

North Shore Gas Company and The Peoples Gas Light and Coke Company
Docket 10-0564

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Data Request:

DAB -2.01 a) Please provide the annual therm usage for the Peoples Gas S.C. 1 customers who would pay \$0.00 in the first program year. b) Please list all measures and programs for which those customers are eligible that would not be cost-effective under the TRC test, given their therm usage.

Response:

- a) 4,400 accounts with combined deliveries of 16,774 therms would be forecast to pay no Rider EOA charges in the first program year based on a projected per-therm charge of \$0.0053.
- b) North Shore and Peoples Gas do not interpret the law as requiring calculation of a TRC at the customer level. However, a customer with zero or very low usage would not reduce energy usage through the use of any measure or program, and no measure or program would be cost beneficial for a customer with zero or very low usage.

OFFICIAL FILE

I.C.C. DOCKET NO. 10-0564
ICC STAFF GROUP Exhibit No. 1
Witness _____
Date 12/2/10 Reporter TO

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Data Request:

DAB -2.02 Please provide the percentage of total therms that are consumed by Peoples Gas S.C.1 customers whose "annual usage places them in the top 20%" (NS-PGL Ex. 4.0, p. 7, line 135).

Response:

Approximately 15.7% of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.03 Please provide the percentage of total therms that are consumed by Peoples Gas S.C.1 customers whose annual usage places them in the lowest 50% of users.

Response:

Approximately 8.6% of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.04 a) Please provide the annual therm usage for the Peoples Gas S.C. 2 customers who would pay \$0.00 in the first program year. b) Please list all measures and programs for which those customers are eligible that would not be cost-effective under the TRC test, given their therm usage.

Response:

- a) 165 accounts with combined deliveries of 521 therms would be forecast to pay no Rider EOA charges in the first program year based on a projected per-therm charge of \$0.0056.
- b) North Shore and Peoples Gas do not interpret the law as requiring calculation of a TRC at the customer level. However, a customer with zero or very low usage would not reduce energy usage through the use of any measure or program, and no measure or program would be cost beneficial for a customer with zero or very low usage.

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Data Request:

DAB -2.05 Please provide the percentage of total therms that are consumed by Peoples Gas S.C.2 customers whose "annual usage places them in the top 20%" (NS-PGL Ex. 4.0, p. 7, lines 147-148).

Response:

Approximately 33.7% of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.06 Please provide the percentage of total therms that are consumed by Peoples Gas S.C.2 customers whose annual usage places them in the lowest 50% of users.

Response:

Approximately 2.5% of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.07 Please explain how the customers on Peoples Gas S.C. Nos. 4, 5, 7, and 8 can have ranges of \$147.77 to \$68,915.08 annually on a per therm basis when the per customer charge is estimated at \$28.08.

Response:

The calculation under the per-customer methodology is based on the budget for the commercial-industrial programs and the number of customers for S.C. Nos. 2, 4, 5, 7 and 8. Approximately 99.7% of the customers are S.C. No. 2 and about 0.3% are S.C. No. 4 or larger. The calculation under the per-therm methodology utilizes the same budget and the number of therm deliveries for S.C. Nos. 2, 4, 5, 7 and 8. Approximately 70.4% of the therm deliveries are S.C. No. 2 and about 29.6% are S.C. No. 4 or larger. Under the per-customer methodology the costs are distributed evenly over a large number of customers. Under the per-therm methodology the costs are assigned to each account based on its therm deliveries resulting in larger customers being assigned a larger portion of the costs.

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Data Request:

DAB -2.08 a) Please provide the annual therm usage for the Peoples Gas S.C. Nos. 4, 5, 7, and 8 customers who would pay \$147.77 in the first program year. b) Please list all measures and programs for which those customers are eligible that would not be cost-effective under the TRC test, given their therm usage.

