

**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**

NORTH SHORE GAS COMPANY	:	
	:	
Proposed General Increase In Rates For Gas Service.	:	Nos. 09-0166, 09-0167 Cons.
	:	
THE PEOPLES GAS LIGHT AND COKE COMPANY	:	
	:	
Proposed General Increase In Rates For Gas Service.	:	
	:	

Surrebuttal Testimony of

**RICHARD DOBSON**

Integrys Business Support, LLC

On Behalf of  
North Shore Gas Company and  
The Peoples Gas Light and Coke Company

August 17, 2009

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1 **INTRODUCTION AND BACKGROUND**

2 **A. Identification of Witness**

3 Q. Please state your name.

4 A. My name is Richard E. Dobson.

5 Q. Are you the same Richard E. Dobson who submitted pre-filed Rebuttal Testimony on  
6 behalf of The Peoples Gas Light and Coke Company (“Peoples Gas”) and North Shore  
7 Gas Company (“North Shore”) (together, “the Utilities”) in this consolidated Docket?

8 A. Yes.

9 **B. Purpose of Testimony**

10 Q. What is the purpose of your testimony?

11 A. The purpose of my testimony is to respond, in part, to the rebuttal testimonies of Illinois  
12 Commerce Commission Staff (“Staff”) witnesses David Sackett and David Rearden;  
13 Retail Gas Suppliers (“RGS”) witness James L. Crist; and Constellation NewEnergy -  
14 Gas Division, LLC (“CNE-Gas”) witness Lisa A. Rozumialski. In their respective  
15 rebuttal testimonies, the Utilities’ witnesses Ms. Valerie Grace, Mr. John McKendry and  
16 Ms. Christine Gregor will also address these witnesses’ testimony.

17 **C. Summary of Conclusions**

18 Q. Please summarize your conclusions.

19 A. First, the Commission should reject Mr. Sackett’s proposed unbundled Allowable Bank  
20 as it does not adequately take into account operational considerations that must be part of  
21 an unbundled storage and balancing service and, while greatly changed and somewhat  
22 better defined in his rebuttal testimony, it continues to lack sufficient definition for the  
23 Utilities to implement.

24           Second, were the Commission to favor adoption of an unbundled Allowable  
25 Bank, the reasonable way to accomplish that would be to direct the Utilities to develop  
26 and file such a proposal in their next rate cases.

27           Third, the Commission should reject Mr. Sackett's and Mr. Crist's proposals for  
28 the Utilities to adopt pieces of Nicor Gas' transportation programs because neither  
29 witness has shown why those pieces are reasonable for the Utilities, nor how to fit those  
30 pieces into the Utilities' programs.

31           Fourth, the Commission should reject Mr. Crist's conclusions that Rider AGG  
32 suppliers receive inadequate access to storage.

33           Fifth, the Utilities' LIFO price from its August 2009 Gas Charge filings, which  
34 other witnesses use for certain cost calculations, includes more hedges than the July 2009  
35 and March 2009 Gas Charge filings.

36 **II. LARGE VOLUME TRANSPORTATION PROGRAMS**

37 **A. Unbundled Allowable Bank - Overview**

38 Q. Do you agree with Staff witness Mr. Sackett's statement that the Utilities' objections to  
39 his unbundled Allowable Bank ("AB") proposal are directed at implementation details as  
40 opposed to the concept of unbundling (Staff Ex. 26.0, p. 7)?

41 A. No, although there are implementation issues. The Utilities agree, on a conceptual basis,  
42 that services can be provided on an unbundled basis. However, the Utilities' objections  
43 to Mr. Sackett's proposal involve both concept and implementation. First, conceptually  
44 Mr. Sackett's proposal is not a complete unbundling proposal, but rather only a partial  
45 unbundling proposal. In particular, under Mr. Sackett's proposal standby and no-notice  
46 balancing services remain bundled in the transportation rates. For Rider FST (Full

47 Standby Transportation Service), the AB also remains bundled. Only access to “some”  
48 storage currently provided through existing transportation tariffs is identified for  
49 unbundling. Second, operationally Mr. Sackett’s proposal lacks the completeness needed  
50 to implement it. If the Commission were to require an unbundled AB, the Utilities’  
51 proposal would be to fully unbundle those services that can be unbundled and provide the  
52 necessary details, including operational detail and tariff language, for all affected parts of  
53 the tariff.

