

Direct Testimony
of
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Financial Analysis Division
Illinois Commerce Commission

Proposed General Increase In Rates For Delivery Service
North Shore Gas Company and The Peoples Gas Light and Coke Company

Docket Nos. 12-0511 and 12-0512
(Consolidated)

November 20, 2012

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1 **WITNESS IDENTIFICATION**

2 **Q. Please state your name, your employer, and your business address.**

3 A. My name is William R. Johnson. I am employed by the Illinois Commerce
4 Commission (“ICC” or “Commission”). My business address is 527 East Capitol
5 Avenue, Springfield, Illinois 62701.

6

7 **Q. How long have you been employed by the Commission?**

8 A. I have been employed by the Commission since September 1994.

9

10 **Q. Please briefly state your qualifications and experience.**

11 A. I received a Bachelor of Arts degree in Economics from Sangamon State
12 University (now University of Illinois at Springfield) in May 1990 and a Master of
13 Arts degree in Economics, also from Sangamon State University, in December
14 1993. I have also completed the following Society of Depreciation Professionals
15 courses: Basic Depreciation, Life and Net Salvage Analysis, and Preparing and
16 Defending a Depreciation Study.

17

18 In September 1994, I was employed as an Economic Analyst in the Rates
19 Department of the Commission. In that capacity, I reviewed and analyzed filings
20 by electric, gas, water, and sewer utilities with regard to cost of service and rate
21 design. In January 2000, I was reassigned to the Water Department of the
22 Financial Analysis Division as an Economic Analyst. My duties included: (1)

23 evaluating tariff filings; (2) inspecting water and wastewater facilities for
24 compliance with Commission rules; (3) assisting the Consumer Services Division
25 in handling inquiries and complaints; (4) evaluating testimony presented by water
26 and wastewater utilities; and (5) testifying as a Commission Staff witness (“Staff”)
27 in rate proceedings, applications for certificates of public convenience and
28 necessity, applications for reorganizations, and other formal proceedings which
29 include water and/or wastewater related issues. In February 2012, pursuant to a
30 reorganization of the Public Utilities Bureau, I was reassigned to the Rates
31 Department of the Financial Analysis Division as an Economic Analyst.

32

33 **Q. Have you previously testified before the Commission?**

34 A. Yes, I have previously testified before the Commission on numerous issues
35 related to my duties, which include, cost of service, rate design, water and
36 wastewater depreciation rates, water and wastewater certification, and utility
37 reorganizations.

38

39 **PURPOSE OF TESTIMONY**

40 **Q. What is the purpose of your direct testimony?**

41 A. The purpose of my testimony is to review the rate design proposals of North
42 Shore Gas Company (“North Shore” or “NS”) and The Peoples Gas Light and
43 Coke Company (“Peoples Gas” or “PGL”) (individually, the “Company” and
44 collectively, the “Companies”) for natural gas service. This includes the issue of

45 fixed cost recovery in the design of rates and the Companies' proposed straight
46 fixed variable ("SFV") rate design.

47

48 **Q. Are you sponsoring any schedules or attachments with your testimony?**

49 A. Yes. I am sponsoring the following schedules:

50 Schedules 8.01 N and P – Comparison of Present, Company Proposed, and
51 Staff Proposed Rates

52 Schedules 8.02 N and P – Bill Comparisons

53

54 **Q. Please explain the N and P suffixes that appear with your schedule
55 numbers.**

56 A. These suffixes indicate to which of the Companies a particular schedule applies.

57 The N suffix identifies a schedule that applies to North Shore, and the P suffix
58 identifies a schedule that applies to Peoples Gas.

59

60 **Q. Please summarize your recommendations.**

61 A. I recommend the Commission reject the Companies' proposal to place SFV
62 rates into the tariffs for the S.C. No. 1 and S.C. No. 2 classes as a place holder
63 in the event the Illinois Appellate Court overturns the Companies' Rider VBA
64 ("Volume Balancing Adjustment").

65

66 I recommend the Commission approve the Companies' proposal to bifurcate
67 S.C. 1 into heating and non-heating classes.

68

69 I recommend the Commission reject the Companies' proposal to recover a
70 portion of non-storage related demand costs (i.e., NS 2.438 cents per therm and
71 PGL 3.735 cents per therm) through the customer charge for the North Shore
72 and Peoples Gas S.C. No. 1 HTG (heating) classes.

73

74 I recommend the Commission limit the S.C. No. 1 NH (non-heating) fixed cost
75 recovery to 80% for North Shore and Peoples Gas.

76

77 I recommend the Commission approve the Companies' proposed S.C. No. 2
78 General Service class rate design for both North Shore and Peoples Gas.
79 However, the Commission should direct the Companies in their next rate case
80 filing to examine whether it is feasible to move to two distribution blocks and also
81 examine whether the current size therm blocks are still reasonable.

82

83 I recommend the Commission approve North Shore's proposed rate design for
84 the S.C. No. 3 Large Volume Demand Service.

85

86 I recommend the Commission approve Peoples Gas' S.C. No. 4 Large Volume
87 Demand Service and S.C. No. 8 Compressed Natural Gas Service rate design
88 proposals.

89

90 I recommend the Commission approve the Companies' proposal to rerun the
91 ECOSSE and adjust the rate design based upon the Commission's final order in
92 this proceeding. However, I propose that for those rate classes that have more
93 than one distribution block, the distribution charges proposed by the Companies
94 should be adjusted on an equal percentage basis to arrive at the final
95 Commission approved revenue requirement.

96

97 **Q. How is your testimony organized?**

98 A. First, I discuss the Companies proposed fixed cost recovery. Second, I discuss
99 the Companies' proposal to have SFV rates included in the rate tariffs in the
100 event Rider VBA is no longer in effect due to a third party's action. Third, I
101 examine the Companies' proposed bifurcation of the S.C. No. 1 Small
102 Residential Class into heating and non-heating classes. Fourth, I discuss rate
103 design proposals for North Shore. Fifth, I discuss rate design proposals for
104 Peoples Gas. Finally, I provide a summary of my recommendations.

105

106 **FIXED COST RECOVERY**

107 **Q. Do the Companies plan on recovering a greater portion of fixed costs**
108 **through fixed charges?**

109 A. Yes. Company witness Valerie H. Grace states that the Companies are
110 proposing to recover a greater portion of fixed costs through fixed charges.

111 (PGL Ex. 12.0, p. 9; NS Ex. 12.0, p. 9)

112

113 **Q. How do the Companies incorporate fixed costs into their rate design?**

114 A. The Companies are proposing to collect a greater portion of fixed costs through
115 fixed charges such as the customer charge and administrative charges. (PGL
116 Ex. 12.0, p. 10; NS Ex. 12.0, p. 9) The Companies are also requesting that SFV
117 rates for S.C No. 1 and S.C. No. 2 be added to the rate tariffs as a place holder.
118 The proposed SFV rates would recover 100% of fixed costs and would go into
119 effect if Rider VBA is not permitted to remain in effect by action of the
120 Commission, the Illinois General Assembly, or any other body. The proposed
121 SFV rates would consist of a fixed monthly customer charge and no volumetric
122 distribution charge. (*Id.*, PGL pp. 16-17; NS pp. 16-17)

123

124 **Q. How has the Commission addressed fixed cost recovery in previous**
125 **cases?**

126 A. The Commission addressed fixed cost recovery in the Companies' rate case
127 Docket No. 09-0166/09-0167 (Cons.) where it stated:

128 The Utilities propose to increase the proportion of fixed costs that
129 will be recovered through the customer charge. The Utilities are
130 correct that the Commission has been increasing the proportion of
131 fixed costs recovered through the customer charge in other
132 proceedings. See Nicor 2008; In re Central Illinois Light Co.,
133 Central Illinois Public Serv. Co. and Illinois Power Co., Dockets 07-
134 0588/07-0589/07-0590 (Consol.) (Order, Sept. 24, 2008). The
135 Commission notes that the Utilities' proposal does not approach
136 the level of fixed costs approved in those dockets. Staff argues,
137 however, that it is inappropriate to change the manner in which the
138 Utilities' fixed costs are recovered while the Rider VBA pilot is in
139 place. We do not agree. The Utilities inform us that sufficient
140 activity will remain under Rider VBA for purposes of reviewing its

141 effect during the pilot period. Moreover, in the event that Rider
142 VBA is not renewed, the slight increase proposed by the Utilities'
143 here will be a benefit in the long run. (Order, Docket No. 09-
144 0166/09-0167 (Cons.), January 21, 2010, p. 218)
145

146 The Commission also addressed fixed cost recovery in the Companies' last rate
147 case, Docket No. 11-0280/11-0281 (Cons.):

148 The Companies' proposals for greater movement toward fixed cost
149 recovery as [sic] more appropriate in this case and are consistent
150 with our prior decision to gradually move fixed charges to greater
151 alignment with costs. (Order, Docket No. 11-0280/11-0281
152 (Cons.), January 12, 2012, p. 188)
153

154 The Commission continued:

155 Therefore, the Companies' proposal to increase the customer
156 charges for the sales and transportation customers to recover 67%
157 of fixed costs for North Shore and 55% of fixed costs for Peoples
158 Gas and correspondingly reduce distribution charges respectively
159 is hereby approved. The Commission notes that these percentages
160 fall substantially below the 80% fixed cost recovery the
161 Commission approved for residential customers of Ameren and
162 Nicor in Docket Nos. 07-0588, 07-0589, and 07-0590 (Cons.) and
163 08-0363 respectively. (*Id.*)
164

165 The Commission's Orders appear to be moving towards greater fixed cost
166 recovery through fixed charges. However, I believe the Commission should
167 proceed gradually and cautiously in the movement towards greater fixed cost
168 recovery.

169

170 **Q. Why should the Commission proceed gradually and cautiously in the**
171 **movement towards greater fixed cost recovery?**

172 A. I am concerned that if too much emphasis is placed on ensuring revenue
173 requirements are met through higher fixed charges other basic rate objectives
174 will be inadvertently overshadowed. The Companies have stated that a
175 continued mismatch of fixed costs and volumetric charges would, absent a
176 decoupling mechanism to address the mismatch, practically ensure that the
177 Companies will either recover more or less than its Commission approved
178 revenue requirement from customers. (*Id.*, PGL Ex. 12.0, pp. 9-10; NS Ex. 12.0,
179 p. 9) The Commission should proceed gradually and cautiously in the movement
180 towards greater fixed cost recovery so that other basic rate objectives are
181 carefully taken into consideration, along with the objective of achieving the
182 revenue requirement.

