

Direct Testimony
Of
William R. Johnson

Rates Department
Financial Analysis Division
Illinois Commerce Commission

Proposed General Increase in Gas Rates

MidAmerican Energy Company

Docket No. 09-0312

September 17, 2009

TABLE OF CONTENTS

WITNESS IDENTIFICATION	1
PURPOSE OF TESTIMONY	2
WEATHER NORMALIZATION	5
COST OF SERVICE	9
RATE DESIGN.....	14
Meter charges	14
Rate RV – residential volume and Rate SV – small volume gas service	20
Rate MV – medium volume gas service.....	21
Rate LV – large volume gas service	21
Single block distribution charge	25
Staff proposed rates.....	26
BILL IMPACTS	29
TARIFF REVISIONS	38
MISCELLANEOUS TARIFF ISSUES.....	44
RECOMMENDATIONS.....	46
CONCLUSION	48

1 **WITNESS IDENTIFICATION**

2 **Q. Please state your name, your employer, and your business address.**

3 A. My name is William R. Johnson. I am employed by the Illinois Commerce
4 Commission ("ICC" or "Commission"). My business address is 527 East Capitol
5 Avenue, Springfield, Illinois 62701.

6

7 **Q. How long have you been employed by the Commission?**

8 A. I have been employed by the Commission since September of 1994.

9

10 **Q. Please briefly state your qualifications.**

11 A. I received a Bachelor of Arts degree in Economics from Sangamon State
12 University (now the University of Illinois at Springfield) in May of 1990 and a
13 Master of Arts degree in Economics, also from Sangamon State University, in
14 December of 1993. I have also completed the following Society of Depreciation
15 Professionals courses: Basic Depreciation, Life and Net Salvage Analysis, and
16 Preparing and Defending a Depreciation Study.

17

18 In September of 1994, I was assigned to the Commission's Public Utilities
19 Division as an Economic Analyst in the Rates Department. In that capacity, I
20 reviewed and analyzed filings by electric, gas, water, and sewer utilities with
21 regard to cost of service and rate design. In January of 2000, I was reassigned
22 to the Commission's Water Department of the Financial Analysis Division as an
23 Economic Analyst. My duties include: (1) evaluating tariff filings by water and

24 sewer utilities; (2) inspecting water and wastewater facilities for compliance with
25 Commission rules; (3) assisting the Consumer Services Division in handling
26 inquiries and complaints; (4) evaluating testimony presented by water and sewer
27 utilities; and (5) testifying as a Commission Staff witness in rate proceedings,
28 applications for certificates of public convenience and necessity, applications for
29 reorganizations, and other formal proceedings which include water and/or
30 wastewater related issues.

31

32 **Q. Have you previously testified before the Commission?**

33 A. Yes, I have previously testified before the Commission on numerous issues
34 related to my duties which included cost of service and rate design.

35

36 **PURPOSE OF TESTIMONY**

37 **Q. What is the purpose of your testimony?**

38 A. The purpose of my testimony is to review MidAmerican Energy Company's
39 ("MEC" or "Company") filing for a proposed general increase in gas rates. I will
40 be presenting testimony and schedules concerning cost of service ("COS") and
41 rate design related issues.

42

43 **Q. Are you making any recommendations concerning the appropriateness of**
44 **the total revenue requirement for the Company in this proceeding?**

45 A. No, I am not. My testimony addresses the “Tariffed Revenues” found on ICC
46 Staff Exhibit 1.0, Schedule 1.01. As such, I do not address revenues associated
47 with Purchased Gas Revenues, Wholesale Revenues, or Other Revenues.

48

49 **Q. Please explain how your testimony is organized.**

50 A. First, my testimony begins with a review of the Company’s proposed weather
51 normalization adjustment. Second, I review the Company’s proposed COS.
52 Third, I review MEC’s and Staff’s rate design proposals. Included in the rate
53 design section of my testimony is a discussion on MEC’s proposal to separate
54 meter charges based on the size and capacity of the meters. Fourth, I review bill
55 impacts. Fifth, I discuss proposed tariff revisions. Sixth, I discuss miscellaneous
56 tariff related issues. Finally, I provide a summary of my recommendations.

57

58 **Q. Did you prepare any supporting schedules and attachments?**

59 A. Yes. I prepared the following schedules and attachments:

60 Schedule 7.1 – Staff Proposed Rates

61 Attachment A – Company response to Staff Data Request 4.09(b)

62

63 **Q. Please summarize your recommendations.**

64 A. My recommendations are as follows:

65 Weather Normalization

- 66 • Approve the Company’s proposed weather normalized adjustment.

67 Cost-of-service

- 68 • Approve Staff’s proposed Weighted Customers-Customer Service
69 allocation factor.
- 70 • Approve the Company’s proposed move to Small Volume, Medium
71 Volume, and Large Volume customer classifications.

72 Rate Design

- 73 • Approve MEC’s proposal to implement four separate meter class charges,
74 based on the size and capacity of the meters.
- 75 • Order the Company to resolve all customer complaints regarding meter-
76 related issues and respond to all requests for meter changes before the
77 customer’s next billing cycle.
- 78 • Approve Staff’s proposed rates as identified in ICC Staff Exhibit No. 7.0,
79 Schedule 7.1.

80 Tariff Revisions

- 81 • MEC should provide revised language in its Rebuttal Testimony for Rate
82 RV, Rate SV, Rate MV, and Rate LV tariffs that utilize average daily
83 usage as the criterion for the “Availability” and “Reassignment of Rate”
84 sections rather than peak daily usage, regardless of whether a customer
85 uses an interval meter.
- 86 • MEC should provide revised language in its Rebuttal Testimony for any
87 other tariffs that would be affected by Staff’s proposed change to average
88 daily usage.

89

90 Miscellaneous Tariff Issues

- 91 • Approve MEC’s proposed new Rider S – System Gas Service tariff.
- 92 • Require MEC to continue to collect and keep the same type of data it
- 93 currently maintains going forward for the residential, commercial,
- 94 industrial, and public authority customers.
- 95 • Approve MEC’s proposal to discontinue Rate 80 Contract Service and
- 96 Rate 87 Off-Peak General Service.
- 97

98 **WEATHER NORMALIZATION**

99 **Q. Please explain why weather normalization is necessary.**

100 A. Because natural gas use and sales are heavily weather dependent, a weather

101 normalization adjustment is necessary so test period sales reflect normal

102 weather (*i.e.*, temperature) rather than unusually warm or cold weather. For

103 example, if test period sales were based on an extremely cold winter, sales

104 would be overestimated compared to a normal winter. If test period sales are not

105 weather normalized the rates may not collect the authorized revenue

106 requirement during a period of normal weather.

107

108 **Q. Did the Company weather normalize test period sales for this proceeding?**

109 A. Yes, it did.

110

111 **Q. What methodology did the Company use to make the weather normalized**

112 **adjustment?**

113 A. The Company utilized a hinge-fit statistical regression model that analyzes
114 historical heating degree days (“HDD”) from 1951 through 2008. (MidAmerican
115 Exhibit CBR 1.0, p. 5.) The hinge-fit model assumes that HDDs from 1951-1975
116 were constant and then, beginning in 1975, a downward trend in HDDs was
117 identified. (*Id.*)

118

119 **Q. What weather normalization methodology did the Company utilize in its last**
120 **rate case (Docket No. 01-0696)?**

121 A. MEC used a traditional National Oceanic and Atmospheric Administration
122 (“NOAA”) 30-year climate normal calculation. MEC calculated a normalization
123 factor by taking the monthly HDD normals (obtained from NOAA) and dividing
124 them by the monthly HDD actual for the period 1971-2000. (MidAmerican Exhibit
125 7.2, p. 3, Docket No. 01-0696.) MEC’s weather normalization method used in
126 Docket No. 01-0696 was also used in MEC’s prior rate application in Docket No.
127 99-0534.

128

129 **Q. Why is MEC proposing a different type of weather normalization method?**

130 A. MEC believes there is a downward trend in HDDs that is a result of the current
131 state of winter climate conditions. (MidAmerican Exhibit CBR 1.0, pp. 5-6.) The
132 Company stated that NOAA research shows that warmer winter temperatures
133 have been experienced on a widespread basis over the last several years across
134 most of the country and most strongly in the upper Midwest, including MEC’s
135 Illinois service territory. (*Id.*, p. 6.) Attached to MEC witness Charles B. Rea’s

136 direct testimony is a paper authored by two Staff members of the NOAA National
137 Climate Data Center acknowledging that there are limitations to the traditional
138 30-year average climate normals. (MidAmerican Exhibit CBR 1.4.) The NOAA
139 paper also states that the current NOAA 1971-2000 climate normals are unlikely
140 to be adequate indicators of either the current state of the climate or future
141 climate conditions.

142

143 **Q. Has the Commission discussed the issue of normal weather, as related to**
144 **weather normalization, in previous gas cases?**

145 A. Yes. The Commission has discussed weather normalization and how normal
146 weather should be defined. One of the Commission's objectives has been to set
147 rates with the greatest likelihood of generating the utilities' allowed annual
148 revenues. (*Order*, Docket No. 07-0241/07-0242 (cons.) February 5, 2008, p.
149 123.) The Commission has tried to achieve that objective by weighing all the
150 evidence in cases and has broadened its view of how normal weather should be
151 determined. The Commission has approved shorter weather normalization
152 periods than the traditional thirty-year weather normalization period for some
153 utilities. A ten-year weather normalization period was approved by the
154 Commission for Northern Illinois Gas Company in ICC Docket No. 04-0779, the
155 Commission approved a twelve-year weather normalization period for The
156 Peoples Gas Light and Coke Company and North Shore Gas in ICC Docket No.
157 07-0241/07-0242 Cons., and the Commission approved a ten-year weather

158 normalization period for Ameren Illinois Utilities in ICC Docket No. 07-0585 *et al.*,
159 Cons..

