08-0363
Staff Group Cross Exhibit 1

DLH 33.01

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 08-0363
DLH Thirty-Third Set of Data Requests

DLH 33.01 Q. Referring to Nicor Gas Ex. 41.1, please explain why this document was not provided in response to Staff data request DLH-13.02 b).

DLH 33.01 A. The documents provided in Staff data request DLH-13.02 b) were the actual plan document as requested and the related workpapers and calculations that are utilized to determine the remaining financial obligation of the Company for this plan. These amounts were derived by following the requirements specified within the plan document. As such, the Company provided all that was requested in Staff data request DLH-13.02 b) in the response it furnished.

Nicor Gas Ex. 41.1 was not called for by Staff data request DLH-13.03 b). It is neither the actual plan document nor a workpaper used to calculate the Company's remaining financial obligation under the ICU Plan.

Witness: Rebecca C. Bacidore

08-0363
Staff Group Cross Exhibit 1

DLH 33.02

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 08-0363
DLH Thirty-Third Set of Data Requests

DLH 33.02 Q. Referring to Nicor Gas Ex. 41.1, please explain how this document relates or in not related to the document provided in response to Staff data request DLH-13.02 b).

DLH 33.02 A. The document provided in response to Staff data request DLH-13.02 b) is the actual effective plan document for the ICU Plan.

The document submitted as Nicor Gas Ex. 41.1 is not the plan document but rather is an administrative guide that was used by the Company to determine, among other things, factors to consider in making decisions to grant awards under the ICU Plan. The ICU Plan document itself does not provide specific guidance about how awards were to be granted..

In ICC Staff Ex. 15.0, staff witness Hathhorn asserts that ICU Plan awards were based on the achievement of financial goals. The Company has offered the administrative guidelines submitted as Nicor Gas Ex. 41.1 to rebut this assertion.

Witness: Rebecca C. Bacidore

08-0363
Staff Group Cross Exhibit 1

MEM 9.01

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 08-0363
MEM Ninth Set of Data Requests

MEM 9.01 Q. Does Nicor agree to limit its request to $5.9 million in gross plant additions for the Northern Region Reporting Center ("NRRC") project in this docket?

MEM 9.01 A. Subject to Staff agreeing to include the NRRC project in the 2009 test year rate base, the Company would agree to limit its request related to the NRRC project to $5.9 million in gross plant additions in this docket. Nicor Gas reserves the right to request a different adjustment to gross plant additions related to the NRRC project in a future docket.

Witness: Rocco J. D'Alessandro

08-0363
Staff Group Cross Exhibit 1

CB 4.02
Supplement

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 08-0363
CB Fourth Set of Data Requests

CB 4.02 Q. Referring to Company witness Mudra's response to Staff Data Request 2.07 in reference to Rider 8, **Adjustments for Municipal, Local Governmental Unit and State Utility Taxes**, please provide information or documentation that explains how the Company will know what the statute of limitations is for each local governing authority.

CB 4.02 A. The Company will know the applicable statute of limitations for a municipality because it either will be stated in the municipality's ordinances or, if it is not, the default statute of limitations set forth in Section 30 of the Local Government Taxpayers' Bill of Rights Act, 50 ILCS 45/30, will apply. See also response to CB 4.01.

SUPPLEMENTAL RESPONSE:

A. The Company receives a copy of a municipal utility tax ordinance directly from the municipality at the time it adopts the tax ordinance. In the typical case, the Company actually begins working with the staff of the municipality prior to adoption of a new ordinance. The Company reviews the proposed ordinance with municipal staff to address any concerns that the Company may have about its implementation and enforceability. Once an ordinance is adopted, the Company obtains a certified copy of the ordinance from the municipality as backup for the required Rider 8 filing to permit the Company to begin to collect the new tax.

If, for any reason, the Company later wants to confirm that its copy of a municipal utility tax ordinance is current, it will obtain a current copy directly from the municipality. Some municipalities maintain their ordinances on a public website. In those instances, the Company can access the ordinance on-line. In the case of other municipalities, the Company would contact the municipal office at which ordinances are maintained in order to obtain a copy.

Witness: Robert Mudra

08-0363
Staff Group Cross Exhibit 1

CB 4.03
Supplement

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 08-0363
CB Fourth Set of Data Requests

CB 4.03 Q. Referring to Company witness Mudra's response to Staff Data Request 2.07 in reference to Rider 8, **Adjustments for Municipal, Local Governmental Unit and State Utility Taxes**, please provide information or documentation that explains whether the Company has appropriate historical billing information for the customers.

