

f. Civic, Political, and Related Activities

Staff's proposal to reduce the rate bases of North Shore and Peoples Gas by \$6,000 and \$14,000, and their operating and maintenance expenses by \$10,000 and \$23,000 (gross amounts), respectively, for expenses associated with lobbying and related activities is uncontested. Wilcox Dir., Staff Ex. 6.0 at 6:118 - 7:136; Moy Reb., NS-PGL Ex. 2.0 at 5:101; Hengtgen Reb., NS-PGL Ex. JH-2.0 at 4:72.

g. Non-union Base Wages Adjustment in DLH-4.06 (PGL)

Staff proposed an adjustment to reduce the operating expenses of Peoples Gas by \$86,000 for non-union merit increases relating to the Utilities' response to Staff data request DLH 4.06. Hathhorn Dir., Staff Ex. 1.0, Schedule 1.8P, footnote (e). The Utilities agreed. Moy Reb., NS-PGL Ex. SM-2.0 at 4:89-90. No witness opposed this adjustment. The remaining portion of Staff's adjustment is contested and addressed in Section V(C)(2) of this Initial Brief, *infra*.

h. Liberty Audit Outside Contractor Fees (PGL)

Staff and AG-CUB proposed an adjustment to reduce Peoples Gas' operating and maintenance expense by \$540,000 to remove the fees of certain consultants related to the Liberty audit follow up work. Hathhorn Dir., Staff Ex. 1.0 at 32:775-33:785 and Sched. 1.13 P, line 1; Effron Dir., AG-CUB-City Ex. 1.0 at 25:550-553. The Utilities agreed. Moy Reb., NS-PGL Ex. SM-2.0 at 4:83-85, 5:105-107. No witness opposed this adjustment. The Utilities contest Staff's other adjustment related to the audit. *See* Section V(C)(4)(a), *infra*.