160

161 **Q. Do you agree with the Company's proposed weather normalization**
162 **adjustment?**

163 A. I do not object to the Company's proposed weather normalized adjustment.
164 While MEC's weather normalization method is not the traditional thirty-year
165 average method, it is recognized by NOAA. MEC has provided statistical data
166 that identifies the predictive accuracy of its model compared to other models.
167 (MidAmerican Exhibit CBR 1.6 and MidAmerican Exhibit CBR 1.7.) In response
168 to Staff Data Request WRJ 2.09, MEC provided actual Moline HDD for 1981-
169 2008. The average of the actual Moline HDD's for twelve years (1997-2008) is
170 5,904, the average for eleven years (1998-2008) is 5,854, and the average for
171 ten years (1999-2008) is 5,913. MEC's proposed Normal HDD of 5,895 seems
172 reasonable when compared to the average of the actual HDD's over the ten,
173 eleven, and twelve year periods.

174

175 Additionally, the Commission stated in its Final Order in ICC Docket No. 07-
176 0241/07-0242 Cons., pages 125-126:

177 The Commission appreciates the concern of Staff, City-Cub
178 and the AG that, without a standardized weather
179 normalization period, utilities in future rate proceedings will
180 offer customized HDD predictions, based on whatever data
181 set produces the most revenue-friendly result. However,
182 when we moved away from automatic reliance on thirty
183 years of data in Nicor, our intention was to develop a better
184 method for synchronizing allowed and actual revenues.

185 Today, we continue that development, based on additional
186 evidence. In subsequent rate cases, we will expect utilities to
187 employ the principles and methods approved here or bear
188 the burden of proving that additional measures will materially
189 enhance the alignment of allowed and actual revenues.
190

191 The Commission has made it clear that it will not automatically rely on the
192 traditional thirty-year period of data for weather normalization and that the
193 intention is to develop a better method for synchronizing allowed and actual
194 revenues.

195
196 Based on all the foregoing, I recommend that the Commission approve the
197 Company's weather normalization adjustment.
198

198

199 **COST OF SERVICE**

200 **Q. Briefly describe the importance of a cost of service (COS) study as the**
201 **basis for determining rates for utility service.**

202 A. A COS study provides the foundation for cost-based rates. A COS study
203 allocates utility costs to determine the respective responsibility of rate classes for
204 system costs. The resulting allocations provide a basis for determining revenue
205 and rate levels for individual rate classes.
206

206

207 **Q. For COS purposes, what customer classifications has MEC historically**
208 **used?**

209 A. MEC's current customer classes, that were utilized in the COS study performed
210 in MEC's last rate case in Docket No. 01-0696, consist of Rate 60 – Residence

211 Gas Service, Rate 70 – General Service, Rate 80 – Contract Service, Rate 87 –
212 Off-Peak General Service, and Rate 85 – Large General Service.

213

214 **Q. What COS customer classifications is MEC proposing in this rate**
215 **proceeding?**

216 A. MEC's proposed customer classes are Small Volume, Medium Volume, and
217 Large Volume. The customer classes include both sales and transportation
218 customers. (MidAmerican Exhibit MAA 1.0, p. 11.)

219

220 **Q. Why is MEC proposing rate classifications that are different than those**
221 **used in the past?**

222 A. Company witness Melanie A. Acord stated that the idea behind a COS study is
223 to allocate costs to similarly-situated customer groups. Ms. Acord stated that
224 MEC does not install different facilities for a customer that uses gas for
225 residential space heating than for one which uses facilities for commercial space
226 heating. The facilities in both cases are selected based on the size of the
227 customer's connected load. (MidAmerican Exhibit MAA 1.0, p. 17.) Ms. Acord
228 also stated that MEC's COS study provides a more consistent alignment of costs
229 based on causation rather than class of service provided. The size of the
230 customer demands on the natural gas system is a better indicator of the costs
231 required to serve a customer than the customer's end use. (*Id.*, p. 12.)

232

233 **Q. How did MEC assign customers to the proposed classes?**

234 A. MEC assigned customers that use less than an average of 200 therms per day
235 during the billing months of January, February, and March to the Small Volume
236 class. Customers that average over 200 therms up to 4,000 therms per day
237 during the same winter billing months are assigned to the Medium Volume class.
238 Customers using over 4,000 therms per day are assigned to the Large Volume
239 Class. (MidAmerican Exhibit MAA 1.0, p. 12.)
240

241 The Company reviewed other gas utility tariffs and found that the ICC had
242 previously approved AmerenIP's tariff that limits availability of its small general
243 gas delivery service to an average daily usage of 200 therms. (Company
244 Response to Staff Data Request WRJ 5.01 and Ameren IP III. C.C. No. 37, 3rd
245 Revised Sheet No. 12.) In response to Staff Data Request WRJ 5.01, MEC
246 stated "MidAmerican tested the 200-therm-per-day limit on its customer impact
247 data base to determine whether it was a good fit for existing MidAmerican
248 customers and found the 200-therm-per-day limit to be neutral for all but two of
249 the 60,400 residential customers and generally favorable for nonresidential
250 customers, as the majority is assigned to small volume." MEC's review found
251 that all but two of 60,400 current Rate 60 Residence Gas Service customers
252 would be eligible for small volume rate service (Rate RV1 – Residential Gas
253 Service) using the 200 therm per day criterion for peak billing months based on
254 2008 usage data. (Company Response to Staff Data Request WRJ 5.01 and
255 WRJ 3.03.) The two remaining current Rate 60 Residence Gas Service
256 customers each had average daily usage over 300 therms during the peak

257 period billing months. Both customers have farming operations and have higher
258 natural gas consumption and demand than all other residential customers. (*Id.*)

259
260 The Company did a similar review for non-residential rates and found that
261 approximately 4,660 of 4,870 customers are under the 200 therm per day
262 criterion for the peak period billing months, which represents approximately 96%
263 of the Rate 70 General and Transportation Service customers. (Company
264 Response to Staff Data Request WRJ 5.10.) The remaining current Rate 70
265 customers will be served under Rate MV – Medium Volume Service. (*Id.*)

266
267 The 4,000 therm per day requirement for MEC's proposed Rate LV – Large
268 Volume Service is the same as the current Rate 85 Large General Service. (*Id.*)

269

270 **Q. Do you agree with the Company's proposed move to Small Volume,**
271 **Medium Volume, and Large Volume customer classifications?**

272 A. I have no objection to the Company's proposal. As Ms. Acord acknowledges,
273 facilities are selected based upon the size of a customer's selected load. If a
274 commercial customer uses the same facilities as a residential customer, then the
275 COS study, and the rates, should reflect that. This is consistent with the
276 approach taken in Gas Rate Fundamentals, fourth edition, which is prepared by
277 the American Gas Association. That text describes the grouping of customers
278 for COS purposes as follows:

279 The customers of a utility are grouped into homogeneous classes

280 according to various characteristics. These include the amount of
281 service the customer's use, the pressure at which they receive
282 service, the conditions under which customers take service, and
283 their load characteristics by end use. Customer class definitions
284 vary from utility to utility but generally include: residential with
285 heating, residential without heating, small general service - firm,
286 medium general service - firm, large general service-firm, medium
287 general service-interruptible, large general service-interruptible,
288 public authority, lighting, resale, and transportation.

289
290 American Gas Association Gas Rate Fundamentals, Page 132 (4th
291 Ed. [1987]).
292

293 While I have no objection with the Company's proposal, I do have some
294 concerns with the "Availability" and "Reassignment of Rate" sections of the
295 Company's proposed Rate RV, Rate SV, Rate MV, and Rate LV tariffs that deal
296 with class determination. A discussion of the Company's proposed "Availability"
297 and "Reassignment of Rate" sections can be found in the "Tariff Revisions"
298 section of my testimony.

299

300 **Q. Do you have any adjustments to the Company's proposed COS study?**

301 A. Yes. I am proposing that the Weighted Customers – Customer Service class
302 allocation factor be developed using throughput (which is based on the amount
303 of gas consumed by each customer class) rather than margin (which is based on
304 total throughput for each class multiplied by the average price). The Company is
305 proposing to use margin in the development of the Weighted Customers –
306 Customer Service class allocation factor in its proposed COS study.

307

308 **Q. Why are you proposing a change in the Weighted Customers – Customer**
309 **Service class allocation factor?**

310 A. The Commission's Order in Docket No. 01-0696, page 32, ruled that marketing
311 costs in the Weighted Customers – Customer Service class allocation factor
312 should be developed using Commission Staff's proposed throughput allocator
313 rather than MEC's proposed margin allocator. The Commission agreed with
314 Staff that classes with the larger volumes subject to transportation represent the
315 classes with the largest potential market for MEC to be the supplier of gas.

316
317 In response to Staff Data Request WRJ-2.10, MEC stated that it did not object to
318 using throughput in the development of the Weighted Customers – Customer
319 Service allocation factor. MEC provided a revised COS study and the resulting
320 rates in response to Staff Data Request WRJ-4.09 which includes throughput in
321 the development of the Weighted Customers – Customer Service class
322 allocation factor. Those rates are attached as ICC Staff Exhibit 7.0, Attachment
323 A.

324

325 **RATE DESIGN**

326 **METER CHARGES**

327 **Q. What type of meter charges is MEC proposing?**

328 A. MEC is proposing meter charges that are divided into four meter classes based
329 on the size and capacity of the meters. The classes are as follows:

330 Class 1 – Meters up to 675 cubic feet per hour capacity

331 Class 2 – Meter capacities over 675 cubic feet per hour, up to 3,000 cubic feet
332 per hour

333 Class 3 – Meter capacities over 3,000 cubic feet per hour, up to 11,000 cubic
334 feet per hour

335 Class 4 – Meter sizes over 11,000 cubic feet per hour.

336 (MidAmerican Exhibit MAA 1.0, p. 19)

337

338 MEC proposes to include a separate line item on the customer's bill that would
339 be identified as "Meter Charge." (Company Response to Staff Data Request
340 WRJ-2.08 and MEC Section 285.5010, Schedule E-1, Attachment 1, page 37).

