

Response to AIC's
Eighth Set of Data Requests to Staff
AIC-Staff 8.05 – 8.07
Docket Nos. 11-0279 and 11-0282
Response of Staff Witness Burma Jones
Response Date: 07/14/11

ICC Person Responsible: Burma Jones
Title: Accountant
Business Address: Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701
Phone Number: 217-785-5784

Request AIC-Staff 8.06

Does Ms. Jones agree that the over/under balances will be small in comparison to the overall PGA rate? If yes, please explain why it is necessary to calculate at rates two-month intervals after two months. If no, explain why she does not agree.

Response

Yes. Ms. Jones agrees that the rates to refund/recover the over/under recovered balances will be small in comparison to the overall PGA rates. The magnitude of the rates is irrelevant to her recommendation that, beginning in the third month, the rates to refund/recover the over/under recovered balances should be calculated at 2-month intervals. The recommendation is based on the 2-month lag inherent in the monthly PGA filing for determining costs/recoveries. It allows time for the Company to better gauge the respective over/under recovered balance before the next billing month. (ICC Staff Exhibit 6.0, p. 8.)

For example, by the 20th of the 2nd month, which is the deadline for filing rates effective the 3rd month, the Company will not know the amounts refunded/recovered from the rates in effect the 2nd month. Setting the rates at \$0.00 for the 3rd month gives the Company until the 20th of the 3rd month to gauge the effect the rates effective the 2nd month had on the outstanding over/under recovered balances. By the 20th of the 3rd month, which is the deadline for filing rates effective the 4th month, the Company will know the amounts refunded/recovered from the rates in effect the 2nd month.