

THE PEOPLES GAS LIGHT AND COKE COMPANY  
EMBEDDED GAS COST OF SERVICE STUDY  
Functionalized and Classified Expenses  
CLASSIFICATION OF OPERATION & MAINTENANCE - YEAR END TOTAL  
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] ACCT. NO.	[C] PEOPLES GAS	[D] COMMODITY	[E] BASIC TRANSMISSION/ DISTRIBUTION DEMAND	[F] BASIC TRANSMISSION/ DISTRIBUTION FIXED COST	[G] SOURCE or ALLOCATION FACTOR
1	PRODUCTION EXPENSE:						
2	OTHER GAS SUPPLIES EXPENSE	813.0	1,012,000	0	1,012,000	0	
3	TOTAL PRODUCTION		1,012,000	0	1,012,000	0	
4							
5	STORAGE EXPENSE:						
6	UNDERGROUND STORAGE EXPENSE	814-818, 820-837	8,112,287	0	8,112,287	0	
7	COMPRESSOR STATION FUEL & POWER	819	4,104,774	4,104,774	0	0	
8	LOCAL STORAGE EXPENSE	840-843	979,039	499,345	479,694	0	
9	-- Rate Making Adjustment	834	136,000	0	136,000	0	
10	TOTAL STORAGE		13,332,100	4,604,118	8,727,981	0	
11							
12	TRANSMISSION EXPENSE:						
13	NATURAL GAS TRANSMISSION	850-867	3,196,000	0	3,196,000	0	
14							
15	DISTRIBUTION-DIRECT PLANT ACCT (1)	870-894					
16	Intangible						
17	-- Customer related	303	991,641	0	0	991,641	
18	-- Plant related	303	282,199	0	163,806	118,393	
19	-- Distribution Plant related	303	41,159	0	19,756	21,403	
20	Land and Land Rights	374	26,660	0	26,660	0	
21	Structures and Improvements	375	586,677	0	586,677	0	
22	Mains	376	52,881,357	0	52,881,357	0	
23	Compressor Station Equipment	377	0	0	0	0	
24	Measuring & Regulation Equipment - General	378	518,462	0	518,462	0	
25	Measuring & Regulation Equipment - Gate Station	379	672,740	0	672,740	0	
26	Services	380	25,184,701	0	0	25,184,701	
27	Meters	381.0	10,534,929	0	0	10,534,929	
28	Automated Meter Reading - Purchases	381.1	3,510,397	0	0	3,510,397	
29	Demand Device - Purchases	381.2	480,945	0	0	480,945	
30	Meter Connections & Installations	382.0	0	0	0	0	
31	Automated System Installations	382.1	0	0	0	0	
32	Demand Device - Installations	382.2	0	0	0	0	
33	House Regulators	383	5,440,002	0	0	5,440,002	
34	Industrial Metering & Regulating Station Equip.	385	107,843	0	0	107,843	
35	Other Property on Customer Premises	386	0	0	0	0	
36	TOTAL DISTRIBUTION FUNCTION		101,259,714	0	54,869,459	46,390,255	
37							
38	CUSTOMER ACCOUNTS - ALLOCABLE	901-903, 905	31,864,407	0	0	31,864,407	
39	CUSTOMER UNCOLLECTIBLE - ALLOCABLE	904	41,604,121	0	0	41,604,121	
40	CUSTOMER SVC & INFO - ALLOCABLE	907-910	3,938,363	0	0	3,938,363	
41	CUSTOMER SALES - ALLOCABLE	911-917	0	0	0	0	
42	TOTAL CUSTOMER		77,406,891	0	0	77,406,891	
43							
44	Sub-Total O&M, not including A&G		196,206,705	4,604,118	67,805,441	123,797,146	
45			100.00%	2.35%	34.56%	63.10%	<b>TOTAL O&amp;M NOT INCLUDING A&amp;G</b>
46							
47	ADMINISTRATIVE & GENERAL - LABOR	925 & 926	57,168,515	205,623	21,114,390	35,848,502	
48	-- Rate Making Adjustment	926	(2,156,000)	(7,755)	(796,288)	(1,351,957)	
49	ADMINISTRATIVE & GENERAL - O&M	920-923, 927-931	103,445,927	2,427,426	35,749,016	65,269,485	
50	-- Rate Making Adjustment	930.2	(28,856,000)	(677,125)	(9,972,105)	(18,206,770)	
51	ADMINISTRATIVE & GENERAL - PLANT	924 & 932	279,492	0	162,235	117,257	
52	TOTAL ADMINISTRATIVE & GENERAL		129,881,934	1,948,169	46,257,248	81,676,517	
53							
54	TOTAL OPERATION & MAINTENANCE EXPENSE:		326,088,639	6,552,288	114,062,689	205,473,663	
55							
56	NOTE (1): Distribution O&M Accounts 870-894 have been translated to the 300 series of Plant Accounts; please refer to WorkPaper WPE-6.13 for the translation worksheet.						