341

342 **Q. Do MEC's proposed meter charges represent the fully allocated functional**
343 **costs associated with them?**

344 A. No. MEC is proposing that only half of the functional costs be allocated to the
345 meter charge, with the remaining functional costs being allocated to the basic
346 service charge. (MidAmerican Exhibit MAA 1.0, p. 20.)

347

348 **Q. Why is MEC only proposing that half of the functional costs be allocated to**
349 **the meter charge?**

350 A. The Company states that the proposed split of costs between the basic service
351 charge and a separate meter charge serves to reduce the impact of the new
352 meter charge on MEC's customers, while moving toward a rate structure that is
353 more cost-based. (*Id.*)

354

355 **Q. Do any other Commission regulated gas companies provide separate line**
356 **item meter charges?**

357 A. No other Commission regulated gas companies currently have tariffs that contain
358 separately identified meter charges. However, some Commission regulated gas
359 companies have separate customer charges that are based upon rated meter
360 capacity. For example, Central Illinois Light Company's ("AmerenCILCO") Rate
361 GDS-2 Small General Gas Service includes a customer charge for gas service
362 that is based upon 5 to 7 inches water column pressure delivery and a customer
363 charge for gas service that is based upon over 7 inches water column pressure
364 delivery. (AmerenCILCO, Ill. C.C. No. 19, 1st Revised Sheet No. 12.)

365

366 Illinois Power Company's ("AmerenIP") Rate GDS-1 Residential Gas Delivery
367 Service includes a customer charge for gas service that is based upon 12 inches
368 or less water column pressure delivery and a customer charge for gas service
369 that is based upon over 12 inches water column pressure delivery. (AmerenIP,
370 Ill. C.C. No. 37, 1st Revised Sheet No. 11.001.)

371

372 Likewise, Northern Illinois Gas Company ("Nicor Gas") has three classes (Rate 4
373 – General Service, Rate 5 – Seasonal Use Service, and Rate 74 – General
374 Transportation Service) that contain customer charges based upon meter class
375 capacity in cubic feet per hour ("cfh") at low pressure delivery (less than 1,000
376 cfh, 1,000 – 10,000 cfh, and greater than 10,000 cfh. (Nicor Gas, Ill. C.C. No. 16-

377 Gas, 6th Revised Sheet No. 11, 3rd Revised Sheet No. 11.5, and 6th Revised
378 Sheet No. 19.)

379

380 **Q. Are there any Commission regulated utilities that have separate meter**
381 **charges?**

382 A. Yes. Many electric utilities' rate tariffs contain separate meter charges. For
383 example, AmerenCILCO imposes separate meter charges for its residential,
384 small general service, general delivery service, and large general delivery service
385 classes. All classes, besides residential, have separate meter charges for
386 various voltage levels: secondary voltage, primary voltage, high voltage, and
387 voltage of 100 kV and above. (AmerenCILCO, Ill. C. C. No. 18, 4th Revised
388 Sheet No. 11.001, 6th Revised Sheet No. 12, 5th Revised Sheet No. 13.001, and
389 5th Revised Sheet No. 14.001.) Central Illinois Public Service Company
390 ("AmerenCIPS") imposes the same type of meter charges as AmerenCILCO.
391 (AmerenCIPS, Ill. C. C. No. 16, 4th Revised Sheet No. 11.001, 6th Revised Sheet
392 No. 12, 5th Revised Sheet No. 13.001, and 4th Revised Sheet No. 14.001.)

393

394 **Q. Why is MEC proposing separate customer meter classes and charges?**

395 A. The Company states that the meter size required by a customer is dependent
396 upon the connected load the customer may require to serve gas-fired equipment.
397 (MidAmerican Exhibit MAA 1.0, p. 19.) MEC witness Acord explained:

398 The meter size required by a customer is dependent upon the
399 connected load the customer may require to serve gas-fired
400 equipment. Establishing a "typical" gas meter size and resulting
401 average cost for the customer class shifts the higher cost of larger

402 meters to the smaller volume customers, providing a subsidy to the
403 larger volume customers. This is especially problematic for rate
404 classes with a broad range of meter sizes and costs.
405 (MidAmerican Exhibit MAA 1.0, pp. 19-20.)
406

407 **Q. How were MEC's proposed meter classes determined?**

408 A. MEC provided a workpaper (WPE-6.1) that illustrated the basis for its proposed
409 meter classes. Ms. Acord stated that she reviewed the different meter sizes and
410 costs associated with each different size, and then found natural breaks in
411 pricing where the price of the next larger meter was significantly higher. Her
412 review led to the development of four size ranges. (MidAmerican Exhibit MAA
413 1.0, p. 21.)
414

415 **Q. Do you agree with MEC's proposal to have four separate meter class**
416 **charges, based on the size and capacity of the meters?**

417 A. I have no objection to the Company's proposal. As discussed previously, there
418 are currently Commission-regulated gas utilities that utilize some form of rated
419 meter capacity in the determination of their fixed customer charges. Also, the
420 Commission regulated electric utilities identified above currently have separate
421 meter charges that are based upon voltage levels. I agree with the Company
422 that the meter size required by a customer is dependent upon the connected
423 load the customer may require and it is apparent from the Company's Section
424 285.5110, WPE-6.1 that as meter size and capacity increases, so does the cost
425 of the meter.
426

427 **Q. What are MEC's proposed meter charges?**

428 A. The meter charges are as follows:

429 Class 1 - \$2.92 per month

430 Class 2 - \$32.17 per month

431 Class 3 - \$58.50 per month

432 Class 4 - \$136.00 per month

433 (MidAmerican Exhibit MAA 1.0, p. 19.)

434

435 **Q. Do you have any recommendations regarding meter classes and charges?**

436 A. Yes. In response to Staff Data Request WRJ-2.04(b) and WRJ-3.05, MEC
437 stated that in the event the gas meter is inappropriate for the current customer's
438 connected gas load the Company is prepared to make necessary metering
439 changes to remedy the situation. There are customers who may currently have
440 Class 2, 3, or 4 type meters on their premises and because of cost
441 considerations may not want them any longer. Whether it is possible to change
442 the meter because of load considerations will ultimately be up to the Company.
443 If a customer can operate with the use of a smaller meter, that customer should
444 be entitled to lower rates as soon as possible. Thus, I recommend that the
445 Commission order the Company to resolve all customer complaints regarding
446 meter-related issues and respond to all requests for meter changes before the
447 customer's next billing cycle.

448

449 **Q. Do you agree with the Company's proposed meter charges?**

450 A. No. My proposed meter charges are based upon Staff's proposed revenue
451 requirement as shown in ICC Staff Exhibit 1.0, Schedule 1.01.

452 **RATE RV – RESIDENTIAL VOLUME AND RATE SV – SMALL VOLUME GAS**
453 **SERVICE**

454 **Q. What is MEC's rate design proposal for Rate RV - Residential Volume Gas**
455 **Service and Rate SV – Small Volume Gas Service?**

456 A. For Rate RV, the Company is proposing a basic service charge of \$13.10 per
457 month, a distribution charge of \$0.07924 per therm and a meter charge based on
458 the size and capacity of the meter.

459

460 MEC proposes that Small Volume Gas Service transportation customers have a
461 basic service charge of \$13.10 per month, a distribution charge of \$0.06815 per
462 therm, a transportation administrative charge of \$39.51 per month, a
463 transportation meter charge of \$20.94 per month, and a meter charge based on
464 the size and capacity of the meter. (Proposed Ill. C.C. 9, Original Sheet No. 67.)

465

466 **Q. Do you recommend that the Commission adopt the Company's proposed**
467 **Rate RV - Residential Volume Gas Service and Rate SV – Small Volume**
468 **Gas Service charges?**

469 A. No. I recommend that the Commission adopt my proposed Rate RV -
470 Residential Volume Gas Service and Rate SV – Small Volume Gas Service
471 charges, based upon Staff's proposed revenue requirement as shown on ICC
472 Staff Exhibit 1.0, Schedule 1.01.

473

474 **RATE MV – MEDIUM VOLUME GAS SERVICE**

475 **Q. What is MEC’s rate design proposal for Rate MV - Medium Volume Gas**
476 **Service?**

477 A. The Company is proposing a basic service charge of \$108.79 per month, a
478 distribution charge of \$0.05876 per therm and a meter charge based on the size
479 and capacity of the meter.

480

481 Medium Volume Gas Service transportation customers would have a basic
482 service charge of \$108.79 per month, a distribution charge of \$0.05025 per
483 therm, a transportation administrative charge of \$39.51 per month, a
484 transportation meter charge of \$20.94 per month, and a meter charge based on
485 the size and capacity of the meter. (Proposed Ill. C.C. 9. Original Sheet No. 70.)

486

487 **Q. Do you recommend that the Commission adopt the Company’s proposed**
488 **Rate MV - Medium Volume Gas Service charges?**

489 A. No. I recommend that the Commission adopt my proposed Rate MV - Medium
490 Volume Gas Service charges, based upon Staff’s proposed revenue requirement
491 as shown on ICC Staff Exhibit 1.0, Schedule 1.01.

492

493 **RATE LV – LARGE VOLUME GAS SERVICE**

494 **Q. What is MEC’s rate design proposal for Rate LV - Large Volume Gas**
495 **Service?**

496 A. The Company is proposing a basic service charge of \$264.57 per month, a
497 distribution charge of \$0.02114 per therm, a distribution demand charge per
498 therm of contract Maximum Daily Requirement ("MDR") of \$0.31921, a
499 distribution demand charge per therm of contract Maximum Hourly Quantity
500 ("MHQ") of \$0.26881, and a meter charge based on the size and capacity of the
501 meter.

502
503 Large Volume Gas Service transportation customers would have a basic service
504 charge of \$264.57 per month, a distribution charge of \$0.01474 per therm, a
505 transportation administrative charge of \$39.51 per month, a transportation meter
506 charge of \$20.94 per month, a distribution demand charge per therm of contract
507 MDR of \$0.31921, a distribution demand charge per therm of contract MHQ of
508 \$0.26881, and a meter charge based on the size and capacity of the meter.
509 (Proposed Ill. C. C. 9. Original Sheet No. 73 and Revised 285.5105 Schedule E-
510 5 Pages 1-2 of 3.)