CB 4.03 A. The Company has the appropriate historical billing information.

SUPPLEMENTAL RESPONSE:

A. Please see Exhibits 1 and 2. These two exhibits provide an illustrative example of historical billing information that the Company maintains for a residential customer. These particular exhibits provide the historical billing information for an actual customer who resides in unincorporated Naperville. In order to protect the privacy of this customer, the customer's name, home address and account number have been redacted.

In 2006, the Company placed a new billing system into service. Exhibit 1 shows a bill transcript report with the account history for the customer that is maintained in the new billing system. As can be seen from Exhibit 1, the account history for this customer that is maintained under the new billing system covers the bill issued on December 16, 2005 and each bill issued since then. The column headings on Exhibit 1 show that summary information that is provided.

Exhibit 2 shows a bill transcript report for this same customer for billing periods covered by our legacy billing system that was in place before the new billing system went into service. Historical summary information for this customer from our legacy system is shown for the billing issued on May 12, 2000 and for each bill issued after that until the Company's new billing system was placed in service. Again, the column headings on Exhibit 2 show the summary information that is provided. Note that there is an overlap of several months of information that is shown on both Exhibits 1 and 2. That is because the

new billing system also includes historical summary billing information for a few months preceding the date the system was actually placed in service.

Witness: Robert Mudra

08-0363
Staff Group Cross Exhibit 1

CB 4.04
Supplement

CB 4.04 Q. If the response to CB 4.03 is in the affirmative, please provide: an explanation, of how the tax resulting from an audit adjustment would be calculated. Provide an illustrative example including as exhibits the historical billing documents relied upon and copies of work papers.

CB 4.04 A. Nicor Gas has not yet been required to make any past adjustments for taxes as a result of an audit. In the past, municipalities, most likely for the benefit of the customers and with encouragement of the Company, have chosen to make corrections going forward when errors are discovered through an audit and not to demand payment for back taxes. However, this past practice is changing. Some municipalities are now demanding payment for back taxes and have initiated litigation or issued assessments against Nicor Gas. Rider 8 provides the regulatory mechanism for Nicor Gas to pass through the expense it incurs for a specific municipal tax obligation directly to the individual customers receiving the utility service that has been taxed. The proposed changes to Rider 8 are merely intended to clarify that the pass through rate recovery mechanism remains available in those somewhat limited situations in which the determination that a tax is owed is discovered as a result of a municipal audit.

The most accurate method to adjust for taxes is to cancel the billing, make the necessary correction (properly identify the customer's taxing town), and then rebill the customer. This would appropriately reverse any taxes to the incorrect municipality (if applicable) and then rebill the same utility charges with the appropriate taxes applied. The billing documents relied upon are the historical billing information, including the bills, for the past four years.

SUPPLEMENTAL RESPONSE:

A. Please refer initially to Exhibits 1 and 2 to the supplemental response to Staff data request CB 4.03. Assume for the purpose of illustration that the Company learns today through a tax audit that the home of this particular customer had been annexed into the City of Naperville three years ago. Since the Company's records have shown this home is in unincorporated Naperville, no municipal utility taxes would have been billed to this customer up to this point in time. Once it was established that this home

was within the municipal boundaries of Naperville, the Company would immediately begin to assess the tax to this customer on a prospective basis. The proposed change to Rider 8 would also clarify that the Company could bill for back taxes if the City of Naperville demanded payment of these back taxes.

The Company's bill transcript reports referenced above show the same customer of record at this address throughout this three year period since the annexation. Therefore, if the City of Naperville required payment of municipal taxes for service to this property for the period of time since annexation, the billing adjustment for the unpaid municipal taxes for the three year period would be billed to this customer's account.

To calculate the taxes due from this customer for the prior three year period, the Company needs the following information for each billing period during those three years: (i) the amount billed to the customer, (ii) the portion of the amount billed to the customer that is subject to tax and (iii) the applicable tax rate. The tax rate for the City of Naperville throughout the three year period has been 5.15% (see Rider 8 information sheet for applicable tax rates by municipality). The amount billed to the customer for each billing period is shown on the bill transcript reports that have been provided as Exhibits 1 and 2 to the Supplemental Response to Staff data request CB 4.03. What isn't provided in those exhibits is the taxable portion of the amount billed. To determine the taxable portion of the amount billed in most cases simply means that the Company must deduct any other taxes from the total amount billed because the amounts charged for those other taxes are not subject to the municipal tax.