54 Q. Do you agree with Mr. Sackett’s conclusion that, as modified, there are “no significant  
55 practical obstacles to adoption” of his proposal (Staff Ex. 26.0, p. 8)?

56 A. No. While Mr. Sackett has better defined his unbundled AB proposal, as discussed  
57 below and by Ms. Grace, there remain many significant practical obstacles related to  
58 physical operations and tariff changes.

59 Q. Does Mr. Sackett’s clarification that his proposal applies only to Rider SST (Selected  
60 Standby Transportation Service) eliminate any of the concerns expressed in your rebuttal  
61 testimony (Staff Ex. 26.0, p. 9)?

62 A. Yes and no. Mr. Sackett’s clarification does eliminate my confusion regarding which  
63 customers would be affected. However, in light of the equity and cross-subsidy concerns  
64 he raises, if the idea is to unbundle standby service from AB, then it does not seem  
65 logical that Rider FST customers would not be allowed to retain 100% standby service  
66 and also elect an amount of AB that is independent of standby.

67 **B. Unbundled Allowable Bank - Operational**

68 Q. Mr. Sackett stated that he is proposing no changes to the operational parameters of Rider  
69 SST's AB and, thus, your concern about operational matters is misdirected (Staff Ex.  
70 26.0, pp. 9-10). Does Mr. Sackett's clarification address your concerns?

71 A. No. The statement by Mr. Sackett that he is not proposing a change does not mean that  
72 there should not be changes. In fact, a significant part of my rebuttal testimony spelled  
73 out the substantial operational concerns that require a change to the tariff if an unbundled  
74 AB is to be implemented.

75 Q. Please respond to Mr. Sackett's statements that you did not link your operational  
76 concerns to his proposal (Staff Ex. 26.0, pp. 10-12).

77 A. The Utilities use their entire portfolios to support the services provided to all customers.  
78 Each piece (part) included in the Utilities' portfolios, i.e., interstate pipeline  
79 transportation services, interstate pipeline bundled and unbundled storage services, field  
80 commodity purchases, and city-gate commodity purchases are purchased by the Utilities  
81 on an unbundled basis. Peoples Gas also has a company-owned storage field and a  
82 peaking facility, and North Shore has a company-owned peaking facility that are part of  
83 their respective portfolios. By combining these disparate parts both sales and  
84 transportation customers are able to receive the level of services they receive today.  
85 Unbundling "some storage" from this mix without altering the operational terms and  
86 conditions applicable to the services to address those parts that have been unbundled  
87 would not be reasonable and may undermine system reliability, as discussed below.

88 Q. Please describe the portfolios the Utilities use to support these services.

89 A. For Peoples Gas "storage capacity" assets are provided by a combination of leased  
90 storage from ANR Pipeline Company ("ANR") (FSS), leased storage from Natural Gas

91 Pipeline Company of America (“NGPL”) (NSS and DSS) and company-owned  
92 underground storage at Manlove Field. As explained in my rebuttal testimony, each of  
93 the leased and company-owned storage capacity assets have unique attributes that work  
94 together to provide the level of storage embedded in the transportation services that the  
95 Utilities currently provide. The unique service attributes include injection and  
96 withdrawal rights that change over time, by season (injection or withdrawal) and by level  
97 of storage capacity filled. Each storage asset is also subject to physical transportation  
98 requirements that control how the gas can be delivered to or from the storage locations,  
99 and to operational constraints due to mechanical or physical failures.

100 Balancing assets, which also have unique service attributes, are provided by a  
101 combination of leased storage and no-notice services (ANR NNS, ANR FSS, NGPL DSS  
102 and NGPL NSS) as well as by operations at Manlove Field and the company-owned  
103 Mahomet pipeline. The unique service attributes include injection and withdrawal  
104 profiles that change over time, by season (injection or withdrawal) and by level of storage  
105 capacity filled. Each is also subject to how the gas can be delivered to or from the  
106 storage locations and subject to operational constraints due to mechanical or physical  
107 failures.

108 Note that both storage capacity and balancing services are provided by nearly identical  
109 assets. If Peoples Gas unbundles “storage” from “standby/balancing” questions arise as  
110 to:

- 111 • Which assets are unbundled?

- 112                   • How is no-notice capacity allocated since all three leased storage services have  
113                   some level of no-notice capability bundled with them?
- 114                   • How are the injection/withdrawal/sourcing limitations applied?
- 115                   • How are unexpected storage limitations applied?