511

512 **Q. Is the distribution demand charge per therm of MHQ a newly proposed**
513 **charge?**

514 A. Yes.

515

516 **Q. What is a distribution demand charge per therm of MHQ?**

517 A. The MHQ requires all Large Volume sales service and transportation customers
518 to elect a MHQ representing the maximum quantity of gas MEC is obligated to

519 deliver to the customer on a firm basis in a given hour on critical days when gas
520 is in short supply. (MidAmerican Direct Testimony Tom A. Gesell, p. 4.)

521

522 **Q. Why is MEC proposing the MHQ requirement?**

523 A. MEC provides the following two reasons for the MHQ provision:

524 First, the size of pipe and facilities needed to serve a customer's
525 facility is driven by hourly rather than daily consumption. A
526 customer that uses 100 dekatherms (Dth) of natural gas all in one
527 hour has a need for pipe and/or facilities that can handle larger
528 volumes than the pipe and/or facilities needed for a customer
529 whose 100 Dth of natural gas is spread throughout an entire gas
530 day, averaging perhaps no more than 5 Dth/hour.

531
532 Second, this requirement is necessary to properly manage the
533 distribution system. The demand for natural gas has grown
534 significantly, and many portions of the pipeline grid, including
535 portions of the NGPL system, are operating at their design, or
536 maximum, capacity. The cost to increase capacity on either the
537 interstate pipeline or on the utility's distribution system is
538 expensive. Interstate pipelines serving MidAmerican's distribution
539 system have both contractual daily and operational hourly limits by
540 delivery point. Each pipeline serving MidAmerican has, by tariff, the
541 right to limit the amount of gas MidAmerican can receive at a
542 specific delivery point into its system. (*Id.*)

543

544 **Q. Why does MEC need to impose MHQ provisions at this time?**

545 A. According to MEC, MHQ provisions would allow MEC to plan and better manage
546 its transmission and distribution systems, keeping improvement and expansion
547 costs reasonable. The Company also states that the MHQ process helps MEC
548 plan to ensure adequate pipeline space is acquired to maintain winter service,
549 while minimizing infrastructure costs. (*Id.*, p. 5.)

550

551 **Q. How does the proposed MHQ process operate?**

552 A. Initially, all Large Volume transportation customers in Illinois will be assigned an
553 MHQ equivalent to their historical or contractual hourly usage level – generally
554 1/16th of their peak daily requirement. This MHQ represents the maximum hourly
555 quantity of gas MEC is obligated to deliver to the customer’s facility on critical
556 days when gas is in short supply. If a customer wishes to increase its level of
557 MHQ, and the desired level exceeds MEC’s delivery capacity to the customer’s
558 facility, the customer may opt to pay for the system upgrades required to serve
559 the increased level of MHQ, or explore alternative methods to reduce MHQ
560 requirements. During periods of high demand, if MEC determines conditions
561 warrant declaring a Critical Hourly Restriction, Large Volume transportation
562 customers will be required to limit their usage to no more than their contracted
563 MHQ level.

564
565 **Q. Do you object to the Company’s proposed MHQ?**

566 A. I do not object to the introduction of an MHQ charge. However, I do not address
567 the question of whether or when the Critical Hourly Restriction should be
568 imposed. Staff witness Dave Rearden, ICC Staff Exhibit 4.0, will address that
569 question.

570
571 **Q. Do you agree with the Company’s proposed Rate LV - Large Volume Gas**
572 **charges?**

573 A. No. My proposed Rate LV - Large Volume Gas Service charges are based upon
574 Staff's proposed revenue requirement as shown on ICC Staff Exhibit 1.0,
575 Schedule 1.01.

576

577 **SINGLE BLOCK DISTRIBUTION CHARGE**

578 **Q. MEC currently has a three declining block distribution charge for Rate 70**
579 **General Service customers. (MEC III. C.C. No. 2, 7th Revised Sheet No. 5.)**
580 **MEC's proposed distribution charges for its new rate classifications of**
581 **Rate SV, MV, and LV consist of a single block distribution charge. What**
582 **justification did the Company provide for moving those customers who**
583 **currently are served by a three declining block distribution charge to a**
584 **single block distribution charge?**

585 A. In response to Staff Data Request WRJ 3.07, the Company stated that in its
586 prior rate case (ICC Docket No. 01-0696) some of the fixed costs were included
587 in the first block of the distribution charge for Rate 70 customers. This was done
588 to reduce the monthly service charge to a level that was close to the monthly
589 service charge for Rate 60 residential service because many of the customers in
590 Rate 70 were relatively small. For the current case, MEC's proposed rates divide
591 the current Rate 70 customers into a small and medium volume class. MEC
592 does not believe there is a need to artificially reduce the monthly service charges
593 for small volume non-residential customers by including a portion of the fixed
594 costs in the distribution charge. Under the Company's proposal, the small

595 volume customers will have smaller monthly service charges than medium
596 volume customers.

597

598 **Q. Do you agree with the Company's proposed move to a single block**
599 **distribution charge?**

600 A. I have no objection to the Company's proposed single block distribution charge.
601 Including fixed costs in the distribution charge increases the per therm
602 distribution rate compared to what it would have been otherwise. The
603 Company's move to classes based on peak usage volumes should place the
604 existing Rate 70 customers into classes aligned with their usage. Additionally,
605 declining block distribution charges tend to encourage usage since the
606 distribution rates decline as usage increases, whereas, single block distribution
607 charges encourage conservation because the incentive for using more gas at a
608 cheaper rate is gone.

609

610 **STAFF PROPOSED RATES**

611 **Q. How were your proposed rates determined?**

612 A. I started with MEC's proposed rates that were provided in response to Staff Data
613 Request WRJ-4.09 (see Attachment A to my testimony), which incorporated my
614 proposed Weighted Customers – Customer Service class allocation factor. I then
615 adjusted the Attachment A proposed tariff rates on an equal percentage basis to
616 meet Staff's proposed "Tariffed Revenues" found in ICC Staff Exhibit 1.0,

617 Schedule 1.01. However, the Firm Natural Gas Distribution Agreement rates
618 were not adjusted since they are determined through a special contract.

619

620 **Q. What rates are you proposing for Rate RV - Residential Volume Gas**
621 **Service, Rate SV - Small Volume Gas Service, Rate MV - Medium Volume**
622 **Gas Service, Rate LV - Large Volume Gas Service?**

623 A. My proposed rates are attached as ICC Staff Exhibit No. 7.0, Schedule 7.1.

624

625 **Q. Please explain Schedule 7.1.**

626 A. Schedule 7.1 consists of a comparison of: (1) the Company's originally filed
627 proposed rates; (2) rates that were provided to Staff in the Company's response
628 to Staff Data Request WRJ 4.09(b); and (3) Staff's proposed rates. The
629 Company's originally filed proposed rates were obtained from the Company's
630 Section 285.5105, Schedule E-5. The Company's rates provided in response to
631 Staff Data Request WRJ 4.09 were derived by incorporating Staff's proposed
632 Weighted Customers-Customer Service allocation factor into the Company's
633 COS study. Staff's proposed rates are simply the rates provided in the
634 Company's response to Staff Data Request WRJ 4.09 adjusted on an equal
635 percentage basis to meet Staff's proposed "Tariff Revenues" found on ICC Staff
636 Exhibit 1.0, Schedule 1.01.

637

638 Column A indicates the Rate Code. Column B is a description of the rate class.

639 Column C contains the Company's proposed billing units. Column D contains

640 the Company's originally filed proposed rates. Column E contains the annual
641 revenues derived by multiplying Column C by D. Column F contains the billing
642 units associated with the Company's response to Staff Data Request WRJ 4.09.
643 The only difference in billing units between what the Company proposed and the
644 Company's response to Staff Data Request WRJ 4.09 are associated with Rate
645 LVT - Large Volume Transportation. The Company revised the billing units on
646 June 25, 2009 because of new information involving a large transportation
647 customer. Column G contains the rates derived from the COS study performed
648 in the Company's response to Staff Data Request WRJ 4.09. Column H
649 contains the annual revenues derived by multiplying Column F by G. Column I
650 contains Staff's proposed rates which are based upon the rates provided in the
651 Company's response to Staff Data Request WRJ 4.09(b) adjusted on an equal
652 percentage basis to meets Staff's proposed "Tariff Revenues" found on ICC Staff
653 Exhibit 1.0, Schedule 1.01. Column J contains Staff's proposed annual
654 revenues derived by multiplying Column I by Column F. Column K shows the
655 percentage revenue difference between Staff's proposed annual revenues,
656 Column J, and the Company's originally filed proposed annual revenues, Column
657 E. Column L shows the percentage revenue difference between Staff's
658 proposed annual revenues, Column J, and the Company's response to Staff
659 Data Request WRJ 4.09 proposed annual revenues, Column H.

660

661 **Q. Can Schedule 7.1 be modified to set final rates after the Final Order is**
662 **issued in this docket?**

663 A. Yes. Schedule 7.1 can be modified to show the rates that result from the
664 revenue requirement (“Tariff Revenues”) adopted in the Final Order if the
665 Commission accepts Staff’s proposed Weighted Customers-Customer Service
666 allocation factor. As discussed previously, Staff’s proposed rates are based
667 upon the Company’s rates that were provided in the Company’s response to
668 Staff Data Request WRJ 4.09, not the Company’s proposed rates. If the
669 Commission adopts Staff’s proposed Weighted Customers-Customer Service
670 allocation factor then the “Tariff Revenues” determined in the Final Order of this
671 case should be input in Column J, line 61 of Schedule 7.1 to determine the final
672 rates and figures in Columns I, J, K, and L.