183

184 **Q. Please be more specific about what you mean by “other basic rate**
185 **objectives” that should be carefully taken into consideration.**

186 A. Some rate objectives identified in “Gas Rate Fundamentals”, Fourth Edition,
187 American Gas Association, 1987, page 152 are: achieving the revenue
188 requirement, economic efficiency, fairness or equity, simplicity and administrative
189 ease, conservation of resources, stability and gradualism, social goals,
190 environmental protection, employment, and balance of payments. The
191 Companies have identified some of these objectives in its testimony. (*Id.*, PGL
192 Ex. 12.0, p. 6; NS Ex. 12.0, p. 6)

193

194 It is important to consider various rate objectives and the effects the proposed
195 rates will have regarding these rate objectives going forward when designing
196 rates. For example, the objective of gradualism calls for changes in gas utility
197 pricing policy to be imposed gradually so that customers can adjust and any
198 adverse impacts on the customers are minimized. (“Gas Rate Fundamentals”,
199 Fourth Edition, American Gas Association, 1987, p. 155) The Companies are
200 proposing to move to 100% fixed cost recovery for S.C. 1 and S.C. 2 through its
201 proposed SFV rates. Currently, the amount of fixed cost recovery for Peoples
202 Gas S.C. 1 (heating and non-heating) is approximately 57% (which includes
203 customer charges and administrative charges) and approximately 68% for North
204 Shore. (Companies response to Staff data request (“DR”) WRJ 2.08; Staff DR
205 WRJ 2.05) Imposing a gradual increase of fixed cost recovery would give the
206 customers time to adjust and the Commission time to evaluate the overall
207 effects.

208
209 The Commission should take into consideration that a large increase in fixed
210 cost recovery would result in large monthly percentage changes in the bills of
211 some customers. For example, a Peoples Gas S.C. 1 Small Residential Service
212 Heating (“HTG”) customer that uses 0 therms in a month would see a bill
213 increase of \$22.44 (101% increase) under the Company’ s proposed 100% SFV
214 rates. The following table identifies the differences between Peoples Gas S.C. 1
215 Residential Heating class proposed rates under Rider VBA and proposed rates
216 under SFV compared to present rates. While Rider VBA and SFV might produce

217 similar results for the Company in the form of revenue stability, as can be seen
218 from this table, which is taken from the Company’s own bill comparisons, Rider
219 VBA and SFV produce significantly different results for customers and, therefore,
220 should not be considered equivalent substitutes for one another.

221 **Table 1: Comparison of Change in Peoples Gas’ Present Monthly Rates**
222 **Compared to Peoples Gas’ Proposed Monthly Rates Under Rider VBA and**
223 **100% SFV for S.C. 1 Residential Heating Customers**
224

Monthly Therms	Rider VBA Proposed Increase		100% SFV Proposed Increase/(Decrease)	
0	\$10.58	48%	\$22.44	101%
10	\$9.32	31%	\$19.85	65%
40	\$5.54	10%	\$12.06	22%
100	\$5.09	5%	\$3.61	4%
200	\$6.67	4%	(\$8.16)	-5%
250	\$7.45	4%	(\$14.05)	-7%
500	\$11.41	3%	(\$43.45)	-12%
1000	\$19.32	3%	(\$102.25)	-14%

225 (Source: PGL Ex. 12.10, pp. 2, 10)

226
227 The table shows that S.C. 1 Residential Heating customers using 0 to 40 therms
228 would see monthly bill increases that are significantly higher under Peoples Gas’
229 proposed 100% SFV than under Rider VBA. In contrast, S.C. 1 Residential
230 Heating customers using 100 therms/month or more would see monthly bill
231 increases that are higher under Rider VBA than under 100% SFV (which results

232 in decreases at 200 therms/month or more) although to a much lesser degree.

233 The significant adverse effect of the Company's proposed 100% SFV on small

234 use customers calls for a more gradual approach.

235

236 **Q. Has the Commission recognized the importance of balancing various rate**
237 **design objectives?**

238 A. Yes, the Commission has previously expressed concerns about rate design
239 objectives and fixed cost recovery in an Ameren Illinois rate proceeding when it
240 stated:

241 The Commission does not at this time approve recovery of all fixed
242 costs in the monthly charges for two reasons. First, it is expected that
243 leaving a portion of fixed costs to be recovered through the volumetric
244 rate will encourage AIU to see ways to improve efficiency and
245 otherwise cut costs. Second, as the number of AIU's customers
246 grows, AIU should experience growing revenue. If all of its fixed costs
247 were recovered through the monthly charge, AIU may arguably over-
248 recover its fixed costs through the monthly charge. (Order, Docket No.
249 07-0585 et al. (Cons.), September 24, 2008, p. 237)

250

251 It is clear that the Commission applied caution in setting rates in order to meet
252 certain rate objectives such as encouraging Ameren Illinois to improve efficiency
253 and cut costs. Additionally, the Commission was concerned that Ameren Illinois
254 could possibly over-recover its revenue requirement if too many fixed costs were
255 recovered through the monthly charge.

256

257 **SFV RATE DESIGN**

258 **Q. What is SFV rate design?**

259 A. According to the National Association of Regulatory Utility Commissioners
260 (“NARUC”), SFV rate design is a mechanism that eliminates all variable
261 distribution charges and all costs are recovered through a fixed delivery services
262 charge or an increase in the fixed customer charge alone.¹

263

264 **Q. What is the Companies’ SFV proposal?**

265 A. The Companies are proposing 100% SFV rates for S.C. No. 1 Small Residential
266 Heating (“HTG”), Non-Heating (“NH”), and S.C. No. 2 General Service classes
267 that would be placed in the rate tariffs as a place holder in the event the Illinois
268 Appellate Court overturns the Companies’ Rider VBA. (PGL Ex. 1.0, p. 14; NS
269 Ex. 1.0, p. 13) The Companies state that the SFV rate design would reflect a
270 fixed monthly customer charge and no volumetric distribution charge. (PGL Ex.
271 12.0, pp. 17, 21; NS Ex. 12.0, p. 17, 21)

272

273 **Q. What reasons do the Companies provide for the move to a 100% SFV rate**
274 **design?**

275 A. Companies witness Grace argues that if the Illinois Appellate Court were to
276 reverse the Commission’s Order with regard to Rider VBA, customer charges
277 recovering anything less than 100% of fixed costs would not result in the level of
278 decoupling approved by the Commission in Docket No. 11-0280/11-0281
279 (Cons.). (PGL Ex. 12.0, p. 16; NS Ex. 12.0, p. 16) Companies’ witnesses James
280 F. Schott and Ms. Grace also stated that the Commission has approved SFV

¹ NARUC, “Decoupling For Electric & Gas Utilities: Frequently Asked Questions (FAQ), September 2007,

281 rate designs or movement toward such designs in the Ameren Illinois case
282 (Docket No. 07-0585 et al. (Cons.)) and in the case of Nicor Gas Company
283 (“Nicor”) (Docket No. 08-0363). (PGL Ex. 1.0, p. 14; NS Ex. 1.0, p. 13; PGL Ex.
284 12.0, p. 16; NS Ex. 12.0, pp. 15-16)

285

286 **Q. What is your assessment of the arguments provided by the Companies for**
287 **a SFV rate design?**

288 A. The Companies’ argument that customer charges recovering anything less than
289 100% of fixed costs would not result in the level of decoupling approved by the
290 Commission in Docket Nos. 11-0280/11-0281 (Cons.) is not a relevant
291 consideration for this case. When companies file new rate cases all rates,
292 riders, and revenues are open for discussion and the Commission can approve
293 rates, riders, and revenues it believes are appropriate at that time. If the
294 Companies are concerned about timely cost recovery then it could instead file a
295 rate case when needed and use a future test year. In fact, according to the
296 Companies own testimony, Peoples Gas and North Shore are currently required
297 to file biennial rate proceedings in 2012, 2014, and 2016 under Section 9-220(h-
298 1) of the Public Utilities Act (“Act”). Company witness Schott discusses why the
299 Companies are required to file biennial rate proceedings and lists it as one of the
300 reasons for filing in this case. (PGL Ex. 1.0, pp. 5-6; NS Ex. 1.0, p. 5)

301

302 In addition in the Companies' last rate case, Docket Nos. 11-0280/11-0281
303 (Cons.), the Commission had a choice between Rider VBA and a 100% SFV rate
304 design. The Commission rejected 100% SFV rate design and chose Rider VBA
305 (Order, Docket No. 11-0280/11-0281 (Cons.), January 10, 2012, p. 164); and, as
306 shown in Table 1 above, Rider VBA and a 100% SFV rate design produce
307 different results.

308
309 Furthermore, the Commission did not indicate that it would have approved a
310 100% fixed cost recovery SFV rate if it had not approved Rider VBA. In fact, in
311 the very cases the Companies have identified (Nicor Docket No. 08-0363 and
312 Ameren Docket No. 07-0585 et al. (Cons.)) the Commission did not approve a
313 100% fixed cost recovery SFV rate. The Commission only approved 80% SFV
314 rates or modified SFV rates. (Order, Docket No. 07-0585 et al. (Cons.),
315 September 24, 2008, p. 237; Order, Docket No. 08-0363, March 25, 2009, pp.
316 90-91)

317
318 Moreover, the Commission stated in the Ameren Docket No. 07-0585 et al.
319 (Cons.) Order:

320 An alternative to Rider VBA that would still promote fixed cost
321 recovery by the utility is recovery of a greater portion of fixed
322 delivery costs through the fixed monthly charge to all affected
323 customers. AIU makes this suggestion and notes that under this
324 method, utilities could not over- or under-recover their Commission-
325 approved base rate revenue requirement with changes in sales.
326 AIU adds that this alternative would also send proper price signals
327 to customers. The Commission concurs with these statements and
328 notes further that this alternative arguably decreases any

329 disincensive AIU may perceive to implementing gas efficiency
330 programs. (Order, Docket No. 07-0585 et al. (Cons.), September
331 24, 2008, p. 237)

332
333 The Commission quoted this same language in its Nicor decision. (Order,
334 Docket No. 08-0363, March 25, 2009, pp. 90-91)

335 In addition, as previously discussed, the Commission concluded in the

336 Ameren Illinois Order that:

337
338 The Commission does not at this time approve recovery of all fixed
339 costs in the monthly charges for two reasons. First, it is expected
340 that leaving a portion of fixed costs to be recovered through the
341 volumetric rate will encourage AIU to see ways to improve
342 efficiency and otherwise cut costs. Second, as the number of AIU's
343 customers grows, AIU should experience growing revenue. If all of
344 its fixed costs were recovered through the monthly charge, AIU
345 may arguably over-recover its fixed costs through the monthly
346 charge. (Order, Docket No. 07-0585 et al. (Cons.), September 24,
347 2008, p. 237)

348

349 It is clear to me that the Commission did not want 100% fixed cost recovery
350 through a fixed charge. In fact, the Commission explained why it is important to
351 leave a portion of fixed costs to be recovered through the volumetric rate.

352

353 Additionally, the Commission should also take into consideration that Rider VBA
354 recovers any under or over recovery of fixed costs on a per therm basis. SFV
355 rates would recover fixed costs on a per customer basis, which would affect
356 small use customers greater than larger use customers.

357

358 **Q. What is your proposal with respect to placing a 100% SFV rate in the rate**
359 **tariffs as a place holder in the event the Illinois Appellate Court reverses**
360 **the Commission's Order with respect to Rider VBA?**

361 A. I do not agree with the Company that a 100% SFV rate should be added to the
362 rate tariffs as a place holder in the event the Illinois Appellate Court reverses the
363 Commission's Order with respect to Rider VBA. First, as demonstrated earlier in
364 Table 1, Rider VBA and SFV rates are not equivalent substitutes for one another
365 because they recover fixed costs in different proportions from different
366 customers resulting in different rate impacts on customers. Low use customers,
367 in particular, would be subject to significantly higher rate increases under 100%
368 SFV.