Since the Company placed its new billing system into service, it retains copies of actual customer bills in addition to the bill transcript report. Attached as Exhibit 1 to this supplemental response are copies of each of the bills for this customer (with personal information redacted) since the Company's new billing system was placed in service. So, for instance, the additional tax that would be due from this customer for the bill issued on November 12, 2008 would be equal to 5.15% times $62.61 or $3.22. The amount of $62.61 is derived by subtracting the taxes of $1.52 from the total bill amount of $64.13.

For billing periods before the Company placed its new billing system into service, the Company performs a monthly bill re-computation based on the billing information retained on the bill transcript report and the applicable charges and taxes in effect at the time of each bill. Attached as Exhibit 2 to this supplemental response are copies of the bill

recomputations for this customer for each applicable month prior to the in service date of the Company's new billing system. So, for instance, the additional tax due from the customer for the bill issued March 16, 2006 would be 5.15% times $117.71 or $ 6.06. The amount of $117.71 is shown on the "total" line on the first page of Exhibit 2. This amount plus the $3.09 of state tax and utility fund tax shown on Exhibit 2 equal the amount of $120.80 that is shown as having been billed initially for that billing period on Exhibit 2 to the supplemental response to Staff data request CB 4.03.

Exhibit 3 to this Supplemental Response shows the calculation of the additional municipal tax that would be charged to this customer under the circumstances described in this illustration.

Witness: Robert R. Mudra

08-0363
Staff Group Cross Exhibit 1

CB 4.08
Supplement

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 08-0363
CB Fourth Set of Data Requests

CB 4.08 Q. Referring to Company witness Mudra's response to Staff Data Request 2.07 in reference to Rider 8, **Adjustments for Municipal, Local Governmental Unit and State Utility Taxes**, please provide information or documentation that explains whether the Company would collect the full amount of back taxes in a lump sum or over a period of time. Identify any relevant tariff language

CB 4.08 A. The Company would generally collect the full amount of taxes in a lump sum. The adjustment involved for an individual residential customer would typically be relatively modest; however, the customer could make payment arrangements with Nicor Gas. It should be noted that canceling and then rebilling the customer with the correct taxes could result in either a credit or a debit. The corrected bill would reflect the total amount due.

SUPPLEMENTAL RESPONSE:

A. For a calculation of the amount of municipal utility taxes that a typical residential customer might pay over a three year period see Exhibit 3 to Supplemental Response to Staff data request CB 4.04.

Witness: Robert Mudra

08-0363
Staff Group Cross Exhibit 1

AG (DJE) 8.07

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Attorney General
Ill.C.C. Docket No. 08-0363
AG Eighth Set of Data Requests

AG (DJE) 8.07 Q. Please update the response to AG 2.04. The response should also indicate the amount of actual expenditures related to plant additions, the amount of actual expenditures related to cost of removal, the amount of budgeted expenditures related to plant additions, and the amount of budgeted expenditures related to cost of removal

AG (DJE) 8.07 A. As stated in response to AG 2.05, the Company prepares an annual capital expenditure budget, which includes investment cost, removal cost, and salvage. The Company does not distinguish between investment expenditures and cost of removal on a monthly basis for budgeting purposes. However, the Company has prepared an estimated allocation between investment cost, removal cost, and salvage for the September year to date total budget. This estimate is based on the proportion of these items in the annual budget.

Preliminary September 30, 2008 year to date capital expenditures are reported below, in thousands:

	Actual	Budget	Variance
Investment Cost	$154,132.4	$158,705.5	$(4,573.1)
Removal Cost	$ 15,406.6	$ 15,134.9	$ 271.7
Salvage	$ (4,607.5)	$(2,662.8)	$(1,944.7)
Total Expenditures	$164,931.5	$171,177.6	$(6,246.1)

SUPPLEMENTAL RESPONSE:

A. Preliminary October 31, 2008 year to date capital expenditures are reported below, in thousands:

	Actual	Budget	Variance
Investment Cost	$180,874.4	$177,700.2	$ 3,174.2
Removal Cost	$ 18,380.8	$ 16,946.3	$ 1,434.5
Salvage	$ (4,955.1)	$(2,981.5)	$(1,973.6)
Total Expenditures	$194,300.1	$191,665.0	$ 2,635.1