116                   For North Shore, comparable questions arise, but North Shore has a smaller array of  
117                   assets available for both storage and balancing.

118                   Currently, the Utilities use what Mr. Sackett calls “Extra Supply for Sales”  
119                   storage assets to insulate transportation customers from facing these real world  
120                   operational concerns. Since the storage assets are so intertwined, the Utilities question  
121                   whether these same assets should be available as part of an unbundled program, and if so  
122                   how to identify and segregate them so they can be unbundled. Further, since the Utilities  
123                   have to nominate, or in the case of Manlove Field physically effectuate, injections and  
124                   withdrawals on an asset by asset (unbundled) basis, it would be reasonable for users of an  
125                   unbundled utility product to be subject to nominating that product separately and  
126                   consistent with specific parameters, that may be altered by factors outside the control of  
127                   the Utilities. Mr. Sackett has not proposed any such parameters.

128   Q.           Does Mr. Sackett’s correction that customers cannot subscribe to more bank capacity  
129                   than is currently available to them address any of your concerns (Staff Ex. 26.0, p. 14)?

130   A.           Mr. Sackett asserts he has not proposed a change to the allocation of bank capacity from  
131                   what is available under the Utilities’ current program, but he clearly expects customers to  
132                   acquire a larger quantity of AB. For example, just prior to that assertion (Staff Ex. 26.0,

133 p. 12), Mr. Sackett points to a benefit of his proposal being customers using a larger  
134 bank. These conflicting statements on their face do not alleviate my concern that Mr.  
135 Sackett's proposal will not result in customers subscribing to more bank capacity.

136 Q. Mr. Sackett then states that, if the problem arises, Peoples Gas should use hub capacity or  
137 purchase more off-system storage to make up the difference. Would that work?

138 A. No. Peoples Gas, in compliance with the Commission's order in its last rate case (Docket  
139 Nos. 07-0241/07-0242 (Cons.)), developed and submitted a process to allocate Manlove  
140 Field underground storage capacity among Peoples Gas' customers, North Shore and  
141 Peoples Gas' interstate services (sometimes called hub services). The optimization  
142 analysis embedded in this process is intended to "suggest alterations to the composition  
143 of [Peoples Gas'] future supply, transportation and storage portfolio." Mr. Sackett's  
144 proposal that Peoples Gas could use hub capacity to support elections of unbundled AB  
145 service does not seem to take the obligation the Commission imposed on Peoples Gas  
146 into account. This recommendation also fails to address the interchangeability of  
147 additional Manlove Field capacity, with its significantly different operating parameters  
148 and injection/withdrawal seasons relative to leased storage services, with the ability to  
149 reliably use this added storage capacity to meet both sales and transportation customers'  
150 demands.

151 Q. Please comment on Mr. Sackett's proposal that the Utilities purchase additional storage  
152 capacity.

153 A. Similar to the hub capacity proposal, Mr. Sackett's alternatives to buy more storage or  
154 have more flowing gas delivered -- both of which would increase gas costs recovered  
155 from sales and transportation customers -- lack reasonable support. Mr. Sackett simply

156 asserts that the Utilities can obtain additional off-system storage. He has not provided  
157 any proof that the capacity is available at any capacity level or any price let alone from a  
158 location the Utilities can access at a reasonable price. Relying on procuring prudently  
159 priced storage capacity that may not be available puts system reliability at risk. Also,  
160 buying more flowing gas to support the transportation customers' AB would increase  
161 costs, primarily to sales customers.

162 Q. Mr. Sackett questions your testimony about the reduction in assets available to the  
163 Utilities to balance the system (Staff Ex. 26.0, p. 12). Please respond.

164 A. The point of my testimony was that just segregating some "storage" from the portfolio  
165 without taking into account the loss of portfolio synergies could result in a need to  
166 acquire additional assets, with their associated additional costs, or reduce the overall level  
167 of service provided to all customers. As I explain above, additional assets in the form of  
168 storage may be unavailable.

169 Q. Do you agree with Mr. Sackett that there are potential benefits to the Utilities' systems  
170 from his proposal (Staff Ex. 26.0, pp. 12-13)?

171 A. I do not agree that the potential benefits he identified would arise, nor do I think they  
172 outweigh the problems I have identified.