673

674 **Q. If the Commission approves a revenue requirement that differs from Staff’s**
675 **proposed revenue requirement, what do you propose?**

676 A. I propose that each of Staff’s proposed charges be adjusted by a uniform
677 percentage to recover the revenue requirement adopted by the Commission.
678 However, the Firm Natural Gas Distribution Agreement rates would not be
679 adjusted since they are determined through a special contract.

680

681 **BILL IMPACTS**

682 **Q. Did MEC provide bill comparisons between present and proposed rates?**

683 A. Yes. The Company provided bill comparisons in their initial filing marked as
684 Section 285.5135, Schedule E-9, pages 1 through 36.

685

686 **Q. Since the Company is proposing customer classes based on peak usage**
687 **volumes, will there be a shift of customers between classes?**

688 A. Yes.

689

690 **Q. Has the Company identified what the bill impacts will be for customers who**
691 **are shifted to new classes?**

692 A. The Company's Section 285.5135, Schedule E-9 provides bill comparisons that
693 are not actual bill impact summaries since they do not show usage by month for
694 a typical customer. The Company's bill comparisons give an indication of what
695 monthly increases or decreases are possible at various therm usage levels.

696

697 **Q. What do the Company's residential bill comparisons show?**

698 A. The bill comparisons for Meter Class 1 residential customers identify between a
699 \$1.15 per month increase to \$5 per month increase, depending on the number of
700 therms used. The residential bill comparisons for Meter Classes 2, 3, and 4
701 indicate large percent increases in some months where there is low therm
702 usage. According to the Company's Section 285.5110, Schedule E-6, page 60
703 of 84, "Reclass of Meters," the following number of residential customers will be
704 served under the various meter classes:

705

706

Residential Customers

Meter Class	Number of Customers
Meter Class 1	60,313
Meter Class 2	69

Meter Class 3	7
Meter Class 4	2

707

708

709

710

711

712

Listed in the table below are the monthly percent increases by meter class that result from the Company's proposals as identified in the Company's Section 285.5135, Schedule E-9, pages 2-4 of 36:

Residential Customers

	Monthly Usage (Therms)	Monthly Percent Increase
Rate 60 customers moving to Rate RV-Meter Class 2	0	317.53%
	10	221.35%
	40	115.41%
Rate 60 customers moving to Rate RV-Meter Class 3	0	557.99%
	10	389.39%
	40	203.69%
Rate 60 customers moving to Rate RV-Meter Class 4	0	1265.75%
	10	884.00%
	40	463.53%

713

714

715

Q. What were the results of your inquiries into the residential bill increases?

716 A. In response to Staff Data Request WRJ 1.01(C), the Company provided a bill
717 comparison by month for 2008 for an average customer that is currently a Rate
718 60 customer and would be moving to Rate RV Meter Class 1 under the
719 Company's proposal. The bill comparison identified an overall annual increase
720 of 5.17%. In response to Staff Data Request WRJ 2.04, which inquired about
721 customers who have monthly bill increases of 100% or greater, the Company
722 responded as follows concerning residential customers:

723 No customer with a Class 1 meter, which is the predominant meter
724 class for residential customers, is estimated to experience a
725 monthly increase of 100 percent. An estimated 52 customers in the
726 residential classification, each with Class 2 or larger meters, had at
727 least one month where the calculated increase is over 100 percent;
728 during these months of 100 percent increase, the average monthly
729 usage was less than 40 therms for all but one customer. For 47 of
730 these customers, the monthly increase was less than \$5 excluding
731 the meter charge.

732
733 Because meter sizes are based on a customer's connected load,
734 these 52 residential class customers are presumed to have
735 purchased natural-gas-using equipment that requires MidAmerican
736 to install higher-capacity, higher-cost metering. General information
737 from field personnel indicates there is an increased need for meter
738 changes due to customers installing standby generators, tankless
739 water heaters and pool heaters. MidAmerican does not believe
740 these customers will be unduly harmed by the proposed rate
741 structure where the costs caused by these customers are paid by
742 these customers.

743
744 However, in the event the gas meter is inappropriate for the current
745 customer's connected gas load, MidAmerican is prepared to make
746 necessary metering changes to remedy the situation.
747

748 In response to Staff Data Request WRJ 3.05, which requested the Company to
749 identify the average bill increase for Residential Rate 60 customers who are
750 placed in either Meter Class 2, 3, or 4, the Company provided the following table:

751
752
753

Residential Rate 60 Customers

Meter Class	Avg. Monthly Increase	Avg. Monthly % Increase	Number of Customers
Class 2	\$32.38	10.9	69
Class 3	\$59.12	9.9	7
Class 4	\$138.63	23.5	2

754

755 The table identifies a Residential Rate 60 customer in Meter Class 4 with an
756 average monthly bill increase of 23.5%, as opposed to an increase of 1265.75%
757 for a Rate 60 Meter Class 4 customer using 0 therms as identified in the
758 Company's Section 285.5135, Schedule E-9, Page 4 of 36.

759

760 Additionally, customers who are served under Meter Classes 2, 3, and 4 will use
761 greater quantities of gas than a typical residential customer. In response to Staff
762 Data Request WRJ 1.01(C), the Company provided a schedule showing present
763 rates and proposed rates, and monthly bills for the twelve months of the test year
764 at the present and proposed rates for an average customer for Rate 60 that is
765 moving to Rate RV. The annual therm usage for an average residential
766 customer in Meter Class 1 is 977 therms, Meter Class 2 is 4,570 therms, Meter
767 Class 3 is 14,563 therms, and Meter Class 4 is 6,833 therms. Residential
768 customers who are currently paying a basic service charge of \$10.50 a month,
769 and have a larger meter than a typical residential customer (for example they are
770 placed in Meter Class 2 under the Company's proposed rates), will have a basic
771 service charge of \$13.10 and a meter charge of \$32.17 a month. The larger

772 fixed costs drive up the monthly percent increase when there is low therm usage.
773 As therm usage increases the fixed costs comprise a smaller proportion of the
774 customer's total bill and the total monthly percent increase becomes less. This
775 explains the average monthly bill increase of 10.9% identified in the Company's
776 response to Staff Data Request WRJ 3.05 for an average Rate 60 residential
777 customer moving to Rate RV – Meter Class 2 compared to the monthly bill
778 increase of 317.53% identified in the Company's Section 285.5135, Schedule E-
779 9, for a Rate 60 residential customer using 0 therms per month.

780

781 **Q. What did your review of the Company's proposed Small Volume customer**
782 **bill comparison identify?**

783 A. The current Rate 70 sales and transportation customers who will now be in either
784 Rate SV – Small Volume Service, or Rate MV – Medium Volume Service will see
785 varying changes in monthly bills depending on meter size and whether they are
786 considered Rate SV or Rate MV. Similar to the residential class, some of the
787 monthly bill percentage increases identified for Rate SV customers in Meter
788 Classes 2, 3, and 4 appear high for sales customers with low monthly therm
789 usage. This is due to the proposed move to separate meter charges based on
790 meter capacity. Listed in the table below are the monthly percent increases by
791 meter class identified in the Company's Section 285.5135, Schedule E-9, pages
792 6-8 of 36:

793

794

795

796
 797

Small Volume Sales

	Monthly Usage (Therms)	Monthly Percent Increase
Rate 70 customers moving to Rate SV-Meter Class 2	0	111.79%
	300	11.09%
Rate 70 customers moving to Rate SV-Meter Class 3	0	223.83%
	300	27.23%
Rate 70 customers moving to Rate SV-Meter Class 4	0	553.62%
	300	74.71%

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809

However, in response to Staff Data Request WRJ 1.01(C), the Company provided a spreadsheet showing present rates and proposed rates, and monthly bills for the twelve months of the test year at the present and proposed rates for an average customer for Rate 70 moving to Rate SV. The total annual percentage change for a Rate 70 sales customer moving to Rate SV sales would be negative (3.95)% for Meter Class 1, 1.04% for Meter Class 2, 0.18% for Meter Class 3, and 0.76% for Meter Class 4. The total annual percentage change for a Rate 70 transportation customer moving to Rate SV transportation would be negative (14.40)% for Meter Class 1, negative (22.36)% for Meter Class 2, negative (14.19)% for Meter Class 3, and 9.43% for Meter Class 4.

810 **Q. What did your review of the Company's proposed Medium Volume**
811 **customer bill comparison identify?**

812 A. Similar to the small volume class some of the monthly bill percentage increases
813 identified for Rate MV customers in Meter Classes 2, 3, and 4 appear high for
814 sales customers. However, in response to Staff Data Request WRJ 2.04 the
815 Company stated:

816 **Medium Volume Sales**

817 An estimated 63 customers in the medium volume classification,
818 each with Class 2 or larger meters, had at least one month where
819 the calculated increase is over 100 percent; during these months of
820 100 percent increase, the average monthly usage was less than
821 300 therms for all 63 customers.

822
823 Further review of the projected annual increase for customers with
824 a greater-than 100-percent increase in any month found the largest
825 annual increase to be six percent for one customer.

826
827 **Medium Volume Transportation**

828 An estimated three customers in the medium volume classification,
829 all with Class 4 meters, had at least one month where the
830 calculated increase is over 100 percent; during these months of
831 100 percent increase, the average monthly usage was less than
832 300 therms for all three customers.

833
834 Further review of the projected annual increase for the customers
835 with a greater-than 100-percent increase in any month found each
836 to have an annual reduction of three to eight percent.

837
838 **Q. What did your review of the Company's proposed Large Volume customer**
839 **bill comparison identify?**

840 A. The Company's bill comparison for Rate 85 sales and transportation customers
841 identifies mostly monthly decreases for customers using the therm usage levels
842 identified.

843

844 **Q. After reviewing the Company's responses to data requests, do you have**
845 **concerns with the Company's bill comparison results as shown in the**
846 **Company's Section 285.5135, Schedule E-9?**

847 A. No. The monthly bill comparisons provided by the Company in Section
848 285.5135, Schedule E-9 are not actual customer bill comparisons but are
849 changes in hypothetical monthly bills based upon different usage levels. For
850 example, an actual customer would use different therm levels every month. An
851 actual customer would not use 0 therms per month for 12 months.