NORTH SHORE GAS COMPANY  
EMBEDDED GAS COST OF SERVICE STUDY  
Functionalized and Classified Expenses  
CLASSIFICATION OF OPERATION & MAINTENANCE - YEAR END TOTAL  
TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	DESCRIPTION	[A] ACCT. NO.	[B] NORTH SHORE GAS	[C] COMMODITY	[D]	[E] BASIC TRANSMISSION/ DISTRIBUTION DEMAND	[F] BASIC TRANSMISSION/ DISTRIBUTION FIXED COST	[G] SOURCE or ALLOCATION FACTOR
1	PRODUCTION EXPENSE:							
2	MFD GAS PRODUCTION	710 - 742	321,208		0	321,208	0	
3	OTHER GAS SUPPLIES EXPENSE	807.5	0		0	0	0	
4	TOTAL PRODUCTION		321,208		0	321,208	0	
5								
6	TRANSMISSION EXPENSE:							
7	NATURAL GAS TRANSMISSION	850-867	425,000		0	425,000	0	
8								
9	DISTRIBUTION-DIRECT PLANT ACCT (1)	870-894						
10	Intangible	303	0		0	0	0	
11	Land and Land Rights	374	56,069		0	56,069	0	
12	Structures and Improvements	375	184,367		0	184,367	0	
13	Mains	376	5,068,058		0	5,068,058	0	
14	Compressor Station Equipment	377	0		0	0	0	
15	Measuring & Regulation Equipment - General	378	61,733		0	61,733	0	
16	Measuring & Regulation Equipment - Gate Station	379	26,248		0	26,248	0	
17	Services	380	3,218,079		0	0	3,218,079	
18	Meters	381.0	1,995,924		0	0	1,995,924	
19	Automated Meter Reading - Purchases	381.2	47,294		0	0	47,294	
20	Demand Device - Purchases	381.3	59,531		0	0	59,531	
21	Meter Connections & Installations	382.0	0		0	0	0	
22	Automated System Installations	382.2	0		0	0	0	
23	Demand Device - Installations	382.3	0		0	0	0	
24	House Regulators	383	340,554		0	0	340,554	
25	Industrial Metering & Regulating Station Equip.	385	19,659		0	0	19,659	
26	TOTAL DISTRIBUTION FUNCTION		11,077,516		0	5,396,476	5,681,040	
27								
28	CUSTOMER ACCOUNTS - ALLOCABLE	901-903, 905	5,917,000		0	0	5,917,000	
29	CUSTOMER UNCOLLECTIBLE - ALLOCABLE	904	2,371,760		0	0	2,371,760	
30	CUSTOMER SVC & INFO - ALLOCABLE	907-910	750,809		0	0	750,809	
31	CUSTOMER SALES - ALLOCABLE	911-917	0		0	0	0	
32	TOTAL CUSTOMER		9,039,569		0	0	9,039,569	
33								
34	Sub-Total O&M, not including A&G		20,863,293		0	6,142,684	14,720,609	
35			100.00%		0.00%	29.44%	70.56%	
36								<b>TOTAL O&amp;M NOT INCLUDING A&amp;G</b>
37	ADMINISTRATIVE & GENERAL - LABOR	925 & 926	9,074,303		0	3,151,224	5,923,079	
38	-- Rate Making Adjustment	926	359,000		0	124,670	234,330	
39	ADMINISTRATIVE & GENERAL - O&M	920-923, 927-931	26,290,852		0	7,740,695	18,550,157	
40	-- Rate Making Adjustment	930.2	(5,901,000)		0	(1,737,404)	(4,163,596)	
41	ADMINISTRATIVE & GENERAL - PLANT	924 & 932	31,943		0	18,713	13,230	
42	TOTAL ADMINISTRATIVE & GENERAL		29,855,098		0	9,297,897	20,557,201	
43								
44	TOTAL OPERATION & MAINTENANCE EXPENSE:		50,718,391		0	15,440,581	35,277,810	
45								

NOTE (1): Distribution O&M Accounts 870-894 have been translated to the 300 series of Plant Accounts; please refer to WorkPaper WPE-6.13 for the translation worksheet.

**Corrected Allocation of Administrative and General Operations and Maintenance Expenses  
 for Peoples Gas Light Company**

	<u>Total</u>	<u>Demand</u>	<u>Customer</u>
1 Total Storage	11,421,000	11,421,000	-
2 Transmission	3,308,000	3,308,000	-
3 Total Distribution	116,720,000	56,873,641	59,846,359
4 Customer Accounts	31,229,000	-	31,229,000
5 Uncollectible Expense	29,414,000	-	29,414,000
6 Customer Service and Information	2,364,000	-	2,364,000
7 Customer Sales	-	-	-
8 Total Customer	63,007,000	-	63,007,000
9 Sub-Total O&M, not including A&G	194,456,000	71,602,641	122,853,359
10 Percent		36.82%	63.18%
11 Subtotal, excluding uncollectible	165,042,000	71,602,641	93,439,359
12 Percent		43.38%	56.62%
13 Administrative & General O&M	70,906,000		
14 Company allocation using line 10		26,109,027	44,796,973
15 AG allocation using line 12		30,762,211	40,143,789
16 Change in allocation		4,653,185	(4,653,185)

Notes:

Lines 1-10 and 13-14 from Sch. E-6, p. 22

Line 11 = line 9 - line 5

Line 15 = line 13 x line 12

Line 16 = line 15 - line 14

**Corrected Allocation of Administrative and General Operations and Maintenance Expenses  
 for North Shore Gas Company**