Response:

- a) One account with deliveries of 59,107 therms would be forecast to pay \$147.77 in Rider EOA charges in the first program year based on a projected per-therm charge of \$0.0025.
- b) North Shore and Peoples Gas do not interpret the law as requiring calculation of a TRC at the customer level, and they have not performed TRC analyses for specific customers or small subsets of customers.

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Data Request:

DAB -2.09 Please provide the percentage of total therms that are consumed by Peoples Gas S.C. Nos. 4, 5, 7, and 8 customers whose "annual usage places them in the top 20%" (NS-PGL Ex. 4.0, p. 8, lines 159-161).

Response:

Approximately 10.8% of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.10 Please provide the percentage of total therms that are consumed by Peoples Gas S.C. Nos. 4, 5, 7, and 8 customers whose annual usage places them in the lowest 50% of users.

Response:

Approximately 3.5% of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.11 a) Please provide the annual therm usage for the North Shore S.C. 1 customers who would pay \$0.00 in the first program year. b) Please list all measures and programs for which those customers are eligible that would not be cost-effective under the TRC test, given their therm usage.

Response:

- a) 116 accounts with combined deliveries of 585 therms would be forecast to pay no Rider EOA charges in the first program year based on a projected per-therm charge of \$0.0039.
- b) North Shore and Peoples Gas do not interpret the law as requiring calculation of a TRC at the customer level. However, a customer with zero or very low usage would not reduce energy usage through the use of any measure or program, and no measure or program would be cost beneficial for a customer with zero or very low usage.

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Data Request:

DAB -2.12 Please provide the percentage of total therms that are consumed by North Shore S.C.1 customers whose "annual usage places them in the top 20%" (NS-PGL Ex. 4.0, p. 9, lines 171-173).

Response:

Approximately 22.0%. of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.13 Please provide the percentage of total therms that are consumed by North Shore S.C.1 customers whose annual usage places them in the lowest 50% of users.

Response:

Approximately 16.4% of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.14 a) Please provide the annual therm usage for the North Shore S.C. 2 customers who would pay \$0.00 in the first program year. b) Please list all measures and programs for which those customers are eligible that would not be cost-effective under the TRC test, given their therm usage.

Response:

- a) 26 accounts with combined deliveries of 40 therms would be forecast to pay no Rider EOA charges in the first program year based on a projected per-therm charge of \$0.0058.
- b) North Shore and Peoples Gas do not interpret the law as requiring calculation of a TRC at the customer level. However, a customer with zero or very low usage would not reduce energy usage through the use of any measure or program, and no measure or program would be cost beneficial for a customer with zero or very usage.

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Data Request:

DAB -2.15 Please provide the percentage of total therms that are consumed by North Shore S.C.2 customers whose "annual usage places them in the top 20%" (NS-PGL Ex. 4.0, p. 9, lines 183-185).

Response:

Approximately 22.1% of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.16 Please provide the percentage of total therms that are consumed by North Shore S.C.2 customers whose annual usage places them in the lowest 50% of users.

Response:

Approximately 1.5% of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.17 Please explain how the customers on North Shore S.C. Nos. 3, 4, and 6 can have ranges of \$11,282.80 to \$39,424.95 annually on a per therm basis when the per customer charge is estimated at \$29.76.

Response:

The calculation under the per-customer methodology is based on the budget for the commercial-industrial programs, and the number of customers for S.C. Nos. 2, 3, 4 and 6. Approximately 99.8% of the customers are S.C. No. 2 and about 0.2% are S.C. No. 3 or larger. The calculation under the per-therm methodology utilizes the same budget and the number of therm deliveries for S.C. Nos. 2, 3, 4 and 6. Approximately 64.1% of the therm deliveries are S.C. No. 2 and about 35.9% are S.C. No. 4 or larger. Under the per-customer methodology the costs are distributed evenly over a large number of customers. Under the per-therm methodology the costs are assigned to each account based on its therm deliveries resulting in larger customers being assigned a larger portion of the costs.