173 As to the specific potential benefits, I am not sure how unbundling storage for  
174 Rider SST customers, assuming they choose larger banks and then use larger banks, will  
175 reduce the need for the Utilities to fill storage on their own for sales customers. Sales  
176 customers' seasonal storage demands are not going to change as a result of unbundling  
177 AB for Rider SST customers. On an intermittent day to day or perhaps a month to month

178 basis, sales customers' storage demands could be shifted, but for an entire season I do not  
179 see it. Further, the cost of gas to sales customers for those supplies purchased to support  
180 the temporally shifted storage injections may not be advantageous.

181 It is also unclear to me how Mr. Sackett reaches the conclusion that less use of  
182 standby would result in a reduced need for "Nominated Storage Services and Firm  
183 Transportation" from the pipelines. And, assuming this is correct, how does this  
184 conclusion square with the statements he makes on page 14 of his rebuttal testimony  
185 regarding possible acquisition of additional capacity to support gas system stability.

186 Finally, Mr. Sackett's statement on proper price signals leading to lower peak day  
187 standby use is purely theoretical. In the real world, the Utilities must balance their  
188 systems every hour of every day. Standby service usage, AB activity, cashout volumes,  
189 or unauthorized use volumes cannot be determined until days or weeks after-the-fact  
190 when both the daily consumption and supplier-allocation of daily supplies by account,  
191 contract or pool are finally known. While I am hopeful Mr. Sackett's price signal  
192 conclusion is correct, and that potential outcome is one reason the Utilities supported his  
193 recommendation to change the Standby Commodity Charge pricing mechanism, it  
194 remains to be seen if customers respond as expected to price signals on those days that  
195 are the most harrowing and less standby gas is required.

196 **C. Unbundled Allowable Bank - Capacity Allocation**

197 Q. Please comment on Mr. Sackett's conclusions that the current relationship of AB capacity  
198 to standby service is inequitable and inefficient (Staff Ex. 26.0, pp. 15-20).

199 A. In his rebuttal testimony Mr. Sackett draws a conclusion that Rider SST customers would  
200 like more storage, but avoid buying more storage because it is bundled with unnecessary  
201 standby services. As I have discussed in my rebuttal testimony, the Utilities use their  
202 entire portfolio to provide both the storage and standby services. Pricing a product based  
203 on the underlying assets used to provide that service is both reasonable and efficient.

204 Mr. Sackett goes on to explain how the current Rider SST subscription rates lead  
205 him to conclude that storage capacity allocated to, but not subscribed by, Rider SST  
206 customers must only be attributable to sales customers, his so-called Extra Supply for  
207 Sales. However, as I discussed above, this “extra” capacity provides Rider SST  
208 customers with benefits, specifically with regard to balancing services, the ability to  
209 flexibly source their gas from anywhere they choose and have it added to their banks, and  
210 insulation from specific and more stringent storage injection and withdrawal limitations.  
211 An allocation based on average use does not imply inequity when the consumer of the  
212 product gets benefits that are both larger and smaller than average over different time  
213 periods.

214 Q. Is it inequitable that a Rider SST, Service Classification No. 2, customer with 0% standby  
215 service receives an AB with the same operational parameters as other transportation  
216 customers (Staff Ex. 26.0, p. 42)?

217 A. No. So long as the customers are paying the costs associated with the AB and are  
218 accessing the same AB, the operational parameters should be the same.

219 Q. Mr. Sackett proposed that the Utilities adopt what he says is Nicor Gas' subscription  
220 process (Staff Ex. 26.0, pp. 37-38 and Attach. B). Are you familiar with Nicor Gas'  
221 transportation programs?

222 A. I am only minimally aware of the Nicor Gas transportation programs. I am not familiar  
223 with the specific terms and conditions of the services, the purchased services or owned  
224 assets that Nicor Gas uses to provide such services or how Nicor Gas operates its system  
225 to support those services.

226 Q. Based on your review of Mr. Sackett's testimony and exhibits, do you understand how  
227 Nicor Gas' processes would apply to the Utilities' programs?

228 A. No. Mr. Sackett did not provide sufficient information about the processes to determine  
229 if they are reasonable for the Utilities' programs.

230 **D. Unbundled Allowable Bank - Terms and Conditions**

231 Q. Please comment on Mr. Sackett's proposed Critical Day injection and withdrawal  
232 limitations (Staff Ex. 26.0, pp. 40-42).