	<u>Total</u>	<u>Demand</u>	<u>Customer</u>
1 Total Production	273,000	273,000	-
2 Transmission	180,000	180,000	-
3 Total Distribution	11,886,000	5,296,576	6,589,424
4 Customer Accounts	5,674,000	-	5,674,000
5 Uncollectible Expense	1,675,000	-	1,675,000
6 Customer Service and Information	549,000	-	549,000
7 Customer Sales	-	-	-
8 Total Customer	7,898,000	-	7,898,000
9 Sub-Total O&M, not including A&G	20,237,000	5,749,576	14,487,424
10 Percent		28.41%	71.59%
11 Subtotal, excluding uncollectible	18,562,000	5,749,576	12,812,424
12 Percent		30.97%	69.03%
13 Administrative & General O&M	17,689,000		
14 Company allocation using line 10		5,025,658	12,663,342
15 AG allocation using line 12		5,479,164	12,209,836
16 Change in allocation		453,506	(453,506)

Notes:

Lines 1-10 and 13-14 from Sch. E-6, p. 22

Line 11 = line 9 - line 5

Line 15 = line 13 x line 12

Line 16 = line 15 - line 14

**ICC Docket No. 11-0xxx**  
**The Peoples Gas Light and Coke Company's Response to**  
**Staff Data Requests CLH 1.01-1.05**  
**Dated: March 2, 2011**

**REQUEST NO. CLH 1.04:**

For each Company, using Company specific data, please provide the usage per customer by customer class, for space heat customers and non-space heat customers for the years 2008-2012.

**RESPONSE:**

PGL CLH 1.04 Attach 01 provides the requested usage per customer by Service Classification (SC). As the direct testimony of Kevin R. Kuse, PGL Ex. 4.0, indicates in lines 70-72 and 79-82, the historical demand data is adjusted based on customer movement between SC's to ensure that historical data is consistent with current demand for the purpose of preparing the test year demand forecast.

As is also stated in the testimony, SC Nos. 1 and 2 are divided into demand by non-heating and heating customers. The large volume SC Nos. 4 through 8 are analyzed at an aggregate level so their demands are summed. Therefore, the usage per customer is not available at the Service Classification non heating level.

**The Peoples Gas Light and Coke Company  
Usage Per Customer by Service Classification (SC)**

**Response to Data Request PGL\_01-CLH-04**

<b>Line No.</b>	<b>Year [A]</b>	<b>SC 1 Heating [B]</b>	<b>SC 1 Non Heating [C]</b>	<b>SC 2 Heating [D]</b>	<b>SC 2 Non Heating [E]</b>	<b>SC Nos. 4-8 [F]</b>
1	2008	114.0	9.6	938	359	144,119
2	2009	112.5	9.7	915	356	148,979
3	2010	109.5	9.5	910	344	150,242
4	2011	107.8	9.6	904	337	149,149
5	2012	105.9	9.6	889	322	146,938

Notes:

Units: Dekatherms

All years of Heating Rate data are weather normalized to 6,016 HDDs for non-leap years and 6,036 HDD for leap years using the period (1998-2009).

Actual data through February 2010. Historical demand data is adjusted based on customer movement between SC's to ensure that historical data is consistent with current demand for the purpose of preparing the test year demand forecast.

**The Peoples Gas Light and Coke Company's Response to  
Staff Data Requests CLH 1.01  
Dated: March 20, 2009**

**REQUEST NO. CLH 1.01:**

For both North Shore and Peoples, please provide comparisons of billings to actual customers under present rates vs. proposed rates using the following procedures: Please use the attached Excel file (File name "CLH 1.05 attachment.xls") as a model to present monthly bill comparisons for each customer selected from each customer class. All charges applicable to each customer class should be shown. For transportation customers, substitute the PGA rate for each month in the test year as a proxy for the cost of gas supply. Please leave formulae within calculation cells intact. Add or delete lines and charges as necessary or appropriate that are applicable to each customer class at both North Shore and Peoples.

- A. Identify the primary service classifications for which an individual tariff exists in the company's schedule of rates (tariff book). An example for Peoples would be Service Classification No. 1, Small Residential Service.
- B. Identify subgroups of customers within the primary service classification with common or similar usage characteristics and/or for which a rider, rate or discount currently exists.
- C. For each primary service classification and each subgroup within that classification identified in response to the previous questions, A. and B. above, provide a schedule showing present rates and proposed rates, and calculate the typical customer's monthly bill for the twelve months preceding the rate filing at the present and proposed rates including any subgroup discounts or riders. Also, please provide a billing analysis similar to Schedule E-9 for each such customer group or customer.
- D. For each month of the test year and for each customer class and each subgroup at present rates, please provide a billing comparison for an actual customer from the 1% customer class cumulative billing frequency, 20% customer class cumulative billing frequency, the 50% customer class cumulative billing frequency, the 80% cumulative customer class cumulative billing frequency, and the 100% customer class cumulative billing frequency.

In selecting customers for the response to part D., the customer class cumulative billing frequency should be similar to Schedule E-8 in that the billing frequency begins with zero or low usage or demand, and is completed at 100 percent with the highest end of usage or demand. Customers from each customer class and each subgroup should be selected based upon usage or demand at present rates depending upon whether usage charges, excluding gas supply, or demand charges was responsible for the larger percentage of revenues from the customer class as a whole during the test year.

**The Peoples Gas Light and Coke Company's Response to  
Staff Data Requests CLH 1.01  
Dated: March 20, 2009**

For example, if a People's customer served under S.C. No. 4 during the test year paid both a demand charge and distribution charge where the distribution charge results in more revenues under present rates than the demand charge, then therms billed under the distribution charge would serve as the basis for determining a customer's place in the billing frequency.

