

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

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<b>North Shore Gas Company</b>	:	
	:	
<b>Proposed general increase in natural gas rates (tariffs filed March 9, 2007)</b>	:	<b>Docket No. 07-0241</b>
	:	
	:	<b>(cons.)</b>
<b>The Peoples Gas Light and Coke Company</b>	:	
	:	
	:	<b>Docket No. 07-0242</b>
<b>Proposed general increase in natural gas rates (tariffs filed March 9, 2007)</b>	:	<b>(On Rehearing)</b>
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**BRIEF ON EXCEPTIONS ON REHEARING OF THE  
STAFF OF THE ILLINOIS COMMERCE COMMISSION**

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July 2, 2008

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**BRIEF ON EXCEPTIONS ON REHEARING OF THE  
STAFF OF THE ILLINOIS COMMERCE COMMISSION**

Now comes the Staff of the Illinois Commerce Commission ("Staff"), by and through its undersigned attorneys, and pursuant to Section 200.830 of the Rules of Practice of the Illinois Commerce Commission ("Commission"), 83 Ill. Adm. Code Section 200.830, respectfully submits this Brief on Exceptions to the Administrative Law Judges' ("ALJs") Proposed Order on Rehearing issued on June 27, 2008 ("Proposed Order on Rehearing" or "PO on Rehearing").

**I. INTRODUCTION**

North Shore Gas Company ("North Shore") and the Peoples Gas Light and Coke Company ("Peoples Gas") (individually, the "Company" and collectively the "Companies") filed new tariff sheets on March 9, 2007 in which the Companies

proposed general increase in their natural gas rates. On February 5, 2008, the Commission entered its final Order in the consolidated rate case proceedings, Dockets 07-0241 and Docket 07-0242 (consolidated) (February 5, 2008). Thereafter, on March 26, 2008, and acting upon an Application for Rehearing filed by the Illinois Industrial Energy Consumers and the University of Illinois (collectively "IIEC"), the Commission granted rehearing solely on the issue of Hub revenue sharing.

As the PO on Rehearing indicates Peoples Gas, the IIEC; the Citizens Utility Board ("CUB"), the People of the State of Illinois, by and through the Illinois Attorney General ("AG"), the Retail Gas Suppliers ("RGS"), and the City of Chicago ("City"), by their respective counsel (all collectively the "Parties") and Staff entered into negotiations for the purposes of resolving the issue on rehearing related to Hub revenue sharing. (PO on Rehearing, pp. 2-3) The PO further accurately reflects that the Parties reached agreement on the issue of Hub revenues set forth in a Stipulation filed on June 6, 2008 and that Staff had no objection to the Stipulation as is set forth in the Stipulation. (Id., at 3) While the PO on Rehearing appropriately adopts the Stipulation entered into by the Parties the first ordering paragraph requires some clarification concerning the filing of a compliance filing by Peoples Gas to comply with the Order on Rehearing.

The PO on Rehearing also makes corrections to typographical errors pointed out in the Application for Rehearing filed jointly by the Companies on March 6, 2008. (PO on Rehearing, p. 6) Staff does not object to those corrections as set forth in the PO on Rehearing.

Finally, as can be expected in any initial document, there are some minor errors in the PO on Rehearing. Staff has identified some technical corrections to the PO on Rehearing which are set for the below.

## **II. EXCEPTIONS**

### **A. First Ordering Paragraph**

Argument: The ordering paragraph is not clear that within 30 days of entry of the order Peoples Gas shall make a compliance filing consistent with the Order on Rehearing. Staff recommends the following language changes set forth below:

Recommended Language: (PO on Rehearing, p. 7)

IT IS THEREFORE ORDERED that Peoples Gas shall ~~comply~~include, within 30 days of the entry of this Order, ~~the terms and conditions necessary to comply~~ with the directives of this Order on Rehearing.

### **B. Technical Corrections**

#### **1. Missing stipulation page reference and typo. (PO on Rehearing, p. 4)**

In terms of substance, i.e., the merits of the agreement reached by the Parties, we find the instant Stipulation to be reasonable. ~~In~~nt the words of the stipulating parties (that appear to represent all conceivable interests), the agreement at hand is, in all its particulars, “both fair and equitable.” (Stipulation at page 2, paragraph 5—). Indeed, there are no opposing views or positions for the Commission to consider. We derive too, that under the Parties agreement, whatever Staff’s earlier concerns might have been, these are no more.

#### **2. Header (PO on Rehearing, pp. 2-8).**

Delete from the header of the PO on Rehearing:

APPENDIX "A"  
07-0241/-7-0242  
Consol.

**III. CONCLUSION**

WHEREFORE, for all the reasons set forth herein, the Staff of the Illinois Commerce Commission respectfully requests that its recommendations be adopted in this proceeding.

Respectfully submitted,

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