Witness: James M. Gorenz

08-0363
Staff Group Cross Exhibit 1

DAS 2.06 with Exhibits

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 08-0363
DAS Second Set of Data Requests

DAS 2.06 Q. With regard to the SBS charge that Nicor calculated to be $.0051 per therm,

a. was the proposed SBS charge calculated in the same manner as the $.0038 per therm SBS charge that Nicor proposed in the previous rate case?

b. please provide how the current SBS charge of $.0021 per therm was determined.

c. what would the new SBS charge be if the Nicor used the methodology that was used to calculate the current SBS charge as ordered by the Commission?

d. what explanation does Nicor have for a 41% increase in the SBS charge?

DAS 2.06 A. <u>SUPPLEMENTAL REVISED RESPONSE</u>

a. Yes.

b. Please see the attached Exhibit 1. Please note that the current SBS charge is $0.0029 per therm of storage capacity.

c. The methodology to compute the SBS charge, as ordered in 04-0779 and as used in the Company's direct case in this proceeding, is the storage revenue requirement, excluding top gas, divided by the storage capacity allocation. In Docket 04-0779, the Commission ordered the Company to allocate 149.74 Bcf of storage capacity. As shown on Exhibit 2, if the Commission were to allocate 149.74 Bcf of storage capacity at the 2009 test-year revenue requirement then the SBS charge would be $.0046 per therm.

d. The charge for SBS is determined by the storage revenue requirement, excluding top gas, as found in the embedded cost of service study (see Nicor Gas Exhibit 15.1 Schedule E) and the volume of allocated storage capacity. The revenue requirement, excluding top gas, has increased from $52.5 million (Docket 04-0779) to $83.2 million. The storage capacity allocation has been reduced from 149.74 Bcf (Docket 04-0779) to 134.63 Bcf (Nicor Gas Ex. 4.1). Consequently, the cost per therm of allocated SBS storage capacity has increased.

Witness: Robert R. Mudra

Docket 04-0779 - Final Determination of Storage Banking Service Charge

Line			
1	Storage Revenue Requirements ($000) 1/	$	52,502
2	Storage Banking Service Allocation (000 therms) 2/		1,497,400
3	Annual Revenue Requirement per Therm (Line 1 / Line 2)	$	0.0351
4	Monthly Charge per Therm of Storage (Line 3 / 12)	$	0.0029

1/ Final Embedded Cost of Service Study, Schedule E, page 1 of 3 (Docket No. 04-0779).

2/ Order in Docket No. 04-0779, pages 120 and 138.

DAS 2.06 SBS Calculation - Using 04-0779 SBS Allocation

Line			
1	Storage Revenue Requirements ($000) 1/	$	83,186
2	Storage Banking Service Allocation (000 therms) 2/		1,497,400
3	Annual Revenue Requirement per Therm (Line 1 / Line 2)	$	0.0556
4	Monthly Charge per Therm of Storage (Line 3 / 12)	$	0.0046

1/ Embedded Cost of Service Study, Schedule E, page 1 of 3 (Docket 08-0363)

2/ Order in Docket No. 04-0779, pages 120 and 138.

08-0363
Staff Group Cross Exhibit 1

DAS 4.03 with Exhibits

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 08-0363
DAS Fourth Set of Data Requests

DAS 4.03 With regard to Nicor witness Mudra's testimony and calculations in Co. Ex. 14.0, please provide the actual derivations of the following in an Excel spreadsheet with formulas intact:

a. Storage Banking Service

b. Individual and Group Administration Charges

c. Recording Device Charges

d. Group Change Fees

e. Transportation Service Credit ("TSC")

f. Storage Withdrawal Factor ("SWF")

g. Gas Supply Cost/Demand Gas Cost

DAS 4.03 A. a. Please see the attached Exhibit 1.

b. Please see Nicor Gas' response to data request CNE 2.07.

c. Please see the attached Exhibit 2.

d. Please see Nicor Gas' response to data request CNE 2.03.

e. Please see the attached Exhibit 3.

f. Please see Nicor Gas' response to data request CNE 2.01.

g. Please see the attached Exhibit 4 - Line 8.