233 A. Conceptually I agree with Mr. Sackett's proposal to link Critical Day withdrawal rights to  
234 the size of the bank rather than the standby level. However a second parameter reflecting  
235 the level of the customer's bank should also be included in determining the customer's  
236 Critical Day withdrawal rights. The rights the Utilities have to leased storage, and that  
237 Peoples Gas has with respect to Manlove Field, depend not only on the Maximum  
238 Storage Quantity ("MSQ") associated with the service but also the level of gas in storage  
239 relative to the MSQ. Both parameters affect the Utilities' ability to provide service and  
240 as such both should be included in determining the customer's rights.

241 Q. Do you agree that no changes to Section C through H of Rider SST would be required  
242 under Mr. Sackett's proposal (Staff Ex. 26.0, p. 10)?

243 A. No. At a minimum, a tariff should reflect the operational changes, including the Critical  
244 Day limitations, that are discussed in my rebuttal and surrebuttal testimony. Further,  
245 numerous terminology changes will be needed throughout the tariff.

246 Q. Do you agree that Rider SST is the only tariff affected by the proposal (Staff Ex. 26.0, p.  
247 9)?

248 A. No. At a minimum, changes would need to be made to Rider 2 and Rider P.

249 **E. Unbundled Allowable Bank - Conclusions**

250 Q. Are the Utilities opposed, conceptually, to offering an unbundled storage service?

251 A. No, not so long as the service is designed appropriately.

252 Q. Has Mr. Sackett, in his rebuttal testimony, answered your concerns about the unbundled  
253 AB?

254 A. No. As discussed above, from my perspective, Mr. Sackett's proposal remains fraught  
255 with operational issues.

256 Q. If the Commission were to order the Utilities to adopt an unbundled AB, is it clear what  
257 tariff changes the Utilities must make to comply with that order?

258 A. No. As noted above, the Utilities believe significant operational terms and conditions  
259 would need to be incorporated into existing tariffs to accommodate an unbundled AB.  
260 Without knowing the details of how operational issues are to be addressed, tariff changes  
261 necessary to implement the program can not be developed. In addition, Mr. Sackett has

262 stated that cost recovery requires modification to both base rates and the Gas Charge and  
263 that he has developed “a revised cost recovery model” that is provided for the first time in  
264 his rebuttal testimony. Ms. Grace will address the rate design and Gas Charge  
265 implications of Mr. Sackett’s proposal, but fully vetting a brand new model and then  
266 making tariff changes to incorporate its outcomes is an impossible hurdle in this rate  
267 case.

268 Q. CNE-Gas witness Ms. Rozumialski supports the concept of unbundling the AB and stated  
269 that she believes your concerns could be resolved (CNE-Gas Ex. 2.0, pp. 10-14). If the  
270 Commission agrees, what actions do the Utilities propose the Commission take?

271 A. A reasonable approach would be for the Commission to direct the Utilities to develop and  
272 present in their direct cases an unbundled AB proposal in the next rate case. That  
273 proposal should take into consideration the customer class equity, potential cross-subsidy  
274 and cost recovery concerns raised by Staff, as well as practical operational, cost  
275 allocation, and all necessary tariff changes, whether those tariff changes are base rate or  
276 Gas Charge related.

277 **III. CHOICES FOR YOU<sup>sm</sup> TRANSPORTATION PROGRAM**

278 Q. RGS witness Mr. Crist states that Choices For You<sup>sm</sup> (“CFY”) customers receive less in  
279 system assets to meet their delivery needs (RGS Ex. 2.0, p. 8). What services to CFY  
280 customers and their suppliers do the Utilities provide with the support of system assets?

281 A. System assets provide CFY customers’ suppliers the ability to transport gas to the  
282 citygate using any pipeline that interconnects with the Utilities and have that gas  
283 delivered to the customer’s location or storage without regard to the sourcing

284 requirements associated with those services. (See NS-PGL Ex. RD-1.0 Rev., lines 193  
285 through 276 for a discussion of sourcing requirements and limitations.) Further, as noted  
286 in my rebuttal testimony, CFY customers' injection and withdrawal rights are insulated  
287 from any ratchets that affect injection/withdrawal rights or reductions to those same  
288 rights as a result of pipeline force majeure declarations or other pipeline restrictions.  
289 System assets are used to provide CFY customers and their suppliers access to storage  
290 without having to specifically nominate those injections or withdrawals. System assets  
291 provide a balancing service for the CFY customers and their suppliers, whether that  
292 balancing is required due to weather changes altering demand from what was projected or  
293 as a result of CFY customers' demand changing due to actions taken by them directly.  
294 As also noted in my rebuttal testimony, system assets allow CFY customers and suppliers  
295 greater flexibility to alter their daily purchase plans to capture beneficial market price  
296 changes. Finally, system assets (LNG for Peoples Gas and propane for North Shore) are  
297 used to provide peak day deliverability.