**RESPONSE:**

A. The Primary Service Classifications at Present Rates for Peoples Gas are as follows:

- S.C. 1 Small Residential Service
- S.C. 2 General Service
- S.C. 4 Large Volume Demand Service
- S.C. 5 Contract Service for Electric Generation (no customers taking service)
- S.C. 6 Standby Service
- S.C. 7 Contract Service (no rate change proposed)
- S.C. 8 Compressed Natural Gas Service

B. Peoples Gas is proposing to eliminate S.C. 6 and transfer these customers to S.C. 2. In addition, Peoples Gas is proposing an eligibility requirement for S.C. 2, which results in a transfer of some customers from S.C. 2 to S.C. 4. Therefore, the Subgroups for each Service Classification for Peoples Gas are as follows:

- S.C. 1 Sales
- S.C. 1 Rider CFY (Choices For You)
- S.C. 2 Meter Class 1 Sales
- S.C. 2 Meter Class 1 Rider CFY (Choices For You)
- S.C. 2 Meter Class 1 Rider FST (Full Standby Transportation)
- S.C. 2 Meter Class 1 Rider SST (Selected Standby Transportation)
- S.C. 2 Meter Class 2 Sales
- S.C. 2 Meter Class 2 Rider CFY (Choices For You)
- S.C. 2 Meter Class 2 Rider FST (Full Standby Transportation)
- S.C. 2 Meter Class 2 Rider SST (Selected Standby Transportation)
- S.C. 2 Meter Class 3 Sales
- S.C. 2 Meter Class 3 Rider CFY (Choices For You)
- S.C. 2 Meter Class 3 Rider FST (Full Standby Transportation)
- S.C. 2 Meter Class 3 Rider SST (Selected Standby Transportation)
- S.C. 2 to S.C. 4 Sales
- S.C. 2 to S.C. 4 Rider SST (Selected Standby Transportation)
- S.C. 4 Rider SST (Selected Standby Transportation)
- S.C. 6 to S.C. 2 Meter Class 1 Sales
- S.C. 6 to S.C. 2 Meter Class 2 Sales
- S.C. 6 to S.C. 2 Meter Class 3 Sales

**The Peoples Gas Light and Coke Company's Response to  
Staff Data Requests CLH 1.01  
Dated: March 20, 2009**

S.C. 6 to S.C. 2 Rider FST (Full Standby Transportation Service)  
S.C. 8 Sales

C. and D.

Attached are spreadsheets for each subgroup identified in item B. above that details present and proposed rate charges for accounts at different frequency levels using their usage and billing determinants from the Test Year, 2010. There are separate worksheets within each file that detail the charges for accounts at the various frequency levels requested. For subgroups in which there are fewer than 5 accounts, each account is detailed rather than the frequency levels requested.

The analysis includes the Pool and Contract Administrative Account charges for transportation customers in order to show the effect of the proposed changes in the charges even though these charges are billed to the Customer/Marketer. In addition, these charges are included in the data presented in Schedule E-9.

ICC Docket No.  
**The Peoples Gas Light and Coke Company**  
**Response to Staff Data Request CLH 1.01**  
**Dated: March 20, 2009**

SC 1 Sales Accounts

Therm Usage

<u>Frequency</u> <u>Range</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Annual</u>	<u>Annual %</u>	<u>Annual %</u>	<u>Annual %</u>
														<u>Change</u>	<u>Change</u>	<u>Change</u>
														<u>Fixed</u>	<u>Variable</u>	<u>Total</u>
														<u>Charges</u>	<u>Charges</u>	<u>Charges</u>
1%	6.07	6.08	6.06	5.06	6.06	5.05	4.04	5.05	5.05	9.10	5.05	9.11	71.78	47.59%	4.09%	32.05%
20%	99.17	73.87	36.43	43.51	8.08	7.07	7.07	6.06	3.03	9.09	36.39	78.93	408.70	47.59%	4.00%	14.93%
50%	197.33	196.32	130.55	88.03	42.41	44.48	23.24	21.23	15.15	47.52	86.94	170.10	1,063.30	47.59%	3.73%	8.91%
80%	354.19	265.14	218.59	140.66	12.04	58.63	25.27	22.25	27.29	57.62	147.61	296.65	1,625.94	47.59%	3.59%	7.24%
100%	2,076.62	1,964.29	1,536.21	924.97	439.59	123.33	127.37	128.40	124.34	343.74	1,280.93	1,234.19	10,303.98	47.59%	3.35%	4.00%

Notes: Used the present rate retail gas charge as a proxy for Transportation customers cost of gas supply at present and proposed rates.  
 The gas charges rates used reflect the weighted average gas charge forecasted by month in Fiscal 2010.