Witness: Robert R. Mudra

Determination of Storage Banking Service Charge

Storage Revenue Requirements ($000) 1/	$ 83,186
Storage Banking Service Allocation (000 therms)	1,346,333
Annual Revenue Requirement per Therm	$ 0.0618
Monthly Charge per Therm of Storage	$ 0.0051

1/ Embedded Cost of Service Study, Nicor Gas Exhibit 15.01, Schedule E, page 1, line 17.

Determination of Recording Device Charges

	Diaphragm	Non-Diaphragm	
Customers	1,990	7,324	9,314
Percent of Total	21%	79%	100%

Monthly Meter Charge Calculation

Diaphragm Meters			
Investment	$160 (Device)*0.1290(Carrying Cost)/12 months =	$	1.72
Expense	$980,683 * 21% / (1990 customers *12 months) =	$	7.70
total		$	9.42
Rotary/Instrument Meters			
Investment	$600 (Device)*0.1290(Carrying Cost)/12 months =	$	6.45
Expense	$980,683 * 79% / (7324 customers *12 months) =	$	7.70
total		$	14.15

Expenses Related to Recording Device Charges

Line	Department	Individual/Activity	Cost per Year	Overhead/Payroll Additive	Total Cost per Year
1	Meter Shop				
2		Management	$ 151,305	80%	$ 272,349
3		Clerical	$ 56,925	80%	$ 102,465
4		Contractor	$ 365,000		$ 365,000
5		- Direct Reimbursement	$ (120,000)		$ (120,000)
6		Bargaining Unit	$ 1,546		$ 1,546
7		Material	$ 100,000	12%	$ 112,000
8					
9	Customer Care				
10		800 Number	$ 30,003		$ 30,003
11		Metscan	$ 18,906		$ 18,906
12		MV90	$ 16,934		$ 16,934
13		Computer Sofware Support	$ 34,155	80%	$ 61,479
					$ 860,683

Telephone Expenses Related to Recording Device Charges

800 Service	2/1/2008	1/1/2008		11/1/2007	10/1/2007	9/1/2007					Ave Monthly
	$ 2,715.75	$ 2,897.46		$ 2,311.35	$ 2,151.98	$ 2,424.91					$ 2,500.29
Local Line Charges											
Metscan	2/13/2008	1/13/2008	12/13/2007	11/13/2007	10/13/2007	9/13/2007	8/13/2007	7/13/2007	6/13/2007	5/13/2007	
	1,664.80	1,686.38	1,576.90	1,595.22	1,546.43	1,576.25	1,534.99	1,566.18	1,518.36	1,489.56	$ 1,575.51
MV90		1/28/2008		11/28/2007	10/28/2007	9/28/2007	8/28/2007	7/28/2007	6/28/2007		
		1,058.57		1,002.90	1,444.38	970.31	970.44	915.89	3,515.64		$ 1,411.16
											$ 5,486.96
											Annual
											12
											$ 65,843.50

Determination of Uncollectible Credit for Customer Select and Rider 25 Customers

Total Uncollectible Account costs as proposed ($000)	$	68,311
Commodity Related Uncollectible Gas Costs ($68,311 x .69) ($000)	$	47,135
Late Pay Charges ($000)	$	22,932
Commodity Related Late Pay Charges ($22,932 x 0.69) ($000)	$	15,823
Commodity Uncollectible Costs less Commodity Late Pay Charges ($000)	$	31,312
Therms for Rates 1, 4, 5, 74 and 75 (000 therms)		2,457,726
Uncollectible Credit per Therm ($30,222 / 2,457,726)	$	0.0127

Determination of 2% Storage Withdraw Factor Credit for Customer Select and Rider 25 Customers

Rates 1 and 4

Total 2% Storage Withdraw Costs ($000)	$	15,230
Sales Therms for Rates 1, 4, 5, 74, and 75 (000 therms)		2,457,726
2% Storage Withdraw Factor Credit for Rates 1 and 4/5	$	0.0062
Transportation Service Credit	$	0.0189

