

The Peoples Gas Light & Coke Company
 Rate Case Expense Company Surrebuttal

Line No.	Item of Expense (A)	Type of Service Rendered (B)	Specific Service Rendered (C)	Basis of Charge (D)	Schedule C-10 Estimate (E)	July 31, 2011 Actuals (F)	Remaining Estimate (G) = E - F	July 31, 2011 Company Proposed Remaining Estimate Adjustments (H)	Staff Rebuttal Proposed Remaining Estimate Disallowance/ Adjustments (I)	Allowed Amount F+G +H +I (J)
1	<u>Outside Consultants or Witnesses</u>									
2	Stafflogix	Consultants	Rate Base and Cash Working Capital Rate Design and Cost of Service Rate Case Support	Estimated Hours	JMO 13.01 \$ 667,000	\$ 362,000	\$ 305,000	\$ (63,000)	\$ -	\$ 604,000
3										
4										
5	SFIO Consulting	Consultants	Rate Case/Regulatory Policy	Estimated Hours	JMO 13.02 59,000	48,000	11,000	-	-	59,000
6	Deloitte & Touche	Public Accounting Services	Examination of the projected financial statements for the year ending December 31, 2012	Level of staff and estimated hours, plus out-of-pocket expenses	JMO 12.04 144,000	135,000	9,000	(9,000)	-	135,000
7										
8										
9	P. Moul & Associates	Expert Witness	Return on Equity	Estimated Hours	JMO 13.03 49,000	30,000	19,000	(8,000)	-	41,000
10	Tower Watson	Consultants	Actuarial Studies	Estimated Hours	JMO 13.04 30,000	3,000	27,000	(25,000)	-	5,000
11	Steve Fetter	Consultants	Capital Market/Return on Equity	Estimated Hours	JMO 12.05 200,000	-	200,000	(150,000)	-	50,000
12	Total Outside Consultants or Witnesses				<u>1,149,000</u>	<u>578,000</u>	<u>571,000</u>	<u>(255,000)</u>	<u>-</u>	<u>894,000</u>
13	Outside Legal Services - Foley & Lardner, LLP		Rate Case Support	Estimated Hours	JMO 13.05 772,000	237,000	535,000	(5,000)	-	767,000
14	Outside Legal Services - Rooney Ripple and Ratnaswamy LLP		Rate Case Support	Estimated Hours	JMO 13.06 788,000	180,000	608,000	(58,000)	-	730,000
15	InterCompany - billings from Affiliates				JMO 13.07 1,341,000	647,000	694,000	23,000	-	1,364,000
16	Other Expenses				JMO 13.07 36,000	20,000	16,000	-	-	36,000
17	Total Expense				<u>\$ 4,088,000</u>	<u>\$ 1,662,000</u>	<u>\$ 2,424,000</u>	<u>\$ (295,000)</u>	<u>\$ -</u>	<u>\$ 3,791,000</u>
				Annual amortization over 2 years	2,043,000			(148,000)	-	1,896,000
								Total adjustments -H + I Divided over 2 years	(295,000) (148,000)	

OFFICIAL FILE

I.C.C. DOCKET NO. 11-0281

AG Exhibit No. 4

Witness mag

Date 8/29/11 Reporter CC

The Peoples Gas Light and Coke Company

Rate Case Expense Comparisons

Line No.	Item of Expense [A]	Current Rate Case (Dkt. 11-0281) [B]	Company Actual as to date July 31, 2011 (Dkt. 11-0281)	Company Direct Prior Rate Case (Dkt. 09-0167) (2) [C]	Company Actual as to date July 31, 2011 (Dkt. 09-0167) (3)	Line No.
1	Outside Consultants or Witnesses	\$ 1,149,000	566,557	\$ 1,154,000	1,591,497	1
2	Outside Legal Services	1,560,000	331,390 (4)	2,249,000	1,922,057	2
3	InterCompany - billings from Affiliates	1,341,000	646,758	1,314,000	1,010,341	3
4	Paid Overtime	---	---	---	---	4
5	Other Expenses	<u>36,000</u>	<u>20,233</u>	<u>71,000</u>	<u>108,261</u>	5
6	Total Expense	<u>\$ 4,086,000 (1)</u>	<u>1,564,938 (4)</u>	<u>\$ 4,788,000</u>	<u>\$4,632,156</u>	6

- Notes: (1) The decrease in expense compared to the prior rate case is due primarily to the use of outside witnesses and consultants in the development of a proposed infrastructure rider for Peoples Gas in Docket 09-0166/09-0167 partly offset by increased outside rate case support on other issues in the current rate case.
- (2) The amount proposed in 2010 Future Test Year Rate Case, Docket 09-0167 - General increase in rates for gas service was approved in Docket 09-0166/09-0167 Consolidated - Final Order.
- (3) Peoples Gas Schedule C-2.8 reflects ratemaking adjustment to amortize remaining balance of deferred rate case expenses approved in Docket 09-0166/0167 Consolidated over three years. The balance used in the ratemaking adjustment did not assume that Peoples Gas would incur the maximum nor exceed the amount approved. At the time of Company filing, the estimate total costs to be incurred at December 31, 2011 was \$4,418,686. Costs continue to be incurred for the appeal, which remains pending.
- (4) Costs reflects amounts for services rendered and accrued to date on accounting records. This does not necessary reflect all invoices billed for services rendered through July 31, 2011. For actual outside legal invoices billed for services rendered to date, see July 2011