369
370 Second, even if the Illinois Appellate Court reverses the Commission's Order in
371 Docket Nos. 11-0280/11-0281 (Cons.) the Companies are still proposing greater
372 fixed cost recovery through fixed charges apart from their SFV alternative
373 proposal. If the Commission believes greater fixed cost recovery is warranted
374 then the Companies' proposed non-SFV rates would meet that requirement in a
375 way that is more consistent with prior Commission orders and that considers
376 gradualism and conservation. Peoples Gas is proposing to increase the fixed
377 cost recovery from approximately 57% to 69% for S.C 1 in total and North Shore
378 is proposing to increase the fixed cost recovery from approximately 68% to 75%.
379 (Company response to Staff DR WRJ 2.05; Staff DR WRJ 2.09; PGL Ex. 12.0, p.
380 14; NS Ex. 12.0, p. 14) Peoples Gas is proposing to increase the fixed cost

381 recovery from approximately 37% to 45% for S.C 2 and North Shore is proposing
382 to increase the fixed cost recovery from approximately 56% to 64%. (Company
383 response to Staff DR WRJ 2.05; Staff DR WRJ 2.09; PGL Ex. 12.0, p. 20; NS
384 Ex. 12.0, p. 20)

385

386 Third, if events occur that lead the Companies to believe that a different rate
387 structure would be more appropriate, the Companies are able to file for rate
388 cases when they deem it necessary to do so.

389

390 Fourth, the Companies have provided customer demand forecasts for the 2013
391 test year which should minimize some of the Companies' concerns about
392 adequate cost recovery. In fact, Companies witness Kevin R. Kuse testifies that
393 the Companies have used the model in the past three rate cases and the model
394 has performed well historically. (PGL Ex. 4.0, p. 8; NS Ex. 4.0, p. 8)

395

396 Fifth, I believe having two rates in place will cause confusion for ratepayers or
397 anyone else examining the tariff books. Tariffs are confusing enough for typical
398 customers without rates in place that are not actually in effect.

399

400 Sixth, Rider VBA is still in effect and it is speculative as to whether it will be
401 overturned.

402

403 **Q. If the Commission decides to approve a SFV rate as a place holder in the**
404 **rates tariffs in case the Illinois Appellate Court reverses the Commission's**
405 **Order with respect to Rider VBA, what do you propose?**

406 A. I propose that if the Commission decides to approve a SFV rate they should
407 implement a modified SFV so that the fixed cost recovery does not exceed the
408 80% approved for Ameren Illinois and Nicor. As discussed previously, the
409 Commission chose not to set Ameren Illinois' fixed cost recovery at 100%
410 because it believed that leaving a portion of fixed costs to be recovered through
411 volumetric rates would encourage Ameren Illinois to seek ways to improve
412 efficiency and otherwise cut costs. The Commission also noted that as the
413 number of customers increases, Ameren would experience growing revenue. If
414 all of Ameren Illinois' fixed costs were recovered through the monthly charge, the
415 Commission posited that Ameren Illinois may arguably over-recover its fixed
416 costs through the fixed monthly charge.

417
418 The same reasons the Commission gave for not allowing Ameren Illinois and
419 Nicor to have 100% fixed cost recovery should also apply to Peoples Gas and
420 North Shore.

421
422 Additionally, as more fully discussed in the Fixed Cost Recovery section of my
423 testimony, the Commission should proceed gradually and cautiously in the
424 movement towards greater fixed cost recovery to ensure that basic rate
425 objectives are carefully taken into consideration.

426

427 **BIFURCATION OF S.C. 1- SMALL RESIDENTIAL SERVICE CLASS**

428 **Q. What are the Companies proposing for the S.C. 1 Small Residential Service**
429 **class?**

430 A. The Companies are proposing to bifurcate the S.C. 1 Small Residential Service
431 class into Heating (“HTG”) and Non-Heating (“NH”) classes. (PGL Ex. 12.0, p.
432 12; NS Ex. 12.0, pp. 11-12)

433

434 **Q. Why are the Companies proposing bifurcation of S.C. 1 Small Residential**
435 **Service class into HTG and NH classes?**

436 A. The Commission directed the Companies to present an embedded cost of
437 service study to distinguish between low use and high use S.C. No. 1 customers
438 in Docket No. 11-0280/11-0281 (Cons.). The Commission stated:

439 Therefore, in their next rate case, we direct the Companies to
440 present an ECOSS to distinguish between low use and high use
441 S.C. No. 1 customers. Such proposals may include, without
442 limitation, a rate design including a demand charge or a bifurcation
443 of the S.C. 1 class into heating and non-heating classes or some
444 other rate structure that better reflects customer class homogeneity
445 to bring each group’s bills more into line with their respective costs
446 of service. (Order, Docket No. 11-0280/11-0281 (Cons.), January
447 10, 2012, pp. 188-189)

448

449

450 **Q. What is your understanding of the Companies’ proposed bifurcation of the**
451 **S.C. No. 1 Small Residential Service class into HTG and NH classes?**

452 A. The Commission directed the Company to offer some type of clarification on the
453 differences in make-up of the residential class and the Companies have chosen
454 to design rates for the S.C. 1 Residential Service class based upon HTG and NH
455 classes.

456
457 The Companies maintain heating and non-heating information for each S.C. No.
458 1 customer account in their customer information system, Cfirst. Customers
459 without gas-fired space heating equipment installed on their premises are
460 classified as non-heating customers. Customers with both gas-fired space
461 heating equipment and other non-heating gas-fired equipment, such as water
462 heaters, clothes dryers, ovens, and ranges, are classified as heating customers.

463 (Companies response to Staff DR CB 2.01 and 2.02) The Companies stated
464 that they establish or verify service classifications and heating or non-heating
465 indicators during the turn-on process based on information provided by the
466 customer or gathered by field technicians during a turn-on or inspection. The
467 Companies also indicated that Cfirst became operational on February 14, 2000
468 and that separate heating and non-heating indicators, which were also
469 components of Cfirst's predecessor, OLCAS, were transitioned over to, and
470 maintained in, Cfirst. (*Id.*) Additionally, the Companies responded that they
471 have kept separate cost of service data since at least 1995, when the ECOSS in
472 Docket No. 95-0031 reflected separate data for heating and non-heating
473 customers. (*Id.*)

474

475 **Q. What is your opinion of the Companies' proposal to bifurcate the S.C. No. 1**
476 **class into heating and non-heating classes?**

477 A. I have no objection to the Companies' separation of the S.C. No. 1 Residential
478 Service Class into HTG and NH classes for rate design purposes (Staff witness
479 Christopher Boggs addresses cost of service issues related to bifurcation in ICC
480 Staff Ex. 7.0.). The Companies' proposed move to heating and non-heating
481 classes for rate purposes is a logical step considering the Companies' historical
482 record keeping of heating and non-heating customers on their systems. For rate
483 making purposes, it makes sense to separate the HTG and NH customers
484 because of the different demands they place on the system. For example, NH
485 customers make up 1.23% of North Shore's and 13.8% of Peoples Gas's
486 residential customer base and only accounted for 0.15% of North Shore's and
487 1.4% of Peoples Gas' total residential usage. (Section 285.5105, Schedule E-5,
488 Schedule A)

489
490 Further, the Commission was clear in its direction to the Companies in Docket
491 Nos. 11-0280/11-0281 (Cons.) that they should present a rate design that better
492 reflects customer class homogeneity. The Companies' proposed rate design
493 separates customers based upon historical data that reflects heating and non-
494 heating cost of service demands. Separating the classes for cost of service
495 purposes creates a greater homogeneity within each class.

496

497 **GENERAL RATE DESIGN**

498 **Q. Do you have any preliminary rate design matters you would like to**
499 **discuss?**

500 A. Yes. Staff's rate design proposals for both Peoples Gas and North Shore are
501 based upon the Companies' proposed revenue requirements that are used in the
502 determination of rates found in Companies witness Valerie H. Grace's direct
503 testimony, NS Ex. 12.0 and PGL Ex. 12.0. This allows the Commission and
504 different parties to compare Staff's and the Companies' recommendations on an
505 apples-to-apples basis. Using the same revenue requirement presents more
506 clearly the effects of differences in the rate designs because those changes
507 would not also be combined with differences in the revenue requirement. The
508 final rates should be adjusted based upon the revenue requirement ultimately
509 approved by the Commission.

510

511 **Q. Do you have a schedule that identifies your proposed rates for North Shore**
512 **and Peoples Gas?**

513 A. Yes. ICC Staff Ex. 8.0, Schedule 8.01N lists North Shore's present rates,
514 proposed rates, and Staff proposed rates. ICC Staff Ex. 8.0, Schedule 8.01P
515 lists Peoples Gas' present rates, proposed rates, and Staff proposed rates.

516

517 **Q. If the Commission approves a different revenue requirement than that**
518 **proposed by the Companies, how do the Companies propose to adjust the**
519 **revenues per class and the rates per class?**

520 A. The Companies state that if the Commission approves a revenue requirement
521 other than that proposed by the Companies, they will make the necessary
522 adjustments to the appropriate Embedded Cost of Service Study (“ECOSS”)
523 accounts and allocators based on the findings in the Commission order in this
524 proceeding. Assuming that the Commission approves the Companies’ proposed
525 rate design, the resulting allocation of the revenue requirement by rate and
526 customer class from the ECOSS will then be used to set charges as discussed in
527 the direct testimony of Companies witness Grace and by using the formulas
528 reflected in the supporting rate design workpapers. (Companies response to
529 Staff DR WRJ 7.01 and 7.02)

530

531 **Q. If the Commission approves a different revenue requirement than that**
532 **proposed by the Companies, what do you propose?**

533 A. I have no objection to the Companies’ proposal to re-run the ECOSS and adjust
534 the rate design based upon the Commission’s final order. However, I propose
535 that for those classes that have more than one distribution block, the distribution
536 charges proposed by the Companies should be adjusted on an equal percentage
537 basis to arrive at the final Commission approved revenue requirement.
538 Adjusting the distribution charges on an equal percentage basis is reasonable
539 because all customers would receive the same treatment.