**ICC Docket No.**  
**The Peoples Gas Light and Coke Company**  
**Response to Staff Data Request CLH 1.01**  
**Dated: March 20, 2009**

**SC 1 Rider CFY Accounts**

**Therm Usage**

<u>Frequency</u>														<u>Annual %</u>	<u>Annual %</u>	<u>Annual %</u>
<u>Range</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Annual</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
														<u>Fixed</u>	<u>Variable</u>	<u>Total</u>
														<u>Charges</u>	<u>Charges</u>	<u>Charges</u>
1%	9.11	8.09	9.11	9.10	8.08	7.07	7.08	6.06	8.09	9.09	15.17	8.11	104.16	30.14%	5.80%	18.92%
20%	90.06	94.12	49.58	56.67	29.31	23.25	20.22	20.22	21.23	27.29	69.75	92.09	593.79	30.14%	5.73%	10.06%
50%	244.90	221.62	157.87	72.86	21.23	26.28	21.23	20.22	22.23	68.75	128.38	208.47	1,214.04	30.14%	5.54%	8.03%
80%	232.76	247.93	198.35	146.73	115.17	117.27	80.88	71.78	74.81	96.04	156.71	195.48	1,733.91	30.14%	5.47%	7.26%
100%	1,211.37	1,205.28	1,013.01	377.47	241.58	56.61	50.54	48.53	48.53	195.11	684.44	991.82	6,124.29	30.14%	5.38%	5.94%

Notes: Used the present rate retail gas charge as a proxy for Transportation customers cost of gas supply at present and proposed rates.  
 The gas charges rates used reflect the weighted average gas charge forecasted by month in Fiscal 2010.

**ICC Docket No. 11-0xxx**  
**North Shore Gas Company's Response to**  
**Staff Data Requests CLH 1.01-1.05**  
**Dated: March 2, 2011**

**REQUEST NO. CLH 1.04:**

For each Company, using Company specific data, please provide the usage per customer by customer class, for space heat customers and non-space heat customers for the years 2008-2012.

**RESPONSE:**

NS CLH 1.04 Attach 01 provides the requested usage per customer by Service Classification (SC). As the direct testimony of Kevin R. Kuse, NS Ex. 4.0, indicates in lines 69-70 and 78-81, the historical demand data is adjusted based on customer movement between SC's to ensure that historical data is consistent with current demand for the purpose of preparing the test year demand forecast.

As is also stated in the testimony, SC Nos. 1 and 2 are divided into demand by non-heating and heating customers. The large volume SC Nos. 3 and 4 are analyzed at an aggregate level so their demands are summed. Therefore, the usage per customer is not available at the Service Classification non heating level.

**North Shore Gas Company  
 Usage Per Customer by Service Classification (SC)**

**Response to Data Request NSG\_01-CLH-04**

<b>Line No.</b>	<b>Year [A]</b>	<b>SC 1 Heating [B]</b>	<b>SC 1 Non Heating [C]</b>	<b>SC 2 Heating [D]</b>	<b>SC 2 Non Heating [E]</b>	<b>SC Nos. 3 and 4 [F]</b>
1	2008	134.0	15.9	744	517	260,673
2	2009	133.4	16.6	731	485	258,113
3	2010	129.6	16.0	730	465	281,868
4	2011	129.0	15.9	726	462	273,335
5	2012	126.7	15.4	716	455	273,335

Notes:

Units: Dekatherms

All years of Heating Rate data are weather normalized to 6,016 HDDs for non-leap years and 6,036 HDD for leap years using the period (1998-2009).

Actual data through February 2010. Historical demand data is adjusted based on customer movement between SC's to ensure that historical data is consistent with current demand for the purpose of preparing the test year demand forecast.

**North Shore Gas Company's Response to  
Staff Data Requests CLH 1.01  
Dated: March 20, 2009**

**REQUEST NO. CLH 1.01:**

For both North Shore and Peoples, please provide comparisons of billings to actual customers under present rates vs. proposed rates using the following procedures: Please use the attached Excel file (File name "CLH 1.05 attachment.xls") as a model to present monthly bill comparisons for each customer selected from each customer class. All charges applicable to each customer class should be shown. For transportation customers, substitute the PGA rate for each month in the test year as a proxy for the cost of gas supply. Please leave formulae within calculation cells intact. Add or delete lines and charges as necessary or appropriate that are applicable to each customer class at both North Shore and Peoples.

- A. Identify the primary service classifications for which an individual tariff exists in the company's schedule of rates (tariff book). An example for Peoples would be Service Classification No. 1, Small Residential Service.
- B. Identify subgroups of customers within the primary service classification with common or similar usage characteristics and/or for which a rider, rate or discount currently exists.
- C. For each primary service classification and each subgroup within that classification identified in response to the previous questions, A. and B. above, provide a schedule showing present rates and proposed rates, and calculate the typical customer's monthly bill for the twelve months preceding the rate filing at the present and proposed rates including any subgroup discounts or riders. Also, please provide a billing analysis similar to Schedule E-9 for each such customer group or customer.
- D. For each month of the test year and for each customer class and each subgroup at present rates, please provide a billing comparison for an actual customer from the 1% customer class cumulative billing frequency, 20% customer class cumulative billing frequency, the 50% customer class cumulative billing frequency, the 80% cumulative customer class cumulative billing frequency, and the 100% customer class cumulative billing frequency.

In selecting customers for the response to part D., the customer class cumulative billing frequency should be similar to Schedule E-8 in that the billing frequency begins with zero or low usage or demand, and is completed at 100 percent with the highest end of usage or demand. Customers from each customer class and each subgroup should be selected based upon usage or demand at present rates depending upon whether usage charges, excluding gas supply, or demand charges was responsible for the larger percentage of revenues from the customer class as a whole during the test year.

