

North Shore Gas Company
Docket No. 09-0123

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Data Request: DLH 7.04

Page 1 of Rider VBA states in part, "The initial adjustments determined under this rider shall be filed with the Commission by April 20, 2008, and the final adjustments determined under this rider shall be filed with the Commission by March 20, 2012, unless the rider is implemented on a permanent basis upon the Commission's approval in a general rate proceeding." Please explain the Company's plan to eliminate any over or under-recoveries at the end of the pilot. Include a timeline in the response.

Response:

The Company plans to file the applicable annual Reconciliation Adjustment filings to eliminate any over or under-recoveries at the end of the pilot as referenced in the first paragraph on page 1, "Absent implementation of a permanent program, this rider shall terminate upon the conclusion of the required Reports and Reconciliations set forth in Section C of this rider and the required Audit set forth in section E of this rider applicable to the four-year pilot program".

The Company anticipates that the following filings will take place starting in the last year of the pilot and extending into 2014, if necessary.

TIMELINE

No later than February 29, 2012 – File the Reconciliation Adjustment (RA) for the 2011 reconciliation year. This will include 12 months of Rider VBA revenue that reconciles the effective components billed in January through December 2011 (RA1), as well as the reconciliation adjustment amounts (RA2) that were billed from March through December, 2011. This RA will be billed March through December, 2012.

No later than March 20, 2012 – Company files the last effective component for Rider VBA for the February 2012 reporting period to be billed in the revenue month of April 2012.

No later than February 28, 2013 – File the Reconciliation Adjustment (RA) for the 2012 reconciliation year. This will include 12 months of Rider VBA revenue that reconciles the effective components billed in January through April 2012 (RA1), as well as the reconciliation adjustment amounts (RA2) that were billed from March through December, 2012. This RA will be billed March through December, 2013.

No later than February 28, 2014 – File the Reconciliation Adjustment (RA) for the 2013 reconciliation year (if necessary) which reconciles the reconciliation adjustment amount that was billed in March through December 2013. The Company would most likely propose, by notice to the Commission, to amortize the entire amount (if necessary) over one month (March, 2014) as the amount being reconciled should be negligible.