- 298 Q. How does this compare with the services that the Utilities provide to sales customers?
- 299 A. In many ways sales customers receive inferior services to the CFY customers. In  
300 particular, sales customers: are limited to using only those upstream assets that are  
301 contained within the Utilities' portfolios; are subject to the leased storage and Manlove  
302 Field injection and withdrawal limitations, whether those result from the tariff, storage  
303 field operations, or force majeure events and other restrictions on the pipelines; and are  
304 not able to receive the benefits of a fully optimized portfolio because the Utilities must  
305 preserve some flexibility to accommodate possible CFY customer changes. Moreover,  
306 the CFY customers, like all but the largest sales customers, are not daily metered, so,

307 unlike some services the Utilities offer the large volume transportation customers, the  
308 Utilities handle daily balancing for these customers by managing the portfolios that  
309 support services to all customers.

310 Q. Mr. Crist proposes, as an alternative, that the Utilities keep the CFY program but increase  
311 the asset allocation (RGS Ex. 2.0, p. 9). Please comment.

312 A. While Mr. Crist says he proposes an alternative, he does not even provide an outline, let  
313 alone a proposal with sufficient details, on how to accomplish it. All this alternative  
314 seeks is more – but more of what is not clear.

315 Q. Mr. Crist states that CFY customers should have the same amount of peak day  
316 capabilities that he believes are available to sales customers, but, according to Mr. Crist,  
317 CFY customers receive much less (RGS Ex. 2.0, p. 9). Please comment.

318 A. The comparison is flawed. Mr. Crist provides no analysis to support his claim and  
319 includes only a graphic representation of what assets he believes are available to sales  
320 customers and to CFY customers. A major flaw with his comparison is his inclusion of  
321 all the Utilities' assets and matching this up with what he believes are the assets available  
322 to CFY customers. At a minimum, one would remove needle peaking assets and  
323 commodity purchases made at the city-gate. Removing needle peaking assets (for North  
324 Shore, its propane facility and, for Peoples Gas, its LNG facility) is appropriate because  
325 these are company-owned assets that provide system reliability to all customer classes  
326 equally and these are not upstream assets. Removing citygate gas purchases is  
327 appropriate because these purchases do not use upstream assets, which are the apparent  
328 focus of Mr. Crist's argument. Even if one refined the comparison, it is still not an  
329 appropriate comparison because the fact remains that the Utilities use their entire

330 portfolios to support services to CFY customers, just as they use those portfolios to  
331 support services to other customers. There are no “sales customer assets” and “CFY  
332 customer assets” in the portfolios.

333 **IV. COST OF NATURAL GAS**

334 Q. The Utilities’ witness Ms. Christine Gregor responds to Staff witness Dr. Rearden’s  
335 recommendations concerning the appropriate gas cost to use in determining various costs.  
336 Ms. Gregor states that the Utilities’ LIFO price includes more than just NYMEX futures  
337 prices and the effect of gas supply hedges is one element. Are you familiar with the gas  
338 supply hedges that affect test year 2010?

339 A. Yes.

340 Q. Is Ms. Gregor correct that the Utilities’ August 2009 Gas Charge filings included more  
341 hedges in place than what the Utilities included in their July 2009 Gas Charge filings?

342 A. Yes. For Peoples Gas, there are just under 4,900 MDth of additional hedges in place and  
343 for North Shore there are more than 800 MDth of additional hedges in place.<sup>1</sup> As Ms.  
344 Gregor pointed out, the comparison to the March 2009 Gas Charge is even greater. For  
345 Peoples Gas, there are more than 13,700 MDth of additional hedges in place when  
346 Peoples Gas computed the August 2009 relative to the March 2009 Gas Charge and for  
347 North Shore the difference is over 2,800 MDth.

348 Q. Does this conclude your surrebuttal testimony?

349 A. Yes.

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<sup>1</sup> “MDth” is one thousand dekatherms and “Dth” is a dekatherm