Determination of the Number of Peak Days of Storage Allocated

Line	Description	2009 (000's Therms)
1	2009 Peak Day Sendout	49,000
2	2009 Allocated Storage Capacity	1,346,333
3	Peak Days of Storage Capacity (Line 2 / Line 1) (unrounded)	27.5 Days
4	Allocated Capacity - Based on Allocated Days of Storage (Line 1 X 28 Days)	1,372,000
5	Peak Day Storage Deliverability	25,000
6	Storage Deliverability to Capacity Ratio (Line 5 / Line 4)	1.80%
7	Amount available from storage on a peak day (28 days X .018)	50%
8	Amount required from pipeline on a peak day (1 - Line 7)	50%

08-0363
Staff Group Cross Exhibit 1

DAS 7.16

DAS 7.16 Q. With regard to Nicor Gas Ex. 29.0, p. 36, line 784, Mr. Mudra claims that Nicor Gas has only 134.6 Bcf of top gas storage capacity "operationally available."

a. Define the term "operationally available" as used by the witness.
b. Has Nicor Gas ever used this term or calculated amount in any rate proceeding before this Commission? If yes, please provide the precise citation to this usage. If not, please explain why Nicor Gas did not argue for this amount in the previous rate case.
c. In the previous rate case, did the Commission decide to use the "operationally available" amount or the non-coincident working gas capacity?
d. Is the 149.7 Bcf amount in question, not "operationally available"?
e. Is the 149.7 Bcf amount in question, still the Non-coincident working gas capacity as Nicor Gas testified in the previous rate case?

DAS 7.16 A.

a. The 134.6 Bcf of "operationally available" storage capacity represents the non-coincidental inventory level to which Nicor Gas' can fill its storage fields over an annual cycle while being able to achieve close to full cycling to protect field performance and meet peak withdrawal targets. The 134.6 Bcf is discussed by Mr. Bartlett (Nicor Gas Ex. 19:12-13, Nicor Gas Ex. 4:6-7 and Nicor Gas Ex. 4.1) and data responses to Staff (DAS 3.06, DAS 6.07 and DAS 6.09) and Intervenors (CNE 2.09 and DRI 1.09)

b. Yes, in Docket 04-0779, Mr. Bartlett explained that it has "practical operational requirements which limit its ability to cycle" (Docket 04-0779 Exhibit 24:336-338) and that "One must look to what is realistically achievable given the many variables encountered throughout both the withdrawal and injection seasons. Nicor Gas' many years of actual operating experience with its storage fields provides the best indication of what is achievable with regard to an ongoing cycling level." This is consistent with the concept of an "operationally available" amount of storage capacity. Furthermore, Mr. Bartlett noted that "the more [capacity] that is allocated to transportation customers, the less is available for sales customers. That is a fact. A method of allocation that uses as a basis of allocation an unachievable level of cyclable

capacity would be totally inappropriate and should be avoided." (Docket 04-0779 Exhibit 39:280-284)

c. The Commission order specified that the total non-coincident storage capability of 149.7 Bcf should be used. Order at 121. In this proceeding, Nicor Gas supports use of the total 134.6 Bcf of non-coincident storage capacity but does not support use of an operationally unachievable maximum amount of non-coincident storage capacity of 149.7 Bcf.

d. The 149.7 Bcf is not operationally available. Mr. Bartlett has previously explained that 149.7 Bcf is not "realistically achievable" and is "simply not achievable" in more detail in DAS 3.06 (a), 3.06 (c) and DAS 6.09.

e. The 149.7 Bcf is still the historic maximum non-coincident working gas capacity which Nicor Gas testified about in 04-0779; however, that amount is not achievable today.

Witness: Robert R. Mudra

DAS 7.18

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 08-0363
DAS Seventh Set of Data Requests

DAS 7.18 Q. With regard to Nicor Gas Ex. 29.0, p. 37, lines 795-799, Mr. Mudra states that Nicor Gas knows that the 149.7 Bcf is not "operationally available."

a. Does Nicor Gas believe that the current charge too low and is not just and reasonable?
b. Does Nicor Gas believe that the current SBS allocation is too high and is not just and reasonable?
c. Was the 149.7 Bcf operationally available in the last rate case?
d. What has changed since 2004 that would cause the Commission to reconsider a matter that they already determined?

