

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

In the Matter of the Application of)
The Peoples Gas Light and Coke Company)
for Authority to Make Changes in its)
Rate Schedule and to Give Effect to)
Such Changes on Less Than 45 Days Notice)

PETITION

To the Commission:

The Peoples Gas Light and Coke Company (“Peoples Gas”), Petitioner, by Thomas Aridas, its Director, Gas Regulatory Policy, respectfully petitions the Illinois Commerce Commission (“Commission”) that the Commission permit it, pursuant to the provisions of Section 9-201 of the Public Utilities Act, 220 ILCS 5/9-201, to make effective on less than forty-five days’ notice, after the Commission grants permission, the following tariff sheets:

Seventh Revised Sheet No. 137
Canceling Sixth Revised Sheet No. 137

Seventh Revised Sheet No. 138
Canceling Sixth Revised Sheet No. 138

First Revised Sheet No. 138.1
Canceling Original Sheet No. 138.1

A copy of these sheets is attached to and made a part of this Petition as Exhibit A.

Petitioner made public notice of this filing as required by Section 9-201(a) of the Public Utilities Act. 220 ILCS 5/9-201(a).

Peoples Gas proposes revisions to its Rider ICR, Infrastructure Cost Recovery, to add guidance on how Peoples Gas will address upcoming filings in light of a forthcoming remand to the Commission of a rate case appeal. Specifically, the Commission, in Peoples Gas' 2009 rate case, approved Rider ICR. *North Shore Gas Co., et al.*, ICC Docket Nos. 09-0166/09-0167 (Cons.) (Order Jan. 22, 2010). The Illinois Attorney General's Office and the Citizens Utility Board appealed the Commission's approval of Rider ICR. On September 30, 2011, the Illinois Appellate Court, First District, issued an opinion in which, *inter alia*, it concluded that the Commission "abused its discretion in approving Rider ICR." *People ex rel. Lisa Madigan v. Illinois Commerce Comm'n, et al.*, 2011 IL App (1st) 100564 (Sept. 30, 2011). The Commission and Peoples Gas each filed Petitions for Leave to Appeal with the Illinois Supreme Court. On January 25, 2012, the Illinois Supreme Court declined to grant review. Accordingly, Peoples Gas anticipates that the Appellate Court will soon remand the matter to the Commission for proceedings consistent with its opinion.

Rider ICR includes a requirement that, no later than March 31, 2012, Peoples Gas must file to open a reconciliation proceeding for calendar year 2011. The rider also requires that, no later than September 1, 2012, Peoples Gas will submit an internal audit report to the Commission. The Appellate Court's decision and the anticipated remand may affect the form and substance of that reconciliation proceeding, the reconciliation adjustment ("RA") that would be included in the March 20, 2012 annual filing and billed to customers beginning April 1, 2012, and, possibly, the expected internal audit report. As such, delaying the reconciliation filing and the RA determination and billing until the Commission acts on remand and recognizing the

possible impact on the audit report would be reasonable to avoid initiating an RA which may complicate any billing adjustments that may arise from the remand proceeding as well as unnecessary work for the Commission Staff, Peoples Gas and potential parties in the proceeding. Until the Commission determines how it will implement the Appellate Court's directive and what information it wishes to review, any filing, RA, or audit report that Peoples Gas submits may not meet the Commission's needs.

To assist the Commission's review of this proposal, Peoples Gas notes that, effective January 1, 2012, it is billing no amounts under Rider ICR, other than possible adjustments associated with prior periods. This occurred by operation of the terms of the rider because of Peoples Gas' recent rate case.¹ *North Shore Gas Co., et al.*, ICC Docket Nos. 11-0280/11-0281 (Cons.) (Order Jan. 10, 2012). On March 20, 2012, Peoples Gas will make the annual filing required by the rider, but the charge will be zero and, at this time, the RA will be zero.

Peoples Gas proposes to minimize its proposed Rider ICR changes.² Specifically, it proposes to add language, in two places, that acknowledges the pending Court remand and its potential effect on the reconciliation proceeding, the RA and the audit report. Given the uncertainty of when the remand will occur, when any remand proceeding will end in a final order, and what effect a remand proceeding may have on the form and substance of the reconciliation filings, the RA, and audit report, Peoples Gas proposes linking the next steps to the timing and content of the order, allowing at

¹ Section C of Rider ICR states, in part: "On the effective date of new base rates that provide for the recovery of the costs that had previously been recovered under this rider, the ICR Charge Percentage shall be reset to zero." The new base rates became effective January 21, 2012. Also, the billing period for Rider ICR charges is April through December, so the charge became zero on January 1, 2012.

² The changes caused text to flow over from one sheet to the next, necessitating filing Sheet No. 138.

least 90 days for the reconciliation filing to occur, and stating that the remand order will direct the manner in which Peoples Gas will prepare and submit the audit report.

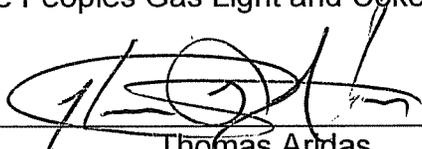
Good cause exists for this Petition. The Illinois Supreme Court acted on January 25, 2012. The timing of the Supreme Court's action – about two months prior to the reconciliation filing due date – made it likely that the Appellate Court's remand to the Commission will affect the reconciliation proceeding and other steps that may be required to address the Appellate Court's decision. Peoples Gas acted promptly to determine an appropriate way to respond to this likelihood and to discuss its proposal with the Commission Staff. This filing is three weeks after the Supreme Court's action and requires action on less than forty-five days' notice because of the imminent filing deadline. Petitioner respectfully requests that the Commission act on or before March 7, 2012, to provide certainty about whether Petitioner must finalize its reconciliation filing or may defer it. Petitioner submits that it has shown good cause to allow the tariff sheets attached as Exhibit A to be filed and go into effect no later than March 16, 2012. The March 16, 2012 date is based on the March 20, 2012 filing date for the RA.

WHEREFORE, for the reasons set forth herein, Petitioner requests that the Commission act by March 7, 2012, and that the tariff sheets attached as Exhibit A be allowed to become effective for service rendered commencing on the later of March 16, 2012, or the date on which Petitioner's filing becomes effective, on less than forty-five days' notice, after permission therefore has been granted by the Commission.

Respectfully submitted,

The Peoples Gas Light and Coke Company

By: _____



Thomas Andas

Director, Gas Regulatory Policy

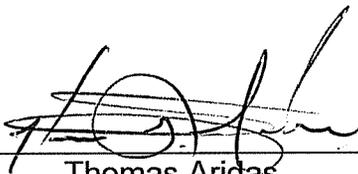
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Dated at Chicago, Illinois
this 14th day of February, 2012

Attorneys for
The Peoples Gas Light and Coke Company

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

Thomas Aridas, of lawful age, being first duly sworn on oath, states that he is Director, Gas Regulatory Policy of Integrys Business Support, LLC, providing service to The Peoples Gas Light and Coke Company; that he has read the foregoing Petition and knows the contents thereof; and that the facts therein stated are true as he verily believes.

By: 

Thomas Aridas
Director, Gas Regulatory Policy

SUBSCRIBED and SWORN TO before me this 14th day of February, 2012





My Commission Expires: 2/29/2012