852
853 However, the Rate 60 Meter Class 4 bill comparison showing a 1265.75%
854 increase for monthly usage of 0 therms would not represent a customer's annual
855 percent increase or even an average monthly bill increase. It only represents the
856 monthly bill increase a customer would observe if no gas was used. As
857 discussed above, the average Rate 60 Meter Class 4 customer uses 6,833
858 therms on an annual basis.

859
860 After reviewing MEC's responses to data requests, I do not have concerns about
861 the percent increases identified in the Company's bill comparisons. Customers
862 who have larger meters have gas needs that require larger meters. Customers
863 should pay for the larger meters, and typically customers with larger meters use
864 more gas. On an annual basis, as discussed previously, the bill increase
865 percentages are less than those found in the bill comparisons provided in the
866 Company's Section 285.5135, Schedule E-9.

867

868 **TARIFF REVISIONS**

869 **Q. MEC is proposing a complete revision of its current gas tariffs. Please give**
870 **an overview of the revisions.**

871 A. MEC is proposing to cancel its entire gas rate schedule Ill. C.C. No. 2 and
872 replacing it with proposed Ill. C. C. No. 9. The Company's proposal consolidates
873 the terms and conditions, rules and regulations, and rate schedules, along with a
874 more detailed table of contents. Also, the Company is proposing more extensive
875 definitions and revised language for clarity purposes. Additionally, some
876 changes reflect compliance with revisions to 83 Ill. Adm. Code 500 (Standards of
877 Service for Gas Utilities). (MidAmerican Exhibit DLK 1.0, pp. 2-3.)

878

879 **Q. Do you object to the Company's proposed revisions?**

880 A. I do not object to the Company's proposed revisions to rate-related gas tariffs
881 except for the changes discussed below. However, other ICC Staff may have
882 changes to other portions of the proposed gas tariffs; therefore, I am not
883 proposing a blanket approval for all of the Company's proposed revisions to its
884 current gas tariffs.

885

886 **Q. Which part of the proposed gas tariffs did you review?**

887 A. My review was on rate-related tariffs, including Miscellaneous Fees and
888 Charges.

889

890 **Q. Do you have any concerns with the Company's proposed tariffs?**

891 A. Yes. I have concerns with the "Availability" and "Reassignment of Rate" sections
892 of the Company's proposed Rate RV, Rate SV, Rate MV, and Rate LV tariffs.

893

894 **Q. Please discuss the concerns you have with the "Availability" and**
895 **"Reassignment of Rate" sections of the Company's proposed Rate RV,**
896 **Rate SV, Rate MV, and Rate LV tariffs.**

897 A. The Company's "Availability" section states that service to customers in any
898 class is based upon "Peak Daily Usage." For example, Rate SV - Small Volume
899 service is available to any non-residential customer whose peak daily usage is
900 less than 200 therms per day as qualified in the "Reassignment of Rate" section
901 of the Company's proposed tariff. (Ill. C.C. No. 9, Original Sheet No. 67) The
902 "Reassignment of Rate" section qualifies peak daily usage as:

903 The Peak Daily Usage shall be the Customer's highest daily
904 demand, in Therms, that has occurred during the peak period
905 billing months of December through February in the most recent
906 12-month period. To determine the highest daily demand in a
907 billing month, the maximum consumption during any Gas Day in
908 that month shall be measured by an interval meter; provided,
909 however, that if actual data are not available from such device, the
910 Customer's highest daily demand in a billing month shall be the
911 Customer's Average Daily usage in that billing period based on the
912 number of days in the billing period.
913 (Ill. C.C. No. 9, Original Sheet No. 69.)

914

915 The Company's proposal could create a situation where customers are penalized
916 for going 1 therm over their defined availability therm level. For example, if a
917 Rate SV customer uses 200 therms on one day during December through
918 February the customer would be reassigned to Rate MV effective with the

919 following November billing period and would not be eligible to receive service
920 under Rate SV for a minimum of 12 monthly billing periods. The customer may
921 go over the maximum prescribed therm level on only one day and it may only be
922 for one therm, but they are then penalized by being assigned to a rate class that
923 has higher rates for 12 months.

924
925 I recommend the Commission Order MEC to use average daily usage as the
926 criterion for "Availability" and "Reassignment of Rate" on the rate tariffs instead of
927 Peak Daily Usage.

928

929 **Q. Did MEC assign customers to the proposed rate classes based upon peak**
930 **daily usage?**

931 A. No. The Company's testimony discusses the use of an average daily usage for
932 assigning customers to the new classes, and its response to Staff Data Request
933 WRJ 5.01 also identifies the use of average daily usage in the determination of
934 class assignment. (MidAmerican Exhibit MAA 1.0, p. 12.) MEC's testimony
935 states: "Customers that use less than an average of 200 therms per day during
936 the billing months of January, February, and March are assigned to the Small
937 Volume class. Customers that average over 200 therms up to 4,000 therms per
938 day during the same winter billing months are assigned to the Medium Volume
939 class. Customers using over 4,000 therms per day are assigned to the Large
940 Volume Class." (MidAmerican Exhibit MAA 1.0, p. 12.)

941

942 In response to Staff Data Request WRJ 5.01, MEC provided a spreadsheet
943 (identified as Attachments 1, 2, and 3 to the response) that identified the method
944 used for placing customers into various classes. MEC used the highest winter
945 month (December through February) therm usage billed for 2008 and divided it
946 by 30 days to come up with the Daily Winter Max. The Daily Winter Max, an
947 average, determined into which rate class a customer would be placed. Also in
948 response to Staff Data Request WRJ 5.01, MEC stated that the Commission had
949 previously approved of one utility (Staff examined AmerenIP's gas tariffs and
950 found this to be true for its Rate GDS-2 Small General Gas Delivery Service)
951 limiting availability of its small general gas delivery service to an average daily
952 usage of 200 therms. MEC then tested the 200 therm-per-day level on its
953 customer impact database.

954

955 **Q. Does MEC's proposed "Reassignment of Rate" section discuss average**
956 **daily usage?**

957 A. Yes. MEC's proposed Rate RV, SV, MV, and LV tariffs state that, if an interval
958 meter is not provided, that the customer's highest daily demand in a billing month
959 shall be the customer's average daily usage in that billing period based on the
960 number of days in the billing period. (MEC III. C.C. No. 9, Original Sheet Nos.
961 65, 66, 69, 72, and 79.)

962

963 Additionally, the AmerenIP tariff to which MEC refers is Rate GDS-2 Small
964 General Gas Delivery Service. The availability section of AmerenIP Rate GDS-2

965 states that the rate is available to any non-residential customer whose highest
966 Average Daily Usage is less than 200 therms per day. AmerenIP's
967 Reassignment section also refers to average daily usage. (AmerenIP Ill. C.C.
968 No. 37, 3rd Revised Sheet No. 12.)

969

970 **Q. Does the Company's proposed average daily usage language in the**
971 **"Reassignment of Rate" section alleviate your concerns about the**
972 **Company's use of peak daily usage?**

973 A. No. MEC's reference to average daily usage only pertains to a customer who
974 does not have an interval meter. I believe that customers with interval meters
975 should not be penalized for minor peak usage, such as a one day peak
976 occurrence. Again, it is possible that a customer with an interval meter could
977 experience a one day peak during the whole three winter months that is one
978 therm over the limit for the class. That customer would then be placed in a
979 different class with higher rates for 12 months. This seems like an unwarranted
980 penalty. I also understand that it could work in reverse where a customer could
981 be placed in a rate class with lower rates. However, from a practical perspective
982 it seems that using the average daily usage is in line with how the Company
983 determined the placement of customers into classes and if customers do get
984 reassigned to a new class it would be because of usage patterns over a time
985 period greater than just one peak day.

986

987 **Q. What do you recommend for the “Availability” and “Reassignment of Rate”**
988 **sections of the Company’s Rate RV, Rate SV, Rate MV, and Rate LV Tariffs?**

989 A. MEC’s testimony and data request responses discuss the use of an average
990 daily usage for assigning customers to the new classes. Additionally, the
991 Commission has previously approved AmerenIP’s Rate GDS-2-Small General
992 Gas Delivery Service which limits availability of its small general gas delivery
993 service to an average daily usage of 200 therms. (AmerenIP Ill. C.C. No. 37, 3rd
994 Revised Sheet No. 12.)

995
996 I recommend that the Company provide revised language in its Rebuttal
997 Testimony for Rate RV, Rate SV, Rate MV, and Rate LV tariffs that utilize
998 average daily usage as the criterion for the “Availability” and “Reassignment of
999 Rate” sections, regardless of whether a customer uses an interval meter. For
1000 example, MEC could use the following language under the Company’s
1001 “Availability” section for Rate SV, “Service under this rate is available to any Non-
1002 Residential Illinois Customer whose Average Daily Usage is less than 200
1003 therms per day as qualified in the “Reassignment of Rate” section of this rate.”
1004 The Company’s “Reassignment of Rate” section could replace all references to
1005 Peak Daily Usage with Average Daily Usage and then state, for example, “The
1006 Average Daily Usage shall be the Customer’s total monthly usage from the
1007 highest winter month (December through February) divided by the number of
1008 days in that month.”

1009

1010 I also recommend that the Company provide revised language in its Rebuttal
1011 Testimony for any other tariffs that would be affected by Staff's proposed change
1012 to average daily usage.

1013

1014 **MISCELLANEOUS TARIFF ISSUES**

1015 **Q. Please describe MEC's proposed new Rider S – System Gas Service tariff.**

1016 A. Rider S is applicable to residential and non-residential customers who purchase
1017 company supplied gas. The purpose of the rider is to provide company-supplied
1018 gas to all residential and non-residential customers that do not wish to procure
1019 gas supply through a third-party supplier or agent. (MEC propose Ill. C.C. No. 9,
1020 Original Sheet No. 115.)

1021

1022 **Q. Do you object to the Company's propose Rider S?**

1023 A. No, I do not. Rider S simply outlines the charges and terms and conditions that
1024 will be applicable to customers who purchase company supplied gas.

