 4,822,000 | 2,668,000 | - |
| Transportation Total | 82,566,000 | 288,000 | 7,121,000 | 62,594,000 | 8,090,000 | 4,460,000 | - |
| <u>Combined Sales and Transportation:</u> | | | | | | | |
| Customer Charge Revenues | 199,674,000 | 18,165,000 | 141,913,000 | 38,155,000 | 1,204,000 | 194,000 | 4,000 |
| Distribution Charge Revenues | 262,786,000 | 7,886,000 | 138,507,000 | 112,433,000 | 2,340,000 | 1,598,000 | 12,000 |
| Demand Charge Revenues | 7,724,000 | - | - | - | 5,047,000 | 2,668,000 | - |
| Total Revenues | 470,184,000 | 26,051,000 | 280,420,000 | 150,588,000 | 8,591,000 | 4,460,000 | 16,000 |
| <u>Amount/(under)/over class cost of services:</u> | | | | | | | |
| Customer Charge Revenues | (49,877,841) | (8,690,574) | (45,653,379) | 4,511,709 | 144,792 | (180,833) | (88) |
| Distribution Charge Revenues | 214,035,205 | 6,920,677 | 106,999,536 | 96,962,843 | 1,853,964 | 1,279,210 | 10,269 |
| Demand Charge Revenues | (164,154,066) | (1,241,099) | (78,452,316) | (78,543,393) | (3,366,478) | (2,538,283) | (12,139) |
| Customer Class (under)/over recovery | 3,299 | (3,010,995) | (17,106,159) | 22,931,159 | (1,367,723) | (1,439,907) | (1,957) |
| | | (3,010,995) | (17,106,159) | 22,931,159 | (1,367,723) | (1,439,907) | (1,957) |
| <u>Percentage/(under)/over class cost of services:</u> | | | | | | | |
| Customer Charge Revenues | (0.19987) | (0.32360) | (0.24340) | 0.13410 | 0.13670 | (0.48244) | (0.02144) |
| Distribution Charge Revenues | 4.39039 | 3.13661 | 0.97308 | 1.03137 | 3.81446 | 4.01270 | 0.74042 |
| Demand Charge Revenues | (0.95506) | | | | (0.40013) | (0.48754) | |
| Customer Class (under)/over recovery | 0.00001 | (0.10361) | (0.05749) | 0.17963 | (0.13734) | (0.24406) | (0.10900) |

North Shore Company
 Calculation of Credit to Transportation Therms and
 Additional Charge to Sales Therms for
 for Uncollectible Gas Costs

| <u>Line No.</u> | | <u>SC 1N</u> | <u>SC 1H</u> | <u>SC 2</u> | |
|-----------------|--|--------------------------|--------------------------|--------------------------|----------------------------|
| 1 | Fiscal Year 2006 Write-offs | \$ 30,144 | \$ 1,147,192 | \$ 352,332 | ML 1.06 |
| | Present Revenues | | | | |
| 2 | Sales | \$ 947,000 | \$ 235,103,000 | \$ 54,550,000 | E-5 |
| 3 | Transportation | \$ 5,000 | \$ 1,432,000 | \$ 11,073,000 | E-5 |
| 4 | Combined | \$ 952,000 | \$ 236,535,000 | \$ 65,623,000 | |
| 5 | Uncollectible Accounts Rate | <u>0.03166</u> | <u>0.00485</u> | <u>0.00537</u> | = Line No. 1/Line No. 4 |
| 6 | Gas Costs | \$ 527,000 | \$ 179,279,000 | \$ 46,095,000 | E-5 |
| 7 | Uncollectible Accounts Rate | <u>0.03166</u> | <u>0.00485</u> | <u>0.00537</u> | = Line No. 5 |
| 8 | Uncollectible Gas Costs | \$ 16,687 | \$ 869,501 | \$ 247,486 | |
| 9 | Divided by: Total Therms | <u>576,588</u> | <u>186,854,605</u> | <u>130,146,736</u> | = Line No. 11 + Line No. 1 |
| 10 | Transportation Credit per therm | \$ (0.02894) | \$ (0.00465) | \$ (0.00190) | |
| 11 | Transportation therms | <u>10,236</u> | <u>4,247,476</u> | <u>85,452,915</u> | VG 2.5-NSG |
| 12 | Transportation Revenue Reduction | \$ (296) | \$ (19,765) | \$ (162,496) | |
| 13 | Divided by: Sales Therms | <u>566,352</u> | <u>182,607,129</u> | <u>44,693,821</u> | VG 2.5-NSG |
| 14 | Charge per Sales Therm | \$ <u>0.00052</u> | \$ <u>0.00011</u> | \$ <u>0.00364</u> | |

The Peoples Gas Light and Coke Company
Calculation of Credit to Transportation Therms and
Additional Charge to Sales Therms for
for Uncollectible Gas Costs

| Line No. | | SC 1N | SC 1H | SC 2 | |
|----------|--|---------------------|---------------------|---------------------|-------------------------|
| 1 | Fiscal Year 2006 Write-offs | \$ 2,014,399 | \$ 29,553,701 | \$ 5,867,093 | ML 1.06 |
| | Present Revenues | | | | |
| 2 | Sales | \$ 37,771,000 | \$ 1,007,203,000 | \$ 471,623,000 | E-5 |
| 3 | Transportation | \$ 250,000 | \$ 7,111,000 | \$ 91,183,000 | E-5 |
| 4 | Combined | \$ 38,021,000 | \$ 1,014,314,000 | \$ 562,806,000 | |
| 5 | Uncollectible Accounts Rate | <u>0.05298</u> | <u>0.02914</u> | <u>0.01042</u> | = Line No. 1/Line No. 4 |
| 6 | Gas Costs | \$ 14,425,000 | \$ 690,575,000 | \$ 368,931,000 | E-5 |
| 7 | Uncollectible Accounts Rate | <u>0.05298</u> | <u>0.02914</u> | <u>0.01042</u> | = Line No. 5 |
| 8 | Uncollectible Gas Costs | \$ 764,254 | \$ 20,121,035 | \$ 3,846,001 | |
| 9 | Divided by: Total Therms | <u>15,357,941</u> | <u>704,344,440</u> | <u>775,311,134</u> | VG 2.5-PGL |
| 10 | Transportation Credit per therm | \$ (0.04976) | \$ (0.02857) | \$ (0.00496) | |
| 11 | Multiplied by: Transportation therms | <u>209,626</u> | <u>17,406,698</u> | <u>424,399,574</u> | VG 2.5-PGL |
| 12 | Transportation Revenue Reduction | \$ (10,432) | \$ (497,258) | \$ (2,105,273) | |
| 13 | Divided by: Sales Therms | <u>15,148,315</u> | <u>686,937,742</u> | <u>350,911,560</u> | VG 2.5-PGL |
| 14 | Charge per Sales Therm | \$ 0.00069 | \$ 0.00072 | \$ 0.00600 | |