540

541 **NORTH SHORE RATE DESIGN**

542 A. S.C. NO. 1 HEATING SMALL RESIDENTIAL SERVICE

543 **Q. What is the Company's rate design proposal for the S.C. No. 1 HTG class?**

544 A. North Shore is proposing to increase the customer charge that is currently being
545 charged to S.C. 1 HTG sales and transportation customers from \$22.00 to
546 \$27.71 per month. Approximately 75% of fixed costs will be recovered through
547 fixed customer charges. (NS Ex. 12.0, p. 13)

548

549 The Company is proposing a flat distribution charge of 7.742 cents per therm for
550 sales and transportation. Two things should be noted about this. First, the
551 current distribution charge consists of two blocks, 0-50 therms (16.942 cents per
552 therm) and over 50 therms (5.032 cents per therm). Thus, the Company
553 proposes to move from two blocks to one block for the distribution charge. (NS
554 Ex. 12.0, pp. 13-14; NS Ex. 12.4)

555

556 Second, the Company proposes to match the distribution charge for S.C. No. 1
557 HTG class with the distribution charge for the S.C. No. 1 NH class. The
558 Company states that the non-storage related costs for S.C. 1 HTG customers
559 should be recovered through a fixed monthly charge, or alternatively, through the
560 distribution charge (which is how the Company is proposing to recover the S.C. 1
561 NH class non-storage related costs) at 10.180 cents per therm. The Company
562 though, rather than charging 10.180 cents per therm, is proposing a flat

563 distribution charge of 7.742 cents per therm for S.C. 1 HTG so that it matches
564 the S.C. No. 1 NH class. It was chosen, according to the Company, so that
565 Rider VBA can continue to operate easily and to minimize the number of new
566 rates going into effect for S.C. No. 1. The Company proposes that the difference
567 between these distribution charges, 2.438 cents per therm (10.180 minus 7.742)
568 be recovered through the S.C. No. 1 HTG customer charge. (NS Ex. 12.0, pp.
569 13-14)

570

571 **Q. What is your assessment of the Company's rate design proposal for the**
572 **S.C. No. 1 HTG class?**

573 A. I have no objection to the Company moving to a flat distribution charge.
574 However, I do not agree with the Company's proposal to shift the non-storage
575 demand costs from the distribution charge to the customer charge for S.C. No. 1
576 HTG. I recommend leaving the 2.438 cents per therm in the distribution charge.
577 Customers currently pay 16.942 cents per therm for the first 50 therms and
578 5.032 cents per therm for anything over 50 therms. The Company's shifting of
579 the distribution charge costs to the customer charge shifts the price signal
580 customers receive from the distribution charge. Approximately 42% of total bills
581 are attributed to 50 therms or less which, currently, is charged at the 16.942
582 cents per therm. (Section 285.5130, Schedule E-8, Page 2 of 8) Decreasing the
583 distribution charge from 16.942 cents per therm to 7.742 cents per therm will not
584 encourage customers to use less gas. Leaving the 2.438 cents per therm in the
585 distribution charge will ease the move to a flat rate while still encouraging

586 conservation. Additionally, the Company is proposing to bifurcate the S.C. No. 1
587 class and the Commission should observe what effects the S.C. 1 split has on all
588 of its residential customers before moving forward on greater fixed cost recovery
589 through the customer charge.

590
591 The Company's reasoning for shifting the non-storage related demand costs of
592 2.438 cents per therm to the customer charge is that Rider VBA would continue
593 to operate easily; to minimize the number of new rates; and, so that the
594 distribution charge matches that of S.C. No. 1 NH. In response to a Staff DR
595 that asked the Company to identify all changes that would have to be made to
596 tariffs if distribution charges for S.C. No. 1 heating and non-heating customers
597 were not identical, the Company provided revised Rider VBA tariffs which
598 contained minor language changes. The response also indicated that the S.C.
599 No. 1 rate tariff would need to be revised to indicate different distribution charges
600 for heating and non-heating customers if they were not identical, which is also
601 minor. (Company response to Staff DR WRJ-2.04 (a)) I did not find anything in
602 the Company's response that would indicate Rider VBA would not continue to
603 operate easily with the proposed changes.

604
605 Also, in response to a question in the same data request about why Rider VBA
606 would not operate easily if distribution charges were not identical for S.C. No. 1
607 HTG and NH customers the Company stated:

608 The reference in Exhibit NS Ex. 12.0 that Rider VBA would continue to
609 operate easily was intended to address the preparation and calculations
610 under the rider as well as to minimize changes to the tariffs, Rider VBA
611 filing documents, and billing pertaining to Rider VBA and the SC 1 tariff.
612 The Rider VBA baseline rate case revenue amounts that will be in effect
613 in the first half of 2013 are based on the rates that were approved in
614 Docket Nos. 11-0280/11-0281 (cons.) where SC No. 1 has a single
615 baseline. Proration calculations would need to be added to the Rider VBA
616 filing for 2013 in order to split the baseline that was approved in Docket
617 Nos. 11- 0280/11-2081 (cons.) into heating and non-heating amounts to
618 determine the 2013 Rider VBA effect in addition to including the proration
619 for rates approved in this docket for the second half of 2013. Thus, having
620 the same distribution charges for SC No. 1 helps simplify the calculations
621 and operation of Rider VBA. (Company response to Staff DR WRJ-2.04
622 (b))
623

624 The Company's response identifies some adjustments that would have to be
625 made but I did not identify anything that would cause serious repercussions if
626 different distribution charges were proposed for the S.C. No. 1 HTG and NH
627 classes. In fact, the Company's responses, including the language changes it
628 proposed, seem to indicate it would be able to accommodate different
629 distribution charges.

630
631 Also, the Commission's Orders in Docket Nos. 09-0166/09-0167 (Cons.) and 11-
632 0280/11-0281 (Cons.) approved moving towards greater fixed cost recovery
633 through fixed charges. The current fixed cost recovery for S.C. No. 1 HTG is
634 approximately 67%, (Company response to Staff DR WRJ 2.05), and assuming
635 that the 2.438 cents per therm (non-storage related demand costs) are added
636 back into the distribution charge, the fixed cost recovery would increase to

637 approximately 68%. Therefore, the Company would still be making movement
638 toward greater fixed cost recovery.

639

640 **Q. What is your rate design proposal for the S.C. No. 1 HTG class?**

641 A. I adjusted the customer charge downward to compensate for the non-storage
642 related demand costs associated with the 2.438 cents per therm that the
643 Company had subtracted from the distribution charge. My proposal sets the fixed
644 cost recovery at 68% for the S.C. No. 1 HTG class. The remaining revenues
645 were derived from a flat distribution charge. My proposed rates can be found on
646 ICC Staff Ex. 8.0, Schedule 8.01N.

647

648 **Q. Why should the Commission approve your S.C. No. 1 HTG rate design
649 proposal rather than the Company's proposal?**

650 A. My proposal increases the fixed cost recovery to 68%, from the Company's
651 current 67% fixed cost recovery, which is a small movement toward greater fixed
652 cost recovery. I am accepting the Company's move to a flat distribution charge.
653 However my proposed distribution charge is higher than the Company's because
654 of my proposal to include the non-storage related demand costs associated with
655 the 2.438 cents per therm that the Company included in its proposed customer
656 charge. The Company's proposal identifies increases from approximately 26%
657 for zero usage to approximately 5% for usage of 1,000 therms. (NS Ex. 12.10,
658 Page 2 of 11) In contrast, my proposal would increase rates from approximately
659 14% for zero usage to approximately 9% for usage of 1,000 therms. (ICC Staff

660 Ex. 8.0, Schedule 8.02N, Page 2 of 6) My proposal shifts some of the revenue
661 recovery to those customers that use more therms, which encourages more
662 conservation compared to the Company's proposal. Also, my proposal allows the
663 Commission to observe what affects the S.C. 1 split has on all of its residential
664 customers before moving forward on greater fixed cost recovery through the
665 customer charge.

666

667 B. S.C. NO. 1 NON-HEATING SMALL RESIDENTIAL SERVICE

668 **Q. What is the Company's rate design proposal for the S.C. No. 1 NH class?**

669 A. North Shore is proposing to decrease the customer charge that is currently being
670 charged to S.C. 1 sales and transportation customers from \$22.00 to \$17.05 per
671 month. The proposed customer charge will recover 100% of customer costs and
672 approximately 93% of fixed costs. (NS Ex. 12.0, p. 12) The Company is
673 proposing a flat distribution charge of 7.742 cents per therm for sales and
674 transportation customers. The current distribution charge consists of two blocks,
675 0-50 therms (16.942 cents per therm) and over 50 therms (5.032 cents per
676 therm). (NS Ex. 12.0, pp. 12-13; NS Ex. 12.4)

677

678 **Q. What is your assessment of the Company's rate design proposal for the**
679 **S.C. No. 1 NH class?**

680 A. I am concerned that the Company's proposed 93% fixed cost recovery for the
681 S.C. No. 1 NH customers is excessive. The current S.C. 1 combined HTG and

682 NH class customer charge recovers 68% of fixed costs. (Company response to
683 Staff DR WRJ 2.05) The Company's proposed S.C. 1 HTG fixed cost recovery
684 is 75%. (NS Ex. 12.0, p. 13) Since this is a new class the Commission should
685 first observe what effects the S.C. 1 split has on the NH customers before
686 moving to a greater fixed cost recovery that leaves little room for customers to
687 adjust their bills.

688
689 Additionally, as discussed previously, the Commission believes that leaving a
690 portion of fixed costs to be recovered through the volumetric rate (20%) would
691 encourage companies to see ways to improve efficiency and otherwise cut costs.
692 The Commission also has noted if all of its fixed costs were recovered through
693 the monthly charge, companies may arguably over-recover their fixed costs
694 through the monthly charge. (Order, Docket No. 07-0585 et al. (Cons.),
695 September 24, 2008, p. 237; Order, Docket No. 08-0363, March 25, 2009, pp.
696 90-91)

697
698 I am also concerned about moving to a flat distribution charge at this time. In
699 general, I would agree with the Company's flat distribution charge proposal since
700 all customer costs are being recovered through the customer charge. However,
701 if the Commission accepts my proposal below to set the customer charge at 80%
702 fixed cost recovery, it would be more reasonable to retain the two block
703 distribution charge for bill impact reasons.

704

705 **Q. What rate design are you proposing for the S.C. No. 1 NH class?**

706 A. I recommend the Commission set the customer charge at 80% fixed cost
707 recovery. Since my proposed customer charge would result in greater cost
708 recovery through the distribution charge, I recommend the two block distribution
709 charge be retained in order to minimize bill impacts for customers. Leaving the
710 distribution charge as a one block charge with my proposed 80% fixed cost
711 recovery customer charge would lead to large bill impacts for large use
712 customers. For example, under my proposed customer charge proposal with a
713 flat distribution charge, a customer using 500 therms in a month would see a bill
714 increase of approximately \$102 compared to approximately \$33 with a two block
715 distribution charge. The bottom block would be set equal to the S.C. No. 1 HTG
716 class distribution charge and the 1st block would recover the remaining revenue
717 requirement. My proposed rates can be found on ICC Staff Exhibit 8.0,
718 Schedule 8.01N.

719
720 **Q. Why should the Commission approve your S.C. No. 1 NH rate design
721 proposal rather than the Company's proposal?**

722 A. My proposal recovers 80% of fixed costs, similar to the percentage approved by
723 the Commission for Ameren and Nicor. The Company's proposed 93% fixed cost
724 recovery is excessive compared to the other classes and other gas companies.
725 My proposed two block distribution charge still encourages conservation while
726 retaining a bottom block that is the same as the S.C. No. 1 HTG class, similar to
727 the Company's proposal to have similar distribution charges for the classes.