1025

1026 **Q. MEC is proposing to continue to maintain distinctions of residential,
1027 commercial, industrial, and public authority in its customer service
1028 information system for the purpose of reporting. (MidAmerican Exhibit
1029 MAA 1.0, p. 18.) Do you have any recommendations with respect to MEC's
1030 proposal?**

1031 A. Yes. I recommend that MEC continue to collect and keep the same type of data
1032 it currently maintains going forward for the residential, commercial, industrial,

1033 and public authority customers. The Annual Report that utilities provide to the
1034 Commission contains various sections that require customer designations by
1035 residential, commercial, *etc.* Commission Staff also periodically may need
1036 information that requires customer designation by the general classification of
1037 residential, commercial, and industrial. Additionally, the Commission many times
1038 is interested in information related to residential customers although it has
1039 requested information for all other classes as well.

1040

1041 **Q. What gas service classes is MEC proposing to eliminate?**

1042 A. MEC is proposing to discontinue Rate 80 Contract Service and Rate 87 Off-Peak
1043 General Service. (MidAmerican Exhibit DLK 1.0, p. 6.)

1044

1045 **Q. What reasons does MEC give for the elimination of Rate 80 Contract
1046 Service and Rate 87 Off-Peak General Service?**

1047 A. MEC witness Debra L. Kutsunis states that there are no longer customers taking
1048 service under Rate 80 Contract Service and there are only three customers
1049 taking service under Rate 87 Off-Peak General Service. The Company contends
1050 that current Rate 87 customers will not be adversely affected by transferring to
1051 other non-residential rates. (*Id.*)

1052

1053 **Q. In what rate class or classes will the three Rate 87 customers be placed?**

1054 A. Two of the Rate 87 customers will be placed in the Rate SV – Small Volume
1055 service class and the third Rate 87 customer will be placed in the Rate MV –
1056 Medium Volume service class.

1057

1058 **Q. What is the bill impact associated with the switch of Rate 87 customers to**
1059 **a new class?**

1060 A. In response to Staff Data Request WRJ 7.01(a), MEC stated that one customer
1061 under the proposed Rate SV would see an annual increase of 1.77% and the
1062 other Rate SV customer would see an annual increase of 1.00%. The customer
1063 that would be switched to Rate MV would see an annual increase of 2.86%.

1064

1065 **Q. Do you object to the elimination of Rate 80 Contract Service and Rate 87**
1066 **Off-Peak General Service?**

1067 A. No. There are no customers currently taking service under Rate 80, and the
1068 three customers currently served under Rate 87 would not experience a
1069 significant adverse impact by the switch to new classes.

1070

1071 **RECOMMENDATIONS**

1072 **Q. Please summarize your recommendations.**

1073 A. I recommend that the Company:

1074 (1) Provide revised language in its Rebuttal Testimony for Rate RV, Rate SV,
1075 Rate MV, and Rate LV tariffs that utilize average daily usage as the
1076 criterion for the “Availability” and “Reassignment of Rate” sections rather

1077 than peak daily usage, regardless of whether a customer uses an interval
1078 meter, and;
1079 (2) Provide revised language in its Rebuttal Testimony for any other tariffs
1080 that would be affected by Staff's proposed change to average daily usage.

1081

1082 I also recommend that the Commission:

- 1083 (1) Approve the Company's proposed weather normalized adjustment;
1084 (2) Approve Staff's proposed use of throughput instead of margin in the
1085 Weighted Customers – Customer Service class allocation factor;
1086 (3) Approve MEC's proposed move to Small Volume, Medium Volume, and
1087 Large Volume customer classifications;
1088 (4) Approve MEC's proposal to have four separate meter class charges,
1089 based on the size and capacity of the meters;
1090 (5) Order the Company to resolve all customer complaints regarding meter-
1091 related issues and respond to all requests for meter changes before the
1092 customer's next billing cycle;
1093 (6) Approve Staff's proposed rates as identified on ICC Staff Exhibit No. 7.0,
1094 Schedule 7.1;
1095 (7) Approve MEC's proposed new Rider S – System Gas Service tariff;
1096 (8) Require MEC to continue to collect and keep the same type of data it
1097 currently maintains going forward for the residential, commercial,
1098 industrial, and public authority customers, and;

1099 (9) Approve MEC's proposal to discontinue Rate 80 Contract Service and
1100 Rate 87 Off-Peak General Service.

1101

1102 **CONCLUSION**

1103 **Q. Does this conclude your prepared direct testimony?**

1104 **A. Yes, it does.**

Line No.	Rate Code	Description	MEC Proposed Rates			
			Billing Units	Unit Charge	Annual Revenues	
(1)	(2)	(3)	(4)	(5)		
112	<u>SVS - Small Volume Service</u>					
113		Service Charge	782,702	\$ 13.11	\$ 10,261,223	Price updated 7/16/2009
114		Therms	65,913,273	\$ 0.07924	5,222,968	
115		Tariff Subtotal:			\$ 15,484,191	
116						
117		Purchased Gas Adjustment			\$ 66,526,031	
118		Energy Efficiency Cost Recovery Adjustment			542,772	
119		Renewal Energy Resource and Coal Technology Chg.			65,286	
120		Energy Assistance Charge			521,882	
121		Total Rate Code:			\$ 83,140,162	
122	<u>MVS - Medium Volume Firm</u>					
123		Service Charge	1,725	\$ 96.28	\$ 166,083	Price updated 7/16/2009
124		Therms	7,770,961	\$ 0.05876	456,622	
125		Tariff Subtotal:			\$ 622,705	
126						
127		Purchased Gas Adjustment			\$ 7,882,890	
128		Energy Efficiency Cost Recovery Adjustment			18,395	
129		Renewal Energy Resource and Coal Technology Chg.			862	
130		Energy Assistance Charge			6,898	
131		Total Rate Code:			\$ 8,531,750	
132	<u>LVS - Large Volume Service</u>					
133		Service Charge	12	\$ 843.81	\$ 10,126	Price updated 7/16/2009
134		Maximum Daily Requirement (Units in Therms)	90,000	\$ 0.31921	28,729	Price updated 6/25/2009
135		Maximum Hourly Requirement (Units in Therms)	5,625	\$ 0.26881	1,512	Price updated 6/25/2009
136		Transportation Metering Charge	12	\$ 20.94	251	
137		Therms	1,155,482	\$ 0.02114	24,427	
138		Tariff Subtotal:			\$ 65,045	
139						
140		Purchased Gas Adjustment			\$ 1,165,985	
141		Energy Efficiency Cost Recovery Adjustment			3,513	
142		Renewal Energy Resource and Coal Technology Chg.			6	
143		Energy Assistance Charge			48	
144		Total Rate Code:			\$ 1,234,597	
145	<u>SGS - Seasonal General Service</u>					
146		Service Charge	-	\$ -	\$ -	
147		Therms	-	\$ -	-	
148		Tariff Subtotal:			\$ -	
149						
150		Purchased Gas Adjustment			\$ -	
151		Energy Efficiency Cost Recovery Adjustment			-	
152		Renewal Energy Resource and Coal Technology Chg.			-	
153		Energy Assistance Charge			-	
154		Total Rate Code:			\$ -	

Line No.	Rate Code	Description	MEC Proposed Rates			
			Billing Units	Unit Charge	Annual Revenues	
(1)	(2)	(3)	(4)	(5)		
155		<u>SVT - Small Volume Transportation</u>				
156		Service Charge	192	\$ 13.11	\$ 2,517	Price updated 7/16/2009
157		Transportation Administrative Charge	192	\$ 39.51	7,586	
158		Transportation Metering Charge	192	\$ 20.94	4,020	
159		Therms	320,020	\$ 0.06815	21,809	
160		Tariff Subtotal:			\$ 35,932	
161						
162		Energy Efficiency Cost Recovery Adjustment			\$ 657	
163		Renewal Energy Resource and Coal Technology Chg.			96	
164		Energy Assistance Charge			768	
165		Total Rate Code:			\$ 37,453	
166		<u>MVT - Medium Volume Transportation</u>				
167		Service Charge	854	\$ 96.28	\$ 82,223	Price updated 7/16/2009
168		Transportation Administrative Charge	854	\$ 39.51	33,742	
169		Transportation Metering Charge	854	\$ 20.94	17,883	
170		Therms	14,705,116	\$ 0.05025	738,932	
171		Tariff Subtotal:			\$ 872,780	
172						
173		Energy Efficiency Cost Recovery Adjustment			\$ 32,976	
174		Renewal Energy Resource and Coal Technology Chg.			439	
175		Energy Assistance Charge			3,464	
176		Total Rate Code:			\$ 909,659	
177		<u>LVT Large Volume Transportation</u>				
178		Service Charge	36	\$ 843.81	\$ 30,377	Price updated 7/16/2009
179		Maximum Daily Requirement (Units in Therms)	837,444	\$ 0.31921	267,320	Units and price revised 6/25/2009
180		Maximum Hourly Requirement (Units in Therms)	52,340	\$ 0.26881	14,070	Units and price revised 6/25/2009
181		Transportation Administrative Charge	36	\$ 39.51	1,422	
182		Transportation Metering Charge	36	\$ 20.94	754	
183		Therms	13,576,966	\$ 0.01474	200,124	
184		Tariff Subtotal:			\$ 514,067	
185						
186		Energy Efficiency Cost Recovery Adjustment			\$ 33,577	
187		Renewal Energy Resource and Coal Technology Chg.			900	
188		Energy Assistance Charge			7,248	
189		Total Rate Code:			\$ 555,792	

