

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

NORTH SHORE GAS COMPANY	:	
	:	No. 11-0280
Proposed General Increase	:	
In Rates For Gas Service.	:	
	:	(cons.)
THE PEOPLES GAS LIGHT AND COKE	:	
COMPANY	:	
	:	No. 11-0281
Proposed General Increase	:	
In Rates For Gas Service.	:	

**MOTION OF NORTH SHORE GAS COMPANY AND THE PEOPLES GAS
LIGHT AND COKE COMPANY FOR CLARIFICATION OF THE
COMMISSION’S MARCH 21, 2012 AMENDATORY ORDER**

North Shore Gas Company (“North Shore”) and The Peoples Gas Light and Coke Company (“Peoples Gas”) (collectively, the “Utilities”) respectfully submit their Motion for Clarification of the Illinois Commerce Commission’s (the “Commission”) March 21, 2012, Amendatory Order, pursuant to 83 Ill. Admin. Code § 200.190, and in support thereof state as follows:

1. On January 10, 2012, the Commission entered an Order (the “2012 Rate Case Order”) in these consolidated proceedings. Among other things, the 2012 Rate Case Order approved a permanent Rider Volume Balancing Adjustment (“Rider VBA”) for the Utilities to ensure that they do not over or under recover their Commission approved level of fixed costs recovered through volumetric distribution charges applicable to Service Classification (“S.C.”) No. 1, Small Residential Service and S.C. No. 2, General Service customers. If there is an over or under collection of such costs, Rider VBA provides for refunds of those amounts over-collected or collection of those amounts under-collected through bill adjustments.

2. The Illinois Attorney General's Office (the "Attorney General"), had opposed the Utilities' request for making Rider VBA permanent, and on January 20, 2012 filed a Motion for a Stay of the 2012 Rate Case Order or, in the Alternative, Motion for Collection of Rates Subject to Refund (the "AG Motion"). The AG Motion did not seek to stay the whole 2012 Rate Case Order. The AG Motion requested that pending the Attorney General's appeal of the Commission's authorization of permanent Rider VBA, the Commission either stay the collection or crediting of funds pursuant to Rider VBA, or else make such collection or crediting of funds pursuant to Rider VBA "subject to refund."

3. On March 21, 2012, the Commission denied the AG Motion. A copy of the Notice of Commission Action for the denial of the AG Motion is attached hereto as Exhibit 1.

4. Also on March 21, 2012, the Commission issued an Amendatory Order that added new language to the 2012 Rate Case Order. A copy of the March 21, 2012 Amendatory Order is attached hereto as Exhibit 2. The Amendatory Order added language in two places. First, the Amendatory Order added a 26th numbered Findings paragraph on page 237 of the 2012 Rate Case Order that states:

funds which would be due to ratepayers or the Companies collected after April 1, 2013 from the implementation of VBA (or which would be due in the absence of Rider VBA) shall be identified by North Shore and Peoples Gas in their annual Rider VBA true ups, for appropriate distribution pending a final and un-appealable order from a reviewing court determining the legality of Rider VBA.

Second, the Amendatory Order added a new Ordering paragraph on page 238 of the 2012 Rate Case Order which states:

IT IS FURTHER ORDERED that The Peoples Gas Light and Coke Company and North Shore Gas Company shall identify funds in their annual Rider VBA true ups which would be due to ratepayers (or the Companies) collected after April 1, 2013 from the implementation of VBA (or which would be due in the absence of Rider VBA), for

appropriate distribution pending a final and un-appealable order from a reviewing court determining the legality of Rider VBA.

5. The Utilities respectfully request that the Commission provide clarification on two points as to what is required by this new language inserted in the 2012 Rate Case Order by the March 21, 2012 Amendatory Order. Such clarification will ensure that the Utilities comply with the Commission's requirements and that the Commission's intent is fulfilled.

6. First, the Utilities request clarification on what it is they are to identify in their annual "true ups" with respect to the parenthetical language "(or which would be due in the absence of Rider VBA)." Although not specifically stated, the apparent intent of this language is for the Utilities to identify any amounts that are credited or charged to customers through Rider VBA after April 1, 2013. The Utilities, therefore, request that the Commission confirm this to be the intended meaning of the parenthetical language added to the 2012 Rate Case Order by the Amendatory Order so that they provide the Commission with the correct information.

7. Second, the Utilities request clarification as to what the Commission means by the language "for appropriate distribution pending a final and un-appealable order from a reviewing court determining the legality of Rider VBA." Given that the Commission denied the AG Motion, which included an alternative request that amounts collected or credited through Rider VBA be done "subject to refund," the "appropriate distribution" language cannot mean that amounts collected or credited by Rider VBA subsequent to April 1, 2013 are subject to refund. Rather, the apparent intent of this language simply is to recognize that the rider as approved by the Commission will continue to function as specified in the tariff unless and until the Appellate Court reverses in whole or in part the Commission's approval of the rider. Accordingly, the Utilities request that the Commission confirm this to be the intended meaning of the "appropriate

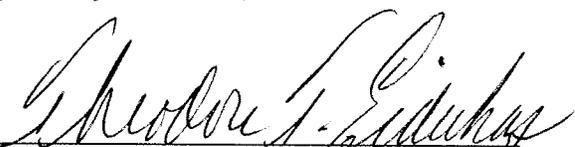
distribution” language added by the Amendatory Order to the 2012 Rate Case Order in light of the Commission’s denial of the AG Motion in its entirety.

WHEREFORE, North Shore Gas Company and The Peoples Gas Light and Coke Company respectfully move for the entry of an Order clarifying, with respect to the language added as part of the 26th numbered paragraph in the Findings section and to the Ordering paragraph section of the January 10, 2012 final Order in these consolidated dockets by the Commission’s March 21, 2012 Amendatory Order, that:

- (1) the language “(or which would be due in the absence of Rider VBA)” means that the Utilities are to identify any amounts that are credited or charged to customers through Rider VBA after April 1, 2013;
- (2) the language “for appropriate distribution pending a final and unappealable order from a reviewing court determining the legality of Rider VBA” is intended to recognize that the rider as approved by the Commission will continue to function as specified in the tariff unless and until the Appellate Court reverses in whole or in part the Commission’s approval of the rider; and
- (3) the Commission award all other just and appropriate relief.

Dated: March 23, 2012

Respectfully submitted,

By: 
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