**ICC Docket No. 09-xxxx**  
**North Shore Gas Company's Response to**  
**Staff Data Requests CLH 1.01**  
**Dated: March 20, 2009**

For example, if a People's customer served under S.C. No. 4 during the test year paid both a demand charge and distribution charge where the distribution charge results in more revenues under present rates than the demand charge, then therms billed under the distribution charge would serve as the basis for determining a customer's place in the billing frequency.

**RESPONSE:**

A. The Primary Service Classifications at Present Rates for North Shore Gas are as follows:

- S.C. 1 Small Residential Service
- S.C. 2 General Service
- S.C. 3 Large Volume Demand Service
- S.C. 4 Contract Service (no rate change proposed)
- S.C. 5 Standby Service
- S.C. 6 Contract Service for Electric Generation (no customers taking service)

B. North Shore Gas is proposing to eliminate S.C. 5 and transfer these customers to S.C. 2. In addition, North Shore Gas is proposing an eligibility requirement for S.C. 2, which results in a transfer of some customers from S.C. 2 to S.C. 3. There are currently no customers taking service on S.C. 3 at North Shore Gas so no bill comparisons are provided. Therefore, the Subgroups for each Service Classification for North Shore Gas are as follows:

- S.C. 1 Sales
- S.C. 1 Rider CFY (Choices For You)
- S.C. 2 Meter Class 1 Sales
- S.C. 2 Meter Class 1 Rider CFY (Choices For You)
- S.C. 2 Meter Class 1 Rider FST (Full Standby Transportation)
- S.C. 2 Meter Class 1 Rider SST (Selected Standby Transportation)
- S.C. 2 Meter Class 2 Sales
- S.C. 2 Meter Class 2 Rider CFY (Choices For You)
- S.C. 2 Meter Class 2 Rider FST (Full Standby Transportation)
- S.C. 2 Meter Class 2 Rider SST (Selected Standby Transportation)
- S.C. 2 Meter Class 3 Sales
- S.C. 2 Meter Class 3 Rider CFY (Choices For You)
- S.C. 2 Meter Class 3 Rider FST (Full Standby Transportation)
- S.C. 2 Meter Class 3 Rider SST (Selected Standby Transportation)
- S.C. 2 to S.C. 3 Rider SST (Selected Standby Transportation)
- S.C. 5 to S.C. 2 Meter Class 1 Sales
- S.C. 5 to S.C. 2 Meter Class 2 Sales
- S.C. 5 to S.C. 2 Meter Class 3 Sales

**North Shore Gas Company's Response to  
Staff Data Requests CLH 1.01  
Dated: March 20, 2009**

C. and D.

Attached are spreadsheets for each subgroup identified in item B. above that details present and proposed rate charges for accounts at different frequency levels using their usage and billing determinants from the Test Year, 2010. There are separate worksheets within each file that detail the charges for accounts at the various frequency levels requested. For subgroups in which there are fewer than 5 accounts, each account is detailed rather than the frequency levels requested.

The analysis includes the Pool and Contract Administrative Account charges for transportation customers in order to show the effect of the proposed changes in the charges even though these charges are billed to the Customer/Marketer. In addition, these charges are included in the data presented in Schedule E-9 Schedule.

**ICC Docket No.**  
**North Shore Gas Company**  
**Response to Staff Data Request CLH 1.01**  
**Dated: March 20, 2009**

**SC 1 Sales Accounts**

**Therm Usage**

<u>Frequency</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Annual</u>	<u>Annual %</u> <u>Change</u> <u>Fixed</u> <u>Charges</u>	<u>Annual %</u> <u>Change</u> <u>Variable</u> <u>Charges</u>	<u>Annual %</u> <u>Change</u> <u>Total</u> <u>Charges</u>
<u>Range</u>																
1%	0.00	1.01	0.00	0.00	0.00	0.00	1.01	0.00	0.00	0.00	1.01	1.01	4.04	44.41%	4.08%	43.09%
20%	158.82	150.79	122.62	68.77	29.35	38.41	16.18	14.19	15.19	28.36	74.96	144.85	862.49	44.41%	2.69%	8.00%
50%	133.46	392.64	200.79	12.98	25.29	71.76	43.51	10.17	47.61	29.37	138.78	131.68	1,238.04	44.41%	2.38%	6.30%
80%	374.22	327.88	304.17	23.09	42.50	23.22	24.28	44.59	26.33	80.01	151.95	358.60	1,780.84	44.41%	2.12%	4.98%
100%	5,694.78	5,861.45	2,924.53	2,576.67	1,537.35	1,888.07	51.01	4,926.44	79.44	4,127.49	2,988.09	6,221.32	38,876.64	44.41%	1.49%	1.64%

Notes: Used the present rate retail gas charge as a proxy for Transportation customers cost of gas supply at present and proposed rates.  
 The gas charges rates used reflect the weighted average gas charge forecasted by month in Fiscal 2010

**ICC Docket No.**  
**North Shore Gas Company**  
**Response to Staff Data Request CLH 1.01**  
**Dated: March 20, 2009**