Line No.	Rate Code	Description	MEC Proposed Rates		
			Billing Units	Unit Charge	Annual Revenues
(1)	(2)		(3)	(4)	(5)
190	<u>NGD - Firm Natural Gas Distribution Agreement</u>				
191		Service Charge	11	\$ 18,110.00	\$ 199,210
192		Service Charge	1	\$ 17,650.00	17,650
193		Intra-day Metering Service Charge	12	\$ 10.00	120
194		Therms	10,891,479	\$ 0.00027	2,941
195		Therms	759,112	\$ 0.00026	197
196		Tariff Subtotal:			\$ 220,118
197					
198		Energy Efficiency Cost Recovery Adjustment			
199		Renewal Energy Resource and Coal Technology Chg.			\$ 413
200		Energy Assistance Charge			3,300
201		Total Rate Code:			\$ 223,831
202	<u>Meter Charge Revenue</u>				
203		Class 1	767,471	2.92	\$ 2,241,015
204		Class 2	13,060	32.17	420,140
205		Class 3	4,178	58.50	244,413
206		Class 4	812	136.00	110,432
207		Total Meter Charges			\$ 3,016,001
208					
209		<u>Unexplained Retail Rate Revenue</u>			\$ (116) Price updated 7/16/2009
210					
211					\$ 97,649,129
212					
213	<u>Other Operating Revenues</u>				
214		Accounts 480 and 481 - PGA and EECR Over and Under			\$ (570,670)
215		Account 481212 - Cashout			1,894,748
216		Account 483 - Sales for Resale			33,459,214
217		Account 484016 - Non-regulated			144,200
218		Account 487 - Forfeited Discounts			178,270
219		Account 488 - Miscellaneous Service Revenues			15,049
220		Account 489 - Amounts not Recognized Above			52,396
221		Account 493 - Rent from Gas Property			49,479
222		Account 495 - Other Gas Revenues			2,176,927
223		Account 495 - Pro Forma Adjustment			(2,095,290)
224		Other Operating Revenues Subtotal			\$ 35,304,323
225					
226					
227		Total*			\$ 132,953,452
228					
229		* Including the Add-On Taxes of \$173,000, the total is \$133,126,452.			

Comparison of Company Proposed and Staff Proposed Rates

Line No.	Rate Code	Description	Company Proposed Rates			Company Response to Staff Data Request WRJ 4.09(b)			Staff Proposed Rates		% Revenue difference between Staff & Company Proposed (J / E)	% Revenue difference between Staff & Co. Response to WRJ 4.09 (J / H)
			Billing Units	Unit Charge	Annual Revenues (C x D)	Billing Units	Unit Charge	Annual Revenues (F x G)	Unit Charge	Annual Revenues (F x I)		
(A)	(B)		(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
1		SVS - Small Volume Service										
2		Service Charge	782,702	\$13.10	\$10,253,396	782,702	\$13.11	\$10,261,223	\$12.61	\$9,869,872	96.26%	96.19%
3		Therms	65,913,273	\$0.07924	\$5,222,968	65,913,273	\$0.07924	\$5,222,968	\$0.07621	\$5,023,251	96.18%	96.18%
4		Tariff Subtotal:			\$15,476,364			\$15,484,191		\$14,893,123	96.23%	96.18%
5												
6		MVS - Medium Volume Firm										
7		Service Charge	1,725	\$108.79	\$187,663	1,725	\$96.28	\$166,083	\$92.61	\$159,752	85.13%	96.19%
8		Therms	7,770,961	\$0.05876	\$456,622	7,770,961	\$0.05876	\$456,622	\$0.05652	\$439,215	96.19%	96.19%
9		Tariff Subtotal:			\$644,285			\$622,705		\$598,967	92.97%	96.19%
10												
11		LVS - Large Volume Service										
12		Service Charge	12	\$264.57	\$3,175	12	\$843.81	\$10,126	\$811.66	\$9,740	306.77%	96.19%
13		Maximum Daily Requirement (Units in Therms)	90,000	\$0.42767	\$38,490	90,000	\$0.31921	\$28,729	\$0.30705	\$27,635	71.80%	96.19%
14		Maximum Hourly Requirement (Units in Therms)	5,625	\$0.36014	\$2,026	5,625	\$0.26881	\$1,512	\$0.25857	\$1,454	71.77%	96.16%
15		Transportation Metering Charge	12	\$20.94	\$251	12	\$20.94	\$251	\$20.14	\$242	96.41%	96.41%
16		Therms	1,155,482	\$0.02114	\$24,427	1,155,482	\$0.02114	\$24,427	\$0.02033	\$23,491	96.17%	96.17%
17		Tariff Subtotal:			\$68,369			\$65,045		\$62,562	91.51%	96.18%
18												
19		SVT - Small Volume Transportation										
20		Service Charge	192	\$13.10	\$2,515	192	\$13.11	\$2,517	\$12.61	\$2,421	96.26%	96.19%
21		Transportation Administrative Charge	192	\$39.51	\$7,586	192	\$39.51	\$7,586	\$38.00	\$7,296	96.18%	96.18%
22		Transportation Metering Charge	192	\$20.94	\$4,020	192	\$20.94	\$4,020	\$20.14	\$3,867	96.19%	96.19%
23		Therms	320,020	\$0.06815	\$21,809	320,020	\$0.06815	\$21,809	\$0.06555	\$20,977	96.19%	96.19%
24		Tariff Subtotal:			\$35,930			\$35,932		\$34,561	96.19%	96.18%
25												
26		MVT - Medium Volume Transportation										
27		Service Charge	854	\$108.79	\$92,907	854	\$96.28	\$82,223	\$92.61	\$79,089	85.13%	96.19%
28		Transportation Administrative Charge	854	\$39.51	\$33,742	854	\$39.51	\$33,742	\$38.00	\$32,452	96.18%	96.18%
29		Transportation Metering Charge	854	\$20.94	\$17,883	854	\$20.94	\$17,883	\$20.14	\$17,200	96.18%	96.18%
30		Therms	14,705,116	\$0.05025	\$738,932	14,705,116	\$0.05025	\$738,932	\$0.04834	\$710,845	96.20%	96.20%
31		Tariff Subtotal:			\$883,464			\$872,780		\$839,586	95.03%	96.20%
32												
33		LVT - Large Volume Transportation										
34		Service Charge	36	\$264.57	\$9,525	36	\$843.81	\$30,377	\$811.66	\$29,220	306.77%	96.19%
35		Maximum Daily Requirement (Units in Therms)	602,244	\$0.42767	\$257,562	602,244	\$0.31921	\$193,126	\$0.30705	\$188,137	99.83%	96.19%
36		Maximum Hourly Requirement (Units in Therms)	37,640	\$0.36014	\$13,556	37,640	\$0.26881	\$10,107	\$0.25857	\$9,740	99.84%	96.19%
37		Transportation Administrative Charge	36	\$39.51	\$1,422	36	\$39.51	\$1,422	\$38.00	\$1,368	96.20%	96.20%
38		Transportation Metering Charge	36	\$20.94	\$754	36	\$20.94	\$754	\$20.14	\$725	96.15%	96.15%
39		Therms	13,576,966	\$0.01474	\$200,124	13,576,966	\$0.01474	\$200,124	\$0.01418	\$192,521	96.20%	96.20%
40		Tariff Subtotal:			\$482,943			\$514,067		\$494,505	102.39%	96.19%
41												
42		NGD - Firm Natural Gas Distribution Agreement										
43		Service Charge	11	\$18,110	\$199,210	11	\$18,110	\$199,210	\$18,110	\$199,210	100.00%	100.00%
44		Service Charge	1	\$17,650	\$17,650	1	\$17,650	\$17,650	\$17,650	\$17,650	100.00%	100.00%
45		Intra-day Metering Service Charge	12	\$10.00	\$120	12	\$10.00	\$120	\$10.00	\$120	100.00%	100.00%
46		Therms	10,891,479	\$0.00027	\$2,941	10,891,479	\$0.00027	\$2,941	\$0.00027	\$2,941	100.00%	100.00%
47		Therms	759,112	\$0.00026	\$197	759,112	\$0.00026	\$197	\$0.00026	\$197	100.00%	100.00%
48		Tariff Subtotal:			\$220,118			\$220,118		\$220,118	100.00%	100.00%
49												
50		Meter Charge Revenue										
51		Class 1	767,471	\$2.92	\$2,241,015	767,471	\$2.92	\$2,241,015	\$2.81	\$2,156,594	96.23%	96.23%
52		Class 2	13,060	\$32.17	\$420,140	13,060	\$32.17	\$420,140	\$30.94	\$404,076	96.18%	96.18%
53		Class 3	4,178	\$58.50	\$244,413	4,178	\$58.50	\$244,413	\$56.27	\$235,096	96.19%	96.19%
54		Class 4	812	\$136.00	\$110,432	812	\$136.00	\$110,432	\$130.82	\$106,226	96.19%	96.19%
55		Total Meter Charges			\$3,016,000			\$3,016,001		\$2,901,992	96.22%	96.22%
56												
57		Total Proposed Tariffed Revenues			\$20,827,473			\$20,830,839		\$20,045,414	96.25%	96.23%
58												
59		Total Proposed Tariffed Revenues			\$20,827,473			\$20,830,839		\$20,045,414		
60												
61		Proposed Revenue Requirements (Co. Sched. E-5, Co. Response to WRJ 4.09(b), and ICC Staff Exhibit 1.0, Schedule 1.01).			\$20,827,473			\$20,830,839		\$20,046,000		
62		Staff Proposed Revenues to Company Response to Staff Data Request WRJ 4.09(b) Proposed Revenues excluding NGD (J61-J48)/(H61-H48)								96.19%		
63		Staff Proposed Rates calculated based on Rates found in Col. G, excluding NGD rates, adjusted on an equal percentage basis to meet Staff's proposed "Tariffed Revenues" found on ICC Staff Ex. 1.0, Schedule 1.01.										
64		(Changing the value in Col. J, Line 61 will revise and update the values in Columns I, J, K & L)										

Sources and Notes

- Columns A, B, C, D, and E are from Company Schedule E-5.
- Columns F, G, and H are from Company Response to Staff Data Request WRJ 4.09(b).
- Columns I and J (Staff Proposed Rates and Revenues) are calculated on this Schedule.
- NGD - Firm Natural Gas Distribution Agreement Revenues are not included in the percentage found in Col. J, line 62.