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Data Request:

DAB -2.18 a) Please provide the annual therm usage for the North Shore S.C. Nos. 3, 4, and 6 customers who would pay \$1,282.80 in the first program year. b) Please list all measures and programs for which those customers are eligible that would not be cost-effective under the TRC test, given their therm usage.

Response:

- a) One account with deliveries of 475,110 therms would be forecast to pay \$1,282.80 in Rider EOA charges in the first program year based on a projected per-therm charge of \$0.0027.
- b) North Shore and Peoples Gas do not interpret the law as requiring calculation of a TRC at the customer level, and they have not performed TRC analyses for specific customers or small subsets of customers.

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Data Request:

DAB -2.19 Please provide the percentage of total therms that are consumed by North Shore S.C. Nos. 3, 4, and 6 customers whose "annual usage places them in the top 20%" (NS-PGL Ex. 4.0, p. 8, lines 159-161).

Response:

Approximately 10.9% of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.20 Please provide the percentage of total therms that are consumed by North Shore S.C. Nos. 3, 4, and 6 customers whose annual usage places them in the lowest 50% of users.

Response:

Approximately 2.6% of the total therms of all applicable Service Classifications.

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Data Request:

DAB -2.21 Mr. Korenchan testifies that "the per-customer methodology contributes incrementally to provide price signals to all customers, rather than emphasizing only the largest customers, through the additional bill amount." (NS-PGL Ex 4.0, pp. 10-11).

- a) Assume a per-customer charge is in effect for Rider EOA. Can a customer in any Peoples or North Shore Service Classification reduce his contributions to the energy efficiency program by lowering his usage?

Response: If a customer lowers his usage, no fixed charges on the customer's utility bill, such as the customer charge and including the proposed Rider EOA per customer charge, would be reduced. All volumetric charges on the customer's bill, including the Gas Charge and distribution charges, would be reduced.

- b) Assume a per-therm charge is in effect for Rider EOA. Can a customer in any Peoples or North Shore Service Classification reduce his contributions to the energy efficiency program by lowering his usage?

Response: If a customer lowers his usage, all volumetric charges on the customer's bill, including the Gas Charge and distribution charges and, if it were in the form of a per therm charge, the Rider EOA charge, would be reduced. No fixed charges on the customer's utility bill, such as the customer charge, would be reduced.

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Data Request:

- DAB -2.22** Mr. Korenchan testifies that per-therm charges can cause the Utilities and DCEO to experience a deficit in available funding that could impact programs. (NS-PGL Ex. 4.0, p. 11)
- a) Does Mr. Korenchan believe the Company would not be able to recover such a deficit in a reconciliation proceeding?
 - b) The Companies responses to Staff DR DLH 3.01 indicate that interest is collected or paid as part of the reconciliation adjustment (Companies Response to Staff DR DLH 3.01, Attach PGL, p. 5). Do the Companies believe this does not compensate them for any deficits? Do the Companies believe this does not compensate its rate payers for any surpluses?

Response:

- a) No. The Utilities would recover the deficit in a future period through the reconciliation process. However, both the Utilities and DCEO would be responsible for temporarily covering their own shortfalls until that time. Per the law: "A utility shall not be required to advance any moneys to the Department but only to forward such funds as it has collected."
- b) The Utilities agree that the purpose of the interest on any over- or under-recoveries through Rider EOA is meant to compensate the Utilities or rate payers for the time value of money.

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Data Request:

DAB -2.23 Mr. Marks testified that the "Utilities assumed that 3% of the total budget would be the cap for spending on evaluation." (NS-PGL Ex. 3.0, P. 24). Does "spending on evaluation" as measured by the Utilities include any costs not directly paid to the evaluator for purposes of collecting and processing information or reviewing and commenting on preliminary evaluation results? Does it include any other costs associated with evaluations that are not directly paid to the evaluators?

Response:

The "spending on evaluation" refers to only costs paid to the independent evaluator.