728 Additionally, the lower fixed cost recovery will give customers a chance to adjust
729 their bills more than if the fixed cost recovery was set at 93%. The Commission
730 will then have an opportunity to examine the overall effect of splitting S.C. No. 1
731 into two classes in future cases and make a determination at that point as to
732 whether greater fixed cost recovery is warranted.
733

734 C. S.C. NO. 2 GENERAL SERVICE

735 **Q. What is the Company's rate design proposal for the S.C. No. 2 class?**

736 A. The Company is proposing to maintain three meter classes for S.C. No. 2. North
737 Shore proposes to move the fixed cost recovery from approximately 56% to 64%
738 for the S.C. No. 2 class. (Company response to Staff DR WRJ 2.05; NS Ex.
739 12.0, p. 20) The Company's proposed percentage of fixed cost recovery through
740 the customer charges is 74% for meter class 1, 65% for meter class 2, and 54%
741 for meter class 3. (Company response to Staff DR WRJ 9.01) The Company is
742 proposing to retain the three declining block distribution charge. The 1st block
743 decreases from 10.284 cents per therm to 7.051 cents per therm. The 2nd block
744 remains the same at 6.410 cents per therm, and the 3rd block decreases from
745 5.558 cents per therm to 5.126 cents per therm. (NS Ex. 12.4)

746

747 **Q. What is your assessment of the Company's customer charge rate design**
748 **proposal for the S.C. No. 2 General Service class?**

749 A. I have no objection to the Company's proposal to increase the customer charges
750 by meter class to the proposed fixed percentages of 74% for meter class 1, 65%
751 for meter class 2, and 54% for meter class 3. They reflect greater fixed cost
752 recovery and will recover all customer related costs. Even with the proposed
753 increase in fixed cost recovery the total fixed cost recovery for SC 2 in total will
754 be approximately 64%. (NS Ex. 12.0, pp. 19-20) The Company's proposed
755 increase in fixed cost recovery for SC 2 is consistent with the Commission's
756 recent move towards increased fixed cost recovery. Additionally, customers will
757 continue to have the opportunity to adjust their bills in order to reduce costs since
758 33% of total costs will continue to be recovered through the distribution charge.
759 (NS Ex. 12.0, p. 20)

760

761 **Q. What is your assessment of the Company's three declining block rate**
762 **design proposal for the S.C. No. 2 General Service class?**

763 A. I have no objection to the Company's distribution charge proposal which lowers
764 the first (1st 100 therms) and third blocks (over 3,000 therms) but leaves the
765 second block (next 2,900 therms) unchanged. The first block decreases from
766 10.284 cents per therm to 7.051 cents per therm, the second block is set at
767 6.410 cents per therm, and the third block decreases from 5.558 cents per therm
768 to 5.126 cents per therm. Generally, customer related costs not recovered in the
769 customer charge are recovered in the first block of the distribution charge. ("Gas
770 Rate Fundamentals", Fourth Edition, American Gas Association, 1987, p.167)
771 The Company has stated that all customer related costs and a portion of non-

772 storage related demand costs will be recovered through the customer charge.
773 (NS Ex. 12.0, p. 19) I recommend that the Company examine in its next rate
774 case filing the feasibility of moving to two distribution blocks and also examine
775 whether the current size therm blocks are still reasonable.

776

777 D. S.C. No. 3 LARGE VOLUME DEMAND SERVICE

778 **Q. What is the Company's rate design proposal for the S.C. No. 3 class?**

779 A. The Company is proposing to set the monthly customer charge at cost. The
780 customer charge increases from \$477 to \$630 per month. It is proposing that
781 the demand charge recover 67% of non-storage related demand costs and the
782 distribution charge recover the remaining non-storage related demand costs.
783 (NS Ex. 12.0, pp. 21-22)

784

785 **Q. What is your assessment of the Company's rate design proposal for the**
786 **S.C. No. 3 class?**

787 A. I have no objection to the Company's rate design proposal for the S. C. No. 3
788 rate class. The Company is proposing to set the customer charge at cost, which
789 is a minimal part of a customer's total bill since these customers must use an
790 average of over 41,000 therms per month and the customer charge would
791 represent a minimal part of the total bill. (ILL. C. C. NO. 17, Sixth Revised Sheet
792 No. 10, Canceling Fourth Revised Sheet No. 10) Additionally, the S.C. No. 3
793 class proposal will recover its full cost of service.

794

795 E. S.C. NO. 4 CONTRACT SERVICE TO PREVENT BYPASS AND S.C. NO.
796 6 CONTRACT SERVICE FOR ELECTRIC GENERATION

797 **Q. What is North Shore Proposing for S.C. No 4 and S.C. No. 6?**

798 A. The only negotiated contract for a S.C. No. 4 customer expires this year and
799 based upon discussions the Company has had with the customer, the Company
800 anticipates that the customer is going to transfer to S.C. No. 3 in the test year.

801 The Company has set the S.C. No. 4 rates equal to S.C. No. 3 and has included
802 the customer in the ECOSS S.C. No. 3 class. (NS Ex. 12.0, pp. 8-9)

803

804 North Shore is not proposing any changes to S.C. No. 6 and there are no
805 customers served under this classification. (*Id.*, p. 22)

806

807 **Q. Do you object to the Company's proposals for S.C. No. 4 and S.C. No. 6?**

808 A. No. Since the only customer in S.C. No. 4 is transferring to S.C. No. 3 and there
809 are no customers in S.C. No. 6, I have no objection to the Company's proposals.

810

811 F. NORTH SHORE BILL COMPARISONS

812 **Q. Did you prepare bill comparisons that include your proposed rates for**
813 **North Shore?**

814 A. Yes. ICC Staff Ex. 8.0, Schedule 8.02N, Pages 1 through 6, provide bill
815 comparisons comparing Company present and Staff proposed rates for S.C.
816 Nos. 1, 2, and 3.

817

818 **PEOPLES GAS RATE DESIGN**

819 A. S.C. No. 1 HEATING SMALL RESIDENTIAL SERVICE

820 **Q. What is the Company's rate design proposal for the S.C. No. 1 HTG class?**

821 A. Peoples Gas is proposing to increase the customer charge that is currently being
822 charged to S.C. 1 HTG sales and transportation customers from \$22.25 to
823 \$32.83 per month. Approximately 68% of fixed costs will be recovered through
824 fixed customer charges. (PGL Ex. 12.0, p. 13)

825

826 The Company is proposing a flat distribution charge of 13.343 cents per therm
827 for sales and transportation. Two things should be noted about this. First, the
828 current distribution charge consists of two blocks, 0-50 therms (25.963 cents per
829 therm) and over 50 therms (11.806 cents per therm). Thus, the Company
830 proposes to move from two blocks to one block for the distribution charge. (PGL
831 Ex. 12.0, pp. 13-14; PGL Ex. 12.4)

832

833 Second, the Company proposes to match the distribution charge for the S.C. No.
834 1 HTG class with the distribution charge for the S.C. No. 1 NH class. The
835 Company states that the non-storage related costs for S.C. 1 HTG customers

836 should be recovered through a fixed monthly charge, or alternatively, through the
837 distribution charge (which is how the Company is proposing to recover the S.C. 1
838 NH class non-storage related costs) at 17.078 cents per therm. The Company
839 though, rather than charging 17.078 cents per therm, is proposing a flat
840 distribution charge of 13.343 cents per therm for S.C. 1 HTG so that it matches
841 the S.C. No. 1 NH class. It was chosen, according to the Company, so that
842 Rider VBA can continue to operate easily and to minimize the number of new
843 rates going into effect for S.C. No. 1. The Company proposes that the difference
844 between these distribution charges, 3.735 cents per therm (17.078 minus
845 13.343) be recovered through the S.C. No. 1 HTG customer charge. (PGL Ex.
846 12.0, p. 14)

847

848 **Q. What is your assessment of the Company's rate design proposal for the**
849 **S.C. No. 1 HTG class?**

850 A. I have no objection to the Company moving to a flat distribution charge.
851 However, I do not agree with the Company's proposal to shift the non-storage
852 demand costs from the distribution charge to the customer charge for S.C. No. 1
853 HTG. I recommend leaving the 3.735 cents per therm in the distribution charge.
854 Customers currently pay 25.963 cents per therm for the first 50 therms and
855 11.806 cents per therm for anything over 50 therms. The Company's shifting of
856 the distribution charge costs to the customer charge shifts the price signal
857 customers receive from the distribution charge. Approximately 48% of total bills
858 are attributed to 50 therms or less which, currently, is charged at the 25.963

859 cents per therm. (Section 285.5130, Schedule E-8, Page 2 of 7) Decreasing the
860 distribution charge from 25.963 cents per therm to 13.343 cents per therm will
861 not encourage customers to use less gas. Leaving the 3.735 cents per therm in
862 the distribution charge will ease the move to a flat rate while still encouraging
863 conservation. Additionally, the Company is proposing to bifurcate the S.C. No. 1
864 class and the Commission should observe what effects the S.C. 1 split has on all
865 of its residential customers before moving forward on greater fixed cost recovery
866 through the customer charge.

867
868 The Company's reasoning for shifting the non-storage related demand costs of
869 3.735 cents per therm to the customer charge is that Rider VBA would continue
870 to operate easily; to minimize the number of new rates; and, so that the
871 distribution charge matches that of S.C. No. 1 NH. In response to a Staff DR
872 request that asked the Company to identify all changes that would have to be
873 made to tariffs if distribution charges for S.C. No. 1 heating and non-heating
874 customers were not identical, the Company provided revised Rider VBA tariffs
875 which had minor language changes. The response also indicated that the S.C.
876 No. 1 rate tariff would need to be revised to indicate different distribution charges
877 for heating and non-heating customers if they were not identical, which is also
878 minor. (Company response to Staff DR WRJ-2.07 (a)) I did not find anything in
879 the Company's response that would indicate Rider VBA would not continue to
880 operate easily with the proposed changes.

881

882 Also in response to a question in the same data request about why Rider VBA
883 would not operate easily if distribution charges were not identical for S.C. No. 1
884 HTG and NH customers the Company stated:

885 The reference in Exhibit PGL Ex. 12.0 that Rider VBA would continue to
886 operate easily was intended to address the preparation and calculations
887 under the rider as well as to minimize changes to the tariffs, Rider VBA
888 filing documents, and billing pertaining to Rider VBA and the SC 1 tariff.
889 The Rider VBA baseline rate case revenue amounts that will be in effect
890 in the first half of 2013 are based on the rates that were approved in
891 Docket Nos. 11-0280/11-0281 (cons.) where SC No. 1 has a single
892 baseline. Proration calculations would need to be added to the Rider VBA
893 filing for 2013 in order to split the baseline that was approved in Docket
894 Nos. 11- 0280/11-2081 (cons.) into heating and non-heating amounts to
895 determine the 2013 Rider VBA effect in addition to including the proration
896 for rates approved in this docket for the second half of 2013. Thus, having
897 the same distribution charges for SC No. 1 helps simplify the calculations
898 and operation of Rider VBA. (Company response to Staff DR WRJ-2.07
899 (b))
900

901 The Company's response identifies some adjustments that would have to be
902 made but I did not identify anything that would cause serious repercussions if
903 different distribution charges were proposed for the S.C. No. 1 HTG and NH
904 classes. In fact, the Company's responses, including the language changes it
905 proposed, seem to indicate it would be able to accommodate different
906 distribution charges.