DAS 7.18 A.

a. Yes. The current charge is $.0029 per therm of capacity and the proposed charge is $.0042 per therm of capacity.

b. Yes. The 149.7 Bcf of capacity established in 04-0779 is unachievable and 134.6 Bcf of storage capacity is available.

c. No.

d. The Commission should recognize, that since Nicor Gas' last rate case the total maximum non-coincident level of working gas in storage for the years 2005 through 2007 was 138.9 Bcf, 135.0 Bcf and 134.1 Bcf respectively as supported by Nicor Gas' response to CNE 2.22 and summarized by witness Fabrizius (CNE-Gas Exhibit 1.0 p. 12). Furthermore, the Commission should also recognize that these totals are roughly equivalent to the 134.6 Bcf level of non-coincident capacity which Nicor Gas witness Mr. Bartlett has indicated is operationally available. The Commission should therefore recognize that there is a difference between the historic maximum non-coincidential storage capacity of 149.7 Bcf which Mr. Bartlett has stated is "simply not achievable" (DAS 6.09) and is not "realistically achievable" (DAS 3.06 a) and the Company's realistically forecasted amount of non-coincidental storage capacity of 134.6 Bcf which is operationally available and is supported by actual storage capacity utilization since 2005. The Company believes the Commission should treat both Sales and Transportation customers equally and not harm Sales customers by over-allocating storage capacity to Transportation customers by allocating based on a 149.7 Bcf level which is unrealistic, unachievable and has not in fact actually occurred since the last rate case.

Witness: Robert R. Mudra

DAS 7.19

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 08-0363
DAS Seventh Set of Data Requests

DAS 7.19 Q. With regard to Nicor Gas Ex. 29.0, p. 39, lines 844-846 and Mr. Mudra's criticism of Mr. Sackett's assertion that Nicor Gas was trying to base a capacity charge on actual usage,

a. Is it Mr. Mudra's position that the non-coincident working gas capacity?
b. Is it Mr. Mudra's position that the non-coincident working gas capacity of 134.6 Bcf is different than the amount of the gas the Company *expects* to cycle?
c. How is this consistent with Mr. Mudra's direct testimony where he claims that the SBS charge denominator is based on the 134.6 Bcf which is the amount of working gas that Nicor expects to cycle in Ex. 14.0, p. 24?
d. Please provide a precise citation with page and line numbers to Mr. Bartlett's testimony referred to on line 847 of Ex. 29, p, 39.

DAS 7.19 A.

a. Objection, the question is incomplete.

b. Yes. The Company's plan assumes cycling approximately 130 Bcf out of the 134.6 Bcf (please see the Company's response to CNE 2.09).

c. Mr. Mudra's Direct Testimony refers to the amount of non-coincident storage capacity (134.6 Bcf) that the Company expects to cycle when Transportation customers cycle their entire storage capacity (Nicor Ex. 14: 536-538); however, Mr. Bartlett points out that while a majority of gas injected is planned for withdrawal the difference [between the 130 Bcf and the 134.6 Bcf] can be attributed primarily to parties holding storage capacity not fully cycling their inventory (please see the Company's response to CNE 2.09).

d. Mr. Bartlett's testimony is not referred to on line 847 of Mr. Mudra's Rebuttal Testimony; however, the Company believes the question refers to line 846 and the reference would then be to Mr. Bartlett's Direct Testimony, Nicor Gas Ex. 4.0 6:125-135.

Witness: Robert R. Mudra

08-0363
Staff Group Cross Exhibit 1

CNE 2.12

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Constellation NewEnergy – Gas Division, LLC
Ill.C.C. Docket No. 08-0363
CNE Second Set of Data Requests

CNE 2.12 Q. Referring to Nicor Gas Exhibit 4.0 (direct testimony of Gary Bartlett), at page 22, Mr. Bartlett states that Nicor does not propose to change the current number of days of storage capacity from 28.

a. Why is Nicor not proposing to change the current number of days of storage capacity?

b. Is Nicor not proposing to change the current number of days of storage capacity because there are no changes to the formula and the input data used to derive the 28 day requirement?

c. Is Nicor not proposing to change the current number of days of storage capacity because the new input data for the 2009 rate case also comes out to a result of 28 days?

d. If there is any change from the 2004 rate case to the formula or input data that were used to derive the 28 days for the current rate case, please provide the formula and the associated input data for this case?

e. Please provide any workpapers supporting the calculation of the 28 days of storage capacity.

CNE 2.12 A. a. Based on updated information, the calculation resulted in 28 days of storage capacity.

b. No.

c. Yes.

d. See Nicor Gas' response to IIEC 2.02.

e. See Nicor Gas' response to IIEC 2.02.