**SC 1 Rider CFY Accounts**

**Therm Usage**

<u>Frequency</u>														<u>Annual %</u>	<u>Annual %</u>	<u>Annual %</u>
<u>Range</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Annual</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
														<u>Fixed</u>	<u>Variable</u>	<u>Total</u>
														<u>Charges</u>	<u>Charges</u>	<u>Charges</u>
1%	3.03	3.04	3.03	3.04	3.03	3.03	4.04	4.05	3.03	3.04	2.02	4.05	38.43	35.39%	3.89%	27.43%
20%	128.42	157.86	95.34	67.71	29.34	45.46	28.33	34.46	28.36	38.49	62.80	130.67	847.24	35.39%	3.06%	7.05%
50%	221.56	203.41	173.30	86.97	45.54	16.16	23.27	18.23	14.18	40.51	94.21	181.32	1,118.66	35.39%	2.66%	5.88%
80%	277.13	238.83	210.89	136.49	29.34	72.78	19.22	20.27	39.50	68.88	171.19	248.17	1,532.69	35.39%	2.50%	4.95%
100%	3,680.24	2,124.96	1,771.75	1,201.54	1,031.00	503.12	396.29	573.34	516.53	583.67	1,655.99	1,451.44	15,489.87	35.39%	1.81%	2.08%

Notes: Used the present rate retail gas charge as a proxy for Transportation customers cost of gas supply at present and proposed rates. The gas charges rates used reflect the weighted average gas charge forecasted by month in Fiscal 2010.

**The Peoples Gas Light and Coke Company's Response to  
People of the State of Illinois Data Requests AG 2.01-2.45**

**Dated: April 25, 2011**

**REQUEST NO. AG 2.08:**

Re: WPE-6.4c.

- a) Why is the number of regulators for Rate 1 customers so much lower than the number of Rate 1 customers (approximately 161,000 regulators compared to more than 750,000 Rate 1 customers)?
- b) Why types of residential customers do not require regulators?
- c) Do Rate 1 customers without regulators pay a lower customer charge than Rate 1 customers with regulators? If not, why not?
- d) Is the average cost per regulator the average embedded cost (that is, depreciated original cost), average original cost (that is, original cost without consideration of depreciation), an average current cost of such an installation, or something else?
- e) It appears that the entries for 10-inch regulators (lines 4 and 44) are not using the average cost for a 10-inch regulator as shown in the legend that begins on line 132. Please indicate which cost is correct and provide a corrected schedule, if necessary.

**RESPONSE:**

- a) The number of regulators for Rate 1 customers is less than the number of Rate 1 customers because Rate 1 customers on low pressure systems do not require regulators. Additionally, in some multi-unit buildings on medium pressure systems, more than one Rate 1 customer may share a regulator.
- b) See response to (a) above.
- c) No. The customer charge is the same because the Company's proposed rate design methodology, which does not distinguish whether a customer has a regulator or not, is simple, aligned with the Company's efforts to convert to a medium pressure system, and consistent with those approved by the Commission in several previous rate cases.
- d) The average cost per regulator is the average original cost, i.e., original cost without consideration of depreciation.
- e) The correct average cost for a 10-inch regulator is \$1,374.79. See PGL AG 2.08 Attach 01. Correcting this error has minimal impact on the Embedded Class Cost of Service Study ("ECCOSS") for PGL: the average cost per customer for Meter & Regulator Investment for Rate 1 remains at \$212.89, and the average

**The Peoples Gas Light and Coke Company's Response to  
People of the State of Illinois Data Requests AG 2.01-2.45**

**Dated: April 25, 2011**

cost per customer for Meter & Regulator Investment for Rate 2 increases slightly from \$1051.18 to \$1051.22. This change is so small that it has no impact on the Meters & House Regulators allocation method, which is portrayed out to the 5<sup>th</sup> decimal place. Therefore no change to the allocation of costs occurs within the ECCOSS upon making this correction.

**Proposed Residential Rate Design Using Peoples Proposed Revenue Requirement  
Calculation of Demand and Customer Costs**

1	Demand costs per Company	\$	124,047,669
2	Add: reallocation of A&G O&M		<u>4,653,185</u>
3	Total demand costs	\$	128,700,854
4	Winter therms		567,268,530
5	Demand cost per therm	\$	0.22688
6	Customer costs per Company	\$	285,507,428
7	Less: reallocation of A&G O&M		<u>(4,653,185)</u>
8	Less: uncollectible expense		<u>(24,049,395)</u>
9	Total customer costs	\$	256,804,848
 <b><i>Recover customer-related A&amp;G through first block</i></b>			
10	Customer-related A&G per company	\$	96,375,053
11	Less: reallocation of A&G O&M		<u>(4,653,185)</u>
12	Customer-related A&G	\$	91,721,868
13	Customer cost in customer charge	\$	165,082,980
14	Residential bills		9,010,251
15	Residential customer charge	\$	18.32
16	Total residential uncollectibles	\$	24,049,395
17	Less: recovered in Rider UEA-GC		<u>(13,385,677)</u>
18	Recoverable in distribution charges	\$	10,663,718
19	Distribution uncollectibles factor		2.9162%

Notes:

Line 1: Sch. E-6, p. 2, l. 38, col. C

Line 2: GCI Ex. 3.3, p. 1, l. 16

Line 3: line 1 + line 2

Line 4: Sum of November through April usage from WPE 6.9, l. 1

Line 5: line 3 / line 4

Line 6: Sch. E-6, p. 2, l. 40, col. C

Line 7: GCI Ex. 3.3, p. 1, l. 16

Line 8: Sch. E-6, p. 10, l. 43, col. C

Line 9: Sum of lines 6 through 8

Line 10: Sch. E-6, p. 10, l. 55-56, col. C

Line 11: line 7

Line 12: line 10 + line 11

Line 13: line 9 - line 12

Line 14: GCI Ex. 3.9, p. 2, l. 1-2

Line 15: line 13 / line 14

Line 16: - line 8

Line 17: PGL Ex. 12.12, line 1, col. G

Line 18: line 16 + line 17

Line 19: line 18 / GCI Ex. 3.9, p. 2, l. 6

**Proposed Residential Rate Design Using Peoples Proposed Revenue Requirement**

Rate Element	Billing Units	Present		Co. Proposed			GCI Proposed		
		Rate	Revenue	Rate	Revenue	% Change	Rate	Revenue	% Change
1 Customer charge - sales	8,474,828	19.50	165,259,146	28.21	239,074,898	44.7%	18.86	159,835,256	-3.3%
2 Customer charge - transp	535,423	18.00	9,637,614	26.65	14,269,023	48.1%	18.86	10,098,078	4.8%
3 First 50 therms	285,622,000	0.33372	95,317,774	0.28608	81,710,742	-14.3%	0.35754	102,121,290	7.1%
4 All over 50 therms	400,920,000	0.12360	49,553,712	0.10974	43,996,961	-11.2%	0.23349	93,610,811	88.9%
5 Total			319,768,246		379,051,623	18.5%		365,665,435	14.4%
6 Target revenues, excluding uncollectibles on gas supply								365,665,946	

Notes on Billing Units:

Line 1: Sch. E-5, section B, p. 1, l. 2

Line 2: Sch. E-5, section C, p. 1, l. 2

Line 3: Sch. E-5, sections B and C, p. 1, l. 4

Line 4: Sch. E-5, sections B and C, p. 1, l. 5

Notes:

Line 6: Line 5 (Co. Proposed) + GCI Ex. 3.9, p. 1, l. 17

**Proposed Residential Rate Design Using North Shore Proposed Revenue Requirement  
 Calculation of Demand and Customer Costs**

1	Demand costs per Company	\$	19,232,548
2	Add: reallocation of A&G O&M		<u>453,506</u>
3	Total demand costs	\$	19,686,054
4	Winter therms		147,677,210
5	Demand cost per therm	\$	0.13330
6	Customer costs per Company	\$	43,599,105
7	Less: reallocation of A&G O&M		(453,506)
8	Less: uncollectible expense		<u>(1,330,329)</u>
9	Total customer costs	\$	41,815,270

***Recover customer-related A&G through first block***

10	Customer-related A&G per company	\$	20,066,675
11	Less: reallocation of A&G O&M		<u>(453,506)</u>
12	Customer-related A&G	\$	19,613,169
13	Customer cost in customer charge	\$	22,202,101
14	Residential bills		1,761,299
15	Residential customer charge	\$	12.61
16	Total residential uncollectibles	\$	1,330,329
17	Less: recovered in Rider UEA-GC		<u>(815,227)</u>
18	Recoverable in distribution charges	\$	515,102
19	Distribution uncollectibles factor		0.8495%

Notes:

Line 1: Sch. E-6, p. 2, l. 38, col. C

Line 2: GCI Ex. 3.3, p. 2, l. 16

Line 3: line 1 + line 2

Line 4: Sum of November through April usage from WPE 6.9, l. 1

Line 5: line 3 / line 4

Line 6: Sch. E-6, p. 2, l. 40, col. C

Line 7: GCI Ex. 3.3, p. 1, l. 16

Line 8: Sch. E-6, p. 9, l. 36, col. C

Line 9: Sum of lines 6 through 8

Line 10: Sch. E-6, p. 9, l. 48-49, col. C

Line 11: line 7

Line 12: line 10 + line 11

Line 13: line 9 - line 12

Line 14: GCI Ex. 3.10, p. 2, l. 1-2

Line 15: line 13 / line 14

Line 16: - line 8

Line 17: PGL Ex. 12.12, line 1, col. G

Line 18: line 16 + line 17

Line 19: line 18 / GCI Ex. 3.9, p. 2, l. 6

**Proposed Residential Rate Design Using North Shore Proposed Revenue Requirement**

Rate Element	Billing Units	Present		Co. Proposed			GCI Proposed		
		Rate	Revenue	Rate	Revenue	% Change	Rate	Revenue	% Change
1 Customer charge - sales	1,634,447	17.80	29,093,157	24.75	40,452,563	39.0%	12.71	20,773,821	-28.6%
2 Customer charge - transp	126,852	17.30	2,194,540	24.20	3,069,818	39.9%	12.71	1,612,289	-26.5%
3 First 50 therms	66,397,000	0.26036	17,287,123	0.18089	12,010,553	-30.5%	0.34209	22,713,750	31.4%
4 All over 50 therms	115,542,000	0.07319	8,456,519	0.05120	5,915,750	-30.0%	0.13444	15,533,466	83.7%
5 Total			57,031,338		61,448,685	7.7%		60,633,327	6.3%
6 Target revenues, excluding uncollectibles								60,633,458	

Notes on Billing Units:

Line 1: Sch. E-5, section B, p. 1, l. 2

Line 2: Sch. E-5, section C, p. 1, l. 2

Line 3: Sch. E-5, sections B and C, p. 1, l. 4

Line 4: Sch. E-5, sections B and C, p. 1, l. 5

Notes:

Line 6: Line 5 (Co. Proposed) + GCI Ex. 3.10, p. 1, l. 17