

ICC Docket No. 11-0281
The Peoples Gas Light and Coke Company's Response to
Staff Data Requests DAS 10.01-10.02
Dated: August 4, 2011

REQUEST NO. DAS 10.01:

With regard to the Companies revised corrected responses to DAS 2.10b and c, DAS 6.06c which state that charges were based on direct time reporting and the Companies responses to DAS 7.02f and Ms. Gregor's rebuttal testimony on page 4 which state that charges are based on an estimated annual percentage, please provide the following information:

- a. Why was only direct time reporting identified in DAS 2.10b?
- b. For each year that "these charges were based on a percentage allocation of time spent by the customer service representatives on calls or solicitation of the PEPP," please provide the cost studies that formed the basis of those percentages. Provide any data analyzed along with the studies. Please provide all data in Excel spreadsheets with formulas intact.
- c. For each year when direct time reporting was used, provide all time records to establish the amounts paid by PEHS and note the party to whom those amounts were paid.
- d. Please explain why any cost studies provided here were not provided when requested in DAS 2.10c, DAS 6.06c.

RESPONSE:

- a. The original response to Staff data request DAS 2.10 only referenced the repair costs and those costs are based on direct time reporting. The revised response to DAS 2.10 added the costs for accounting, tax and the customer area. However, part c of the data request was not updated to reflect that those costs were based on a percentage allocation.
- b. There were no cost studies. The allocation percentage was based on a FTE work estimate. See attached spreadsheet for the percentages billed PEHS by each of the Customer Relations area from 2005-2007. As mentioned in Ms. Gregor's testimony, starting in 2008, the Customer Relations area erroneously stopped billing PEHS when they were moved to Integrys Business Support. The attached schedule also shows the percentage that Customer Care is now billing beginning in August 2011.
- c. Time records are not available. See the attachments to the response to Staff data request DAS 7.02 for the detail that is available.
- d. There are no cost studies available.

OFFICIAL FILE

I.C.C. DOCKET NO. 11-0280-0281

Staff Cross Exhibit No. 12

Witness Gregor

Date 9/2/11 Reporter AS

**The Peoples Gas Light & Coke Company
Fiscal 2005 Billing Percentages**

Cost Center	Method	FY 2005				Total	
		PEC	PGL	NSG	PEHS		
Exec Office- Sales and Marketing	11000750	FTE Work Estimate	10.00%	80.00%	6.00%	4.00%	100%
Materials Production	11000751	FTE Work Estimate	10.00%	80.00%	6.00%	4.00%	100%
Market Development	11000763	FTE Work Estimate	5.00%	84.00%	7.00%	4.00%	100%
Customer Care	11000795	FTE Work Estimate		98.40%	1.40%	0.20%	100%
Market Research	11000950	FTE Work Estimate	9.00%	80.00%	10.00%	1.00%	100%

**The Peoples Gas Light & Coke Company
Fiscal 2006 Billing Percentages**

Cost Center	Method	PEC	PGL	FY 2006		Total
				NSG	PEHS	
Exec Office- Sales and Marketing	11000750 FTE Work Estimate	9.00%	72.00%	5.00%	14.00%	100%
Materials Production	11000751 FTE Work Estimate	10.00%	82.00%	6.00%	2.00%	100%
Market Development	11000763 FTE Work Estimate	4.00%	66.00%	6.00%	24.00%	100%
Customer Care	11000795 FTE Work Estimate		98.30%	1.40%	0.30%	100.0%
Market Research	11000950 FTE Work Estimate	8.00%	73.00%	9.00%	10.00%	100%

**The Peoples Gas Light & Coke Company
Fiscal 2007 Billing Percentages**

Cost Center	Method	FY 2007				Total
		PEC	PGL	NSG	PEHS	
Exec Office- Sales and Marketing	11000750 FTE Work Estimate	10.00%	80.00%	6.00%	4.00%	100%
Materials Production	11000751 FTE Work Estimate	10.00%	82.00%	6.00%	2.00%	100%
Market Development	11000763 FTE Work Estimate	4.00%	73.00%	6.00%	17.00%	100%
Customer Care	11000795 FTE Work Estimate		98.40%	1.40%	0.30%	100%
Market Research	11000950 FTE Work Estimate	8.00%	73.00%	9.00%	10.00%	100%

**Customer Care Billings to PEHS
Calendar 2011**

Cost per call: \$2.63

Eligible Turn-ons per day (estimate): 200

Cost of turn-on calls per day: \$526 (= \$2.63 x 200)

Percent of time devoted to PEPP solicitation (estimate) 5%

Cost for PEPP solicitation: \$26.30 per day (= \$526 x 5%)

PEPP inquiries per day for existing PEPP customers (estimated): 10

Cost for handling PEPP inquiries: \$26.30 per day (= 10 x \$2.63)

Work days per month: 21

Total monthly PEPP support costs: \$1,104.60 (= (\$26.30 + \$26.30) x 21 days)

Total monthly PEPP support costs: \$1,104.60

Total monthly average outsourcer costs: \$500,000

% of costs related to PEPP 0.2% (\$1,104.60/\$500,000)