Witness: Robert R. Mudra

08-0363
Staff Group Cross Exhibit 1

CNE 3.01

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Constellation NewEnergy – Gas Division, LLC
Ill.C.C. Docket No. 08-0363
CNE Third Set of Data Requests

CNE 3.01 Q. CNE-Gas 2.55 asked:

Referring to Nicor Gas Exhibit 4.0 (direct testimony of Gary Bartlett), at page 22 Mr. Bartlett states the total volume available to transportation customers has been about 35 Bcf.
a. Please provide the formulas that are used to determine this is the appropriate amount of storage volume to make available to transportation customers.
b. Please provide any studies or analysis that supports the allocation of storage capacity between transportation, system and Customer Select customers.

The response provided by Nicor was for 135 Bcf, not the 35 Bcf discussed at page 22 of Mr. Bartlett's testimony. Please respond to the question as it relates to the 35 Bcf discussed in Mr. Bartlett's testimony.

CNE 3.01 A. a. Nicor Gas calculates an equal amount of peak day storage capacity per customer to make available to all of its Sales, Customer Select and Transportation customers during its general rate case proceedings. The calculation of the available number of peak days of storage capacity (MDCQ days) is computed by dividing the 2009 test-year total storage allocation of 1,346,333 therms by the total amount of peak-day therms of 49,000,000. This results in 27.5 which was rounded to 28 days.

Please see Nicor Gas' response to data request IIEC 1.12 which shows the estimated amount of available storage capacity by month for Transportation customers which is approximately 35 Bcf. The 35 Bcf figure results from the sum of the Transportation customers' Maximum Daily Contract Quantity (MDCQ) times 28 peak days of storage for customers served under Transportation service Rates 74, 75, 76 and 77 and Rider 25. The storage purchased by customers served under contract Rates 17 and 19 is also added to the above amount.

b. Please see item (a) above.

Witness: Robert R. Mudra

08-0363
Staff Group Cross Exhibit 1

NRC Staff 2.01

Response to Nicor Gas Company
Second Set of Data Requests to Staff
Docket No. 08-0363
Response of Staff Witness Maple

ICC Person Responsible:	Mark Maple
Title:	Senior Gas Engineer, Energy Division
Business Address:	Illinois Commerce Commission 527 East Capitol Avenue Springfield, IL 62701

NRC Staff 2.01:

Has the information relating to the Northern Region Reporting Center ("NRRC"), as provided in Company witness D'Alessandro's surrebuttal testimony, altered Mr. Maple's position concerning the inclusion of the NRRC in the Company's 2009 test year rate base?

Response:

After visiting the NRRC on November 7, 2008, and reviewing Mr. D'Alessandro's Surrebuttal testimony, Mr. Maple has determined that Nicor is justified in including $5.9 million in the Company's 2009 test year rate base attributed to the NRRC.

08-0363
Staff Group Cross Exhibit 1

NRC Staff 3.01

Illinois Commerce Commission
Response to: Northern Illinois Gas Company
d/b/a Nicor Gas Company
Ill.C.C. Docket No. 08-0363
Company 3rd Set of Data Requests

DATA REQUESTS

NRC Staff 3.01 Q: At lines 82-83 of the Rebuttal Testimony of Christopher L. Boggs (Staff Ex. 21.0), Mr. Boggs states "I am not able to recommend approval of the Company's proposed tariff language regarding this issue." In his rebuttal testimony, Mr. Boggs generally discusses his examination of the Company's proposed changes to Rider 8. At lines 78-80, Mr. Boggs indicated a willingness to consider further information and states that he propounded additional data requests on the Company. In response to Mr. Boggs' data requests, the Company provided responses to CB Fourth Set of Data Requests. The Company provided supplemental responses to CB 4.02-4.04 and 4.08. Based on his review of the Company's testimony and all initial and supplemental responses to data requests, does Mr. Boggs now recommend approval of the Company's proposed modifications to Rider 8?

NRC Staff 3.01 A: Yes. Based on the supplemental answers to the Data Request CB 4.01-4.09, I will recommend approval of the Company's proposed language modifications to Rider 8. However, Mr. Boggs recommends that paragraph 2, **Local Governmental Utility Tax Charge,** under Rider 8 in point (3) be amended as follows: "the increase, <u>or decrease</u> in taxes and other payments to governmental bodies resulting from the additional charge."

Staff Witness: Christopher Boggs