907
908 Additionally, the Commission's Orders in Docket Nos. 09-0166/09-0167 (Cons.)
909 and 11-0280/11-0281 (Cons.) approved moving towards greater fixed cost
910 recovery through fixed charges. The current fixed cost recovery for S.C. No. 1
911 HTG is approximately 54%, (Company response to Staff DR WRJ 2.08), and

912 assuming that the 3.735 cents per therm (non-storage related demand costs) are
913 added back into the distribution charge, the fixed cost recovery would increase to
914 approximately 61%. Therefore, the Company is still making movement toward
915 greater fixed cost recovery.

916

917 **Q. What is your rate design proposal for the S.C. No. 1 HTG class?**

918 A. I adjusted the customer charge downward to compensate for the non-storage
919 related demand costs associated with the 3.735 cents per therm that the
920 Company had subtracted from the distribution charge. My proposal sets the fixed
921 cost recovery at 61% for the S.C. No. 1 HTG class. The remaining revenues
922 were derived from a flat distribution charge. My proposed rates can be found on
923 my Schedule 8.01P.

924

925 **Q. Why should the Commission approve your S.C. No. 1 HTG rate design
926 proposal rather than the Company's proposal?**

927 A. My proposal increases the fixed cost recovery to 61%, from the Company's
928 current 54% fixed cost recovery, which makes movement toward greater fixed
929 cost recovery. I am accepting the Company's move to a flat distribution charge.
930 However my proposed distribution charge is higher than the Company's because
931 of my proposal to include non-storage related demand costs associated with the
932 3.735 cents per therm that the Company included in its proposed customer
933 charge. The Company's proposal identifies increases from approximately 48%
934 for zero usage to approximately 3% for usage of 1,000 therms. (PGL Ex. 12.10,

935 Page 2 of 13) My proposal identifies increases from approximately 33% for zero
936 usage to approximately 7% for usage of 1,000 therms. (Schedule 8.02P, Page 2
937 of 8) My proposal shifts some of the revenue recovery to those customers that
938 use more therms, which encourages more conservation compared to the
939 Company's proposal. Additionally, my proposal allows the Commission to
940 observe what affects the S.C. 1 split has on all of its residential customers before
941 moving forward on greater fixed cost recovery through the customer charge.

942

943 B. S.C. NO. 1 NON-HEATING SMALL RESIDENTIAL SERVICE

944 **Q. What is the Company's rate design proposal for the S.C. No. 1 NH class?**

945 A. Peoples Gas is proposing to decrease the customer charge that is currently
946 being charged to S.C. 1 sales and transportation customers from \$22.25 to
947 \$15.98 per month. The proposed customer charge will recover 100% of
948 customer costs and approximately 92% of fixed costs. (PGL Ex. 12.0, p. 12) The
949 Company is proposing a flat distribution charge of 13.343 cents per therm for
950 sales and transportation. The current distribution charge consists of two blocks,
951 0-50 therms (25.963 cents per therm) and over 50 therms (11.806 cents per
952 therm). (PGL Ex. 12.0, pp. 12-13; PGL Ex. 12.4)

953

954 **Q. What is your assessment of the Company's rate design proposal for the**
955 **S.C. No. 1 NH class?**

956 A. I am concerned that the Company's proposed 92% fixed cost recovery for the
957 S.C. No. 1 NH customers is excessive. The current S.C. 1 combined HTG and
958 NH class customer charge recovers 57% of fixed costs. (Company response to
959 Staff DR WRJ 2.08) The Company's proposed S.C. 1 HTG fixed cost recovery
960 is 68%. (PGL Ex. 12.0, p. 13) Since this is a new class the Commission should
961 first observe what effects the S.C. 1 split has on the NH customers before
962 moving to a greater fixed cost recovery that leaves little room for customers to
963 adjust their bills.

964
965 Additionally, as discussed previously, the Commission believes that leaving a
966 portion of fixed costs to be recovered through the volumetric rate (20%) would
967 encourage companies to see ways to improve efficiency and otherwise cut costs.
968 The Commission has also noted that if all of its fixed costs were recovered
969 through the monthly charge, companies may arguably over-recover their fixed
970 costs through the monthly charge. (Order, Docket No. 07-0585 et al. (Cons.),
971 September 24, 2008, p. 237 and Order, Docket No. 08-0363, March 25, 2009,
972 pp. 90-91)

973
974 I am also concerned about moving to a flat distribution charge at this time. In
975 general, I would agree with the Company's flat distribution charge proposal since
976 all customer costs are being recovered through the customer charge. However,
977 if the Commission accepts my proposal below to set the customer charge at 80%

978 fixed cost recovery, it would be more reasonable to retain the two block
979 distribution charge for bill impact reasons.

980

981 **Q. What rate design are you proposing for the S.C. No. 1 NH class?**

982 A. I recommend the Commission set the customer charge at 80% fixed cost
983 recovery. Since my proposed customer charge would result in greater cost
984 recovery through the distribution charge, I recommend the two block distribution
985 charge be retained in order to minimize bill impacts for customers. Leaving the
986 distribution charge as a one block charge with my proposed 80% fixed cost
987 recovery customer charge would lead to large bill impacts for large use
988 customers. For example, under the flat distribution charge a customer using 500
989 therms in a month would see a bill increase of approximately \$131 compared to
990 approximately \$27 with a two block distribution charge. The bottom block would
991 be set equal to the S.C. No. 1 HTG class distribution charge and the 1st block
992 would recover the remaining revenue requirement. My proposed rates can be
993 found on my Schedule 8.01P.

994

995 **Q. Why should the Commission approve your S.C. No. 1 NH rate design
996 proposal rather than the Company's proposal?**

997 A. My proposal recovers 80% of fixed costs, similar to the percentage approved by
998 the Commission in the Ameren and Nicor proceedings (Docket Nos. 07-0585
999 and 08-0363). The Company's proposed 92% fixed cost recovery is excessive
1000 compared to the other classes and other companies. My proposed two block

1001 distribution charge still encourages conservation while retaining a bottom block
1002 that is the same as the S.C. No. 1 HTG class, similar to the Company's proposal
1003 to have similar distribution charges for the classes. Additionally, the lower fixed
1004 cost recovery will give customers a chance to adjust their bills more than if the
1005 fixed cost recovery was set at 92%. The Commission will then have an
1006 opportunity to examine the overall effect of splitting S.C. No. 1 into two classes in
1007 future cases and make a determination at that point on whether greater fixed
1008 cost recovery is warranted.

1009

1010 C. S.C. NO. 2 GENERAL SERVICE

1011 **Q. What is the Company's rate design proposal for the S.C. No. 2 class?**

1012 A. The Company is proposing to maintain three meter classes for S.C. No. 2.
1013 Peoples Gas proposes to move the fixed cost recovery from approximately 37%
1014 to 45% for the S.C. No. 2 class. (Company response to Staff DR WRJ 2.08;
1015 PGL Ex. 12.0, p. 20) The Company's proposed percentage of fixed cost
1016 recovery through the customer charges is 62% for meter class 1, 55% for meter
1017 class 2, and 27% for meter class 3. (Company response to Staff DR WRJ 9.02)
1018 The Company is proposing to retain the three declining block distribution charge.
1019 The 1st block decreases from 30.167 cents per therm to 15.599 cents per therm.
1020 The 2nd block increases from 10.122 cents per therm to 13.103 cents per therm,
1021 and the 3rd block increases from 8.190 cents per therm to 9.135 cents per therm.
1022 (PGL Ex. 12.4)

1023

1024 **Q. What is your assessment of the Company's customer charge rate design**
1025 **proposal for the S.C. No. 2 General Service class?**

1026 A. I have no objection to the Company's proposal to increase the customer charges
1027 by meter class to the proposed fixed percentages of 62% for meter class 1, 55%
1028 for meter class 2, and 27% for meter class 3. They reflect greater fixed cost
1029 recovery and will recover all customer related costs. Even with the proposed
1030 increase in fixed cost recovery the total fixed cost recovery for SC 2 in total will
1031 be approximately 45%. (PGL Ex. 12.0, p. 20) The Company's proposed
1032 increase in fixed cost recovery for SC 2 is consistent with the Commission's
1033 recent move towards increased fixed cost recovery. Additionally, customers will
1034 continue to have the opportunity to adjust their bills in order to reduce costs since
1035 46% of total costs will continue to be recovered through the distribution charge.
1036 (PGL Ex. 12.0, p. 20)

1037

1038 **Q. What is your assessment of the Company's three declining block rate**
1039 **design proposal for the S.C. No. 2 General Service class?**

1040 A. I have no objection to the Company's distribution charge proposal which lowers
1041 the first block charge (1st 100 therms) and increases the second (100 to 5,000
1042 therms) and third block charges (Over 5,000 therms). The first block decreases
1043 from 30.167 cents per therm to 15.599 cents per therm, the second block
1044 increases from 10.122 cents per therm to 13.103 cents per therm, and the third
1045 block increases from 8.190 cents per therms to 9.135 cents per therm.

1046 Generally, customer related costs not recovered in the customer charge are
1047 recovered in the first block of the distribution charge. (“Gas Rate Fundamentals”,
1048 Fourth Edition, American Gas Association, 1987, p. 167) I recommend that the
1049 Company in its next rate case filing examine whether it is feasible to move to two
1050 distribution blocks and also examine whether the current size therm blocks are
1051 still reasonable.

1052

1053 D. S.C. NO. 4 LARGE VOLUME DEMAND SERVICE

1054 **Q. What is the Company’s rate design proposal for the S.C. No. 4 class?**

1055 A. The Company is proposing to set the monthly customer charge at cost. The
1056 customer charge increases from \$481 to \$692 per month. They are proposing
1057 the demand charge recover 55% of non-storage related demand costs and the
1058 distribution charge will recover the remaining non-storage related demand costs.
1059 (PGL Ex. 12.0, p. 22)

1060

1061 **Q. What is your assessment of the Company’s rate design proposal for the**
1062 **S.C. No. 4 class?**

1063 A. I have no objection to the Company’s rate design proposal for the S. C. No. 4
1064 rate class. The Company is proposing to set the customer charge at cost, which
1065 is a minimal part of a customer’s bill since customers must use an average of
1066 over 41,000 therms per month and the customer charge would represent a
1067 minimal part of the total bill. (ILL. C. C. NO. 28, Sixth Revised Sheet No.9,

1068 Canceling Fourth Revised Sheet No.9) Additionally, the S.C. No. 4 class
1069 proposal will recover its full cost of service

1070

1071 E. S.C. No. 8 COMPRESSED NATURAL GAS SERVICE

1072 **Q. What is the Company's rate design proposal for the S.C. No. 8 class?**

1073 A. Peoples Gas is proposing to set the S.C. No. 8 class at cost. The customer
1074 charge will increase from \$69 to \$129 per month and the distribution charge will
1075 increase from 8.754 cents per therm to 15.704 cents per therm. (PGL Ex. 12.0,
1076 p. 22; PGL Ex. 12.4)

1077

1078 **Q. What is your assessment of the Company's rate design proposal for the**
1079 **S.C. No. 8 class?**

1080 A. I have no objection to the Company's rate design proposal for the S. C. No. 8
1081 rate class. The charges will recover the full cost to serve the customers. The
1082 S.C. No. 8 class is available to any customer for gas to be used as compressed
1083 natural gas to fuel a vehicle. (ILL. C. C. NO. 28, Sixth Revised Sheet No. 16,
1084 Canceling Fourth Revised Sheet No. 16) I believe it is important that the S.C.
1085 No. 8 rates reflect the full class cost of service so customers can make informed
1086 decisions concerning their use of natural gas in vehicles and their possible
1087 purchases of natural gas vehicles.

1088

1089 F. S.C. No. 5 CONTRACT SERVICE FOR ELECTRIC GENERATION AND
1090 S.C. No. 7 CONTRACT SERVICE TO PREVENT BYPASS

1091 **Q. What is Peoples Gas Proposing for S.C. No 5 and S.C. No. 7?**

1092 A. Peoples Gas is not proposing any changes to S.C No. 5 or S.C. No. 7. (PGL Ex.
1093 12.0, p. 22) Both classifications are contract services whereby the prices to be
1094 paid and the terms and conditions of service are mutually agreed upon. (ILL. C.
1095 C. NO. 28, First Revised Sheet No.12 and ILL. C. C. NO. 28, First Revised Sheet
1096 No. 15)

1097

1098 G. PEOPLES GAS BILL COMPARISONS

1099 **Q. Did you prepare bill comparisons that include your proposed rates for**
1100 **Peoples Gas?**

1101 A. Yes. Schedule 8.02P, Pages 1 through 8, provide bill comparisons comparing
1102 Company present and Staff proposed rates for S.C. Nos. 1, 2, and 3.

1103

1104 **SUMMARY OF RECOMMENDATIONS**

1105 **Q. Please summarize your recommendations.**

1106 A. I recommend the Commission reject the Companies' proposal to place SFV
1107 rates into the tariffs for S.C. No. 1 and S.C. No. 2 classes as a place holder in
1108 case the Illinois Appellate Court overturns the Companies' Rider VBA.

1109

1110 I recommend the Commission approve the Companies' proposal to bifurcate
1111 S.C. 1 into heating and non-heating classes.

1112
1113 I recommend the Commission reject the Companies' proposal to recover a
1114 portion of non-storage related demand costs (i.e., NS 2.438 cents per therm and
1115 PGL 3.735 cents per therm) through the customer charge for North Shore and
1116 Peoples Gas S.C. No. 1 HTG classes.

1117
1118 I recommend the Commission limit the S.C. No. 1 NH fixed cost recovery to 80%
1119 for North Shore and Peoples Gas.

1120
1121 I recommend the Commission approve the Companies' proposed S.C. No. 2
1122 General Service class rate design for both North Shore and Peoples Gas.
1123 However, the Commission should direct the Companies in their next rate case
1124 filing to examine whether it is feasible to move to two distribution blocks and also
1125 examine whether the current size therm blocks are still reasonable.

1126
1127 I recommend the Commission approve North Shore's proposed rate design for
1128 the S.C. No. 3 Large Volume Demand Service.

1129
1130 I recommend the Commission approve Peoples Gas S.C. No. 4 Large Volume
1131 Demand Service and S.C. No. 8 Compressed Natural Gas Service rate design
1132 proposals.

1133

1134

I recommend the Commission approve the Companies' proposal to rerun the

1135

ECOSS and adjust the rate design based upon the Commission's final order.

1136

However, I propose that for those classes that have more than one distribution

1137

block, the distribution charges proposed by the Companies should be adjusted

1138

on an equal percentage basis to arrive at the final Commission approved

1139

revenue requirement.

1140

1141

CONCLUSION

1142

Q. Does this conclude your prepared direct testimony?

1143

A. Yes, it does.

North Shore Gas Company
Comparison of Present, Company Proposed, and Staff Proposed Rates

Docket No. 12-0511/12-0512
(Consolidated)
ICC Staff Exhibit 8.0
Schedule 8.01N

Tariff Provision	Sales					Transportation				
	Present Rates	Co. Proposed Rates	Staff Proposed Rates	Diff. between Present and Staff Proposed	Diff. between Co. Proposed and Staff Proposed	Present Rates	Co. Proposed Rates	Staff Proposed Rates	Diff. between Present and Staff Proposed	Diff. between Co. Proposed and Staff Proposed
	[A]	[B]	[C]	[D] - [A]	[E] - [B]	[F]	[G]	[H]	[I] - [F]	[J] - [G]
S.C.No. 1 Small Residential Service - Non-Heating										
Customer Charge - Per Month	\$ 22.00	\$ 17.05	\$ 14.54	\$ (7.46)	\$ (2.51)	\$ 22.00	\$ 17.05	\$ 14.54	\$ (7.46)	\$ (2.51)
Distribution Charge - Per Therm										
1st 50 Therms	16.942 ¢	7.742 ¢	32.100 ¢	\$ 15.158 ¢	\$ 24.36 ¢	16.942 ¢	7.742 ¢	32.100 ¢	\$ 15.158 ¢	\$ 24.36 ¢
Over 50 Therms	5.032 ¢	7.742 ¢	10.180 ¢	\$ 5.148 ¢	\$ 2.44 ¢	5.032 ¢	7.742 ¢	10.180 ¢	\$ 5.148 ¢	\$ 2.44 ¢
S.C.No. 1 Small Residential Service - Heating										
Customer Charge - Per Month	\$ 22.00	\$ 27.71	\$ 25.08	\$ 3.08	\$ (2.63)	\$ 22.00	\$ 27.71	\$ 25.08	\$ 3.08	\$ (2.63)
Distribution Charge - Per Therm										
1st 50 Therms	16.942 ¢	7.742 ¢	10.180 ¢	\$ (6.762) ¢	\$ 2.44 ¢	16.942 ¢	7.742 ¢	10.180 ¢	\$ (6.762) ¢	\$ 2.44 ¢
Over 50 Therms	5.032 ¢	7.742 ¢	10.180 ¢	\$ 5.148 ¢	\$ 2.44 ¢	5.032 ¢	7.742 ¢	10.180 ¢	\$ 5.148 ¢	\$ 2.44 ¢
S.C.No. 2 General Service										
Customer Charge - Per Month										
Meter Class 1	\$ 23.10	\$ 27.99	\$ 27.99	\$ 4.89	\$ -	\$ 23.10	\$ 27.99	\$ 27.99	\$ 4.89	\$ -
Meter Class 2	\$ 69.00	\$ 83.54	\$ 83.54	\$ 14.54	\$ -	\$ 69.00	\$ 83.54	\$ 83.54	\$ 14.54	\$ -
Meter Class 3	\$ 192.30	\$ 235.12	\$ 235.12	\$ 42.82	\$ -	\$ 192.30	\$ 235.12	\$ 235.12	\$ 42.82	\$ -
Distribution Charge - Per Therm										
1st 100 Therms	10.284 ¢	7.051 ¢	7.051 ¢	\$ (3.233) ¢	\$ - ¢	10.284 ¢	7.051 ¢	7.051 ¢	\$ (3.233) ¢	\$ - ¢
Next 2,900 Therms	6.410 ¢	6.410 ¢	6.410 ¢	\$ - ¢	\$ - ¢	6.410 ¢	6.410 ¢	6.410 ¢	\$ - ¢	\$ - ¢
Over 3,000 Therms	5.558 ¢	5.126 ¢	5.126 ¢	\$ (0.432) ¢	\$ - ¢	5.558 ¢	5.126 ¢	5.126 ¢	\$ (0.432) ¢	\$ - ¢
S.C.No. 3 Large Volume Demand Service										
Customer Charge - Per Month	\$ 477.00	\$ 630.00	\$ 630.00	\$ 153.00	\$ -	\$ 477.00	\$ 630.00	\$ 630.00	\$ 153.00	\$ -
Demand Charge - Per Demand Therm	54.801 ¢	58.552 ¢	58.552 ¢	\$ 3.751 ¢	\$ - ¢	54.801 ¢	58.552 ¢	58.552 ¢	\$ 3.751 ¢	\$ - ¢
Distribution Charge - Per Therm	1.690 ¢	1.917 ¢	1.917 ¢	\$ 0.227 ¢	\$ - ¢	1.690 ¢	1.917 ¢	1.917 ¢	\$ 0.227 ¢	\$ - ¢
Rider SSC - Storage Service Charge (1)										
SSC Banking Charge monthly per MSQ or AB Therm (2)						0.08000 ¢	0.11000 ¢	0.11000 ¢		
SSC Storage Service Charge (SSC) per Distribution Therm (3)	0.7583 ¢	0.936 ¢	0.936 ¢							
Transportation Rider Charges										
Rider AGG Aggregation Charge										
Per Pool	\$ 200.00	\$ 200.00	\$ 200.00			\$ 200.00	\$ 200.00	\$ 200.00		
Per Account	\$ 0.05	\$ 0.05	\$ 0.05			\$ 0.05	\$ 0.05	\$ 0.05		
Riders FST and SST Administrative Charge										
Per Account	\$ 5.74	\$ 5.74	\$ 5.74			\$ 5.74	\$ 5.74	\$ 5.74		
Rider P Pooling Charge										
Per Pool	\$ 200.00	\$ 200.00	\$ 200.00			\$ 200.00	\$ 200.00	\$ 200.00		
Per Account	\$ 1.97	\$ 1.97	\$ 1.97			\$ 1.97	\$ 1.97	\$ 1.97		
Imbalance Trade Charge	\$ 5.00	\$ 5.00	\$ 5.00			\$ 5.00	\$ 5.00	\$ 5.00		
Daily Demand Measurement Device Charge	\$ 33.00	\$ 33.00	\$ 33.00			\$ 33.00	\$ 33.00	\$ 33.00		
Rider SBO Credit	\$ (0.46)	\$ (0.46)	\$ (0.46)			\$ (0.46)	\$ (0.46)	\$ (0.46)		
Miscellaneous Charges										
Service Activation										
- Succession	\$ 20.00	\$ 20.00	\$ 20.00			\$ 20.00	\$ 20.00	\$ 20.00		
- Turn-On	\$ 42.00	\$ 42.00	\$ 42.00			\$ 42.00	\$ 42.00	\$ 42.00		
- Extra Appliances	\$ 10.00	\$ 10.00	\$ 10.00			\$ 10.00	\$ 10.00	\$ 10.00		
Service Reconnection										
- At Meter	\$ 75.00	\$ 75.00	\$ 75.00			\$ 75.00	\$ 75.00	\$ 75.00		
- Meter Removed and Reset	\$ 150.00	\$ 150.00	\$ 150.00			\$ 150.00	\$ 150.00	\$ 150.00		
- At Main	\$ 425.00	\$ 425.00	\$ 425.00			\$ 425.00	\$ 425.00	\$ 425.00		
- Extra Appliances	\$ 10.00	\$ 10.00	\$ 10.00			\$ 10.00	\$ 10.00	\$ 10.00		
Dishonored Checks & Incomplete Electronic Withdrawals	\$ 25.00	\$ 25.00	\$ 25.00			\$ 25.00	\$ 25.00	\$ 25.00		
Second Pulse Data Capability	\$ 14.00	\$ 14.00	\$ 14.00			\$ 14.00	\$ 14.00	\$ 14.00		

Notes:

- All rates, except Staff Proposed Rates, taken from NS Ex. 12.4.
(1) Applicable to S.C. Nos. 1, 2 and 3. Taken from NS Ex. 12.4.
(2) Applies to transportation customers taking service under Riders CFY, FST and SST. Taken from NS Ex. 12.4.
(3) Charge which applies to sales customers. Company Present rates and Proposed Rates taken from NS Ex. 12.4.

The Peoples Gas Light and Coke Company
Comparison of Present, Company Proposed, and Staff Proposed Rates

Docket No. 12-0511/12-0512
(Consolidated)
ICC Staff Exhibit 8.0
Schedule 8.01P

Tariff Provision	Sales					Transportation				
	Present Rates	Co. Proposed Rates	Staff Proposed Rates	Diff. between Present and Staff Proposed	Diff. between Co. Proposed and Staff Proposed	Present Rates	Co. Proposed Rates	Staff Proposed Rates	Diff. between Present and Staff Proposed	Diff. between Co. Proposed and Staff Proposed
	[A]	[B]	[C]	[D] - [A]	[E] - [B]	[F]	[G]	[H]	[I] - [F]	[J] - [G]
S.C.No. 1 Small Residential Service - Non-Heating										
Customer Charge - Per Month	\$ 22.25	\$ 15.98	\$ 13.87	\$ (8.38)	\$ (2.11)	\$ 22.25	\$ 15.98	\$ 13.87	\$ (6.27)	\$ (2.11)
Distribution Charge - Per Therm										
<i>1st 50 Therms</i>	25.963 ¢	13.343 ¢	45.950 ¢	\$ 19.99 ¢	\$ 32.607 ¢	25.963 ¢	13.343 ¢	45.950 ¢	(12.620) ¢	32.607 ¢
<i>Over 50 Therms</i>	11.806 ¢	13.343 ¢	17.078 ¢	\$ 5.27 ¢	\$ 3.735 ¢	11.806 ¢	13.343 ¢	17.078 ¢	1.537 ¢	3.735 ¢
S.C.No. 1 Small Residential Service - Heating										
Customer Charge - Per Month	\$ 22.25	\$ 32.83	\$ 29.50	\$ 7.25	\$ (3.33)	\$ 22.25	\$ 32.83	\$ 29.50	\$ 10.58	\$ (3.33)
Distribution Charge - Per Therm										
<i>1st 50 Therms</i>	25.963 ¢	13.343 ¢	17.078 ¢	\$ (8.89) ¢	\$ 3.735 ¢	25.963 ¢	13.343 ¢	17.078 ¢	(12.620) ¢	3.735 ¢
<i>Over 50 Therms</i>	11.806 ¢	13.343 ¢	17.078 ¢	\$ 5.27 ¢	\$ 3.735 ¢	11.806 ¢	13.343 ¢	17.078 ¢	1.537 ¢	3.735 ¢
S.C.No. 2 General Service										
Customer Charge - Per Month										
<i>Meter Class 1</i>	\$ 25.20	\$ 36.94	\$ 36.94	\$ 11.74	\$ -	\$ 25.20	\$ 36.94	\$ 36.94	\$ 11.74	\$ -
<i>Meter Class 2</i>	\$ 92.40	\$ 123.93	\$ 123.93	\$ 31.53	\$ -	\$ 92.40	\$ 123.93	\$ 123.93	\$ 31.53	\$ -
<i>Meter Class 3</i>	\$ 235.60	\$ 319.52	\$ 319.52	\$ 83.92	\$ -	\$ 235.60	\$ 319.52	\$ 319.52	\$ 83.92	\$ -
Distribution Charge - Per Therm										
<i>1st 100 Therms</i>	30.167 ¢	15.599 ¢	15.599 ¢	\$ (14.57) ¢	\$ - ¢	30.167 ¢	15.599 ¢	15.599 ¢	(14.568) ¢	\$ - ¢
<i>Next 4,900 Therms</i>	10.122 ¢	13.103 ¢	13.103 ¢	\$ 2.98 ¢	\$ - ¢	10.122 ¢	13.103 ¢	13.103 ¢	2.981 ¢	\$ - ¢
<i>Over 5,000 Therms</i>	8.190 ¢	9.135 ¢	9.135 ¢	\$ 0.95 ¢	\$ - ¢	8.190 ¢	9.135 ¢	9.135 ¢	0.945 ¢	\$ - ¢
S.C.No. 4 Large Volume Demand Service										
Customer Charge - Per Month	\$ 481.00	\$ 692.00	\$ 692.00	\$ 211.00	\$ -	\$ 481.00	\$ 692.00	\$ 692.00	\$ 211.00	\$ -
Demand Charge - Per Demand Therm	59.700 ¢	77.828 ¢	77.828 ¢	\$ 18.13 ¢	\$ - ¢	59.700 ¢	77.828 ¢	77.828 ¢	18.128 ¢	\$ - ¢
Distribution Charge - Per Therm	3.752 ¢	4.875 ¢	4.875 ¢	\$ 1.12 ¢	\$ - ¢	3.752 ¢	4.875 ¢	4.875 ¢	1.123 ¢	\$ - ¢
S.C.No. 8 Compressed Natural Gas Service										
Customer Charge - Per Month	\$ 69.00	\$ 129.00	\$ 129.00	\$ 60.00	\$ -	\$ 69.00	\$ 129.00	\$ 129.00	\$ 60.00	\$ -
Distribution Charge - Per Therm	8.754 ¢	15.704 ¢	15.704 ¢	\$ 6.95 ¢	\$ - ¢	8.754 ¢	15.704 ¢	15.704 ¢	6.950 ¢	\$ - ¢
Rider SSC - Storage Service Charge (1)										
SSC Banking Charge monthly per MSQ or AB Therm (2)						0.55000 ¢	0.54000 ¢	0.54000 ¢		
SSC Storage Service Charge (SSC) per Distribution Therm (3)	4.1615 ¢	4.060 ¢	4.060 ¢							
Transportation Rider Charges										
Rider AGG Aggregation Charge										
<i>Per Pool</i>						\$ 200.00	\$ 200.00	\$ 200.00		
<i>Per Account</i>						\$ 0.40	\$ 0.40	\$ 0.40		
Riders FST and SST Administrative Charge										
<i>Per Account</i>						\$ 7.78	\$ 7.78	\$ 7.78		
Rider P Pooling Charge										
<i>Per Pool</i>						\$ 200.00	\$ 200.00	\$ 200.00		
<i>Per Account</i>						\$ 5.39	\$ 5.39	\$ 5.39		
Imbalance Trade Charge						\$ 5.00	\$ 5.00	\$ 5.00		
Daily Demand Measurement Device Charge						\$ 33.00	\$ 33.00	\$ 33.00		
Rider SBO Credit						\$ (0.46)	\$ (0.46)	\$ (0.46)		
Miscellaneous Charges										
Service Activation										
- <i>Succession</i>	\$ 18.00	\$ 18.00	\$ 18.00			\$ 18.00	\$ 18.00	\$ 18.00		
- <i>Turn-On</i>	\$ 30.00	\$ 30.00	\$ 30.00			\$ 30.00	\$ 30.00	\$ 30.00		
- <i>Extra Appliances</i>	\$ 10.00	\$ 10.00	\$ 10.00			\$ 10.00	\$ 10.00	\$ 10.00		
Service Reconnection										
- <i>At Meter</i>	\$ 75.00	\$ 75.00	\$ 75.00			\$ 75.00	\$ 75.00	\$ 75.00		
- <i>Meter Removed and Reset</i>	\$ 150.00	\$ 150.00	\$ 150.00			\$ 150.00	\$ 150.00	\$ 150.00		
- <i>At Main</i>	\$ 425.00	\$ 425.00	\$ 425.00			\$ 425.00	\$ 425.00	\$ 425.00		
- <i>Extra Appliances</i>	\$ 10.00	\$ 10.00	\$ 10.00			\$ 10.00	\$ 10.00	\$ 10.00		
Dishonored Checks & Incomplete Electronic Withdrawals	\$ 25.00	\$ 25.00	\$ 25.00			\$ 25.00	\$ 25.00	\$ 25.00		
Second Pulse Data Capability	\$ 14.00	\$ 14.00	\$ 14.00			\$ 14.00	\$ 14.00	\$ 14.00		

Notes:

All rates, except Staff Proposed Rates, taken from PGL Ex. 12.4.

(1) Applicable to S.C. Nos. 1, 2, 4 and 8. Taken from PGL Ex. 12.4.

(2) Applies to transportation customers taking service under Riders CFY, FST and SST. Taken from PGL Ex. 12.4.

(3) Charge which applies to sales customers. Company Present rates and Proposed rate taken from PGL Ex. 12.4.

North Shore Gas Company
Bill Comparisons ^{(1) (8)}
S.C. No. 1 - Small Residential Service - Non Heating
Assumes Load Factor of 37%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider CFY				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates	Staff Proposed Rates	Amount	%	Present Rates	Staff Proposed Rates	Amount	%	
		[B]	[C]	[D] [C] - [B]	[E] [D] / [B]	[F]	[G]	[H] [G] - [F]	[I] [H] / [F]	
1	0	\$ 22.00	\$ 14.54	\$ (7.46)	-34%	\$ 22.05	\$ 14.59	\$ (7.46)	-34%	1
2	10	\$ 28.95	\$ 23.20	\$ (5.75)	-20%	\$ 28.62	\$ 22.69	\$ (5.93)	-21%	2
3	40	\$ 49.78	\$ 49.17	\$ (0.61)	-1%	\$ 49.05	\$ 47.69	\$ (1.36)	-3%	3
4	100	\$ 85.49	\$ 90.19	\$ 4.70	5%	\$ 83.58	\$ 86.38	\$ 2.80	3%	4
5	200	\$ 143.02	\$ 154.85	\$ 11.83	8%	\$ 139.13	\$ 147.18	\$ 8.05	6%	5
6	250	\$ 171.78	\$ 187.19	\$ 15.41	9%	\$ 166.73	\$ 177.41	\$ 10.68	6%	6
7	500	\$ 315.61	\$ 348.89	\$ 33.28	11%	\$ 305.82	\$ 329.64	\$ 23.82	8%	7
8	1,000	\$ 603.22	\$ 672.25	\$ 69.03	11%	\$ 583.25	\$ 633.34	\$ 50.09	9%	8

Notes:

- (1) Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders FCA, UEA or VBA. Bill impacts reflect proposed customer and distribution charges if Rider VBA is effective.
 - (2) Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 0.835 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 0.965 cents per therm.
 - (3) Includes Rider SSC Storage Service Charge of 0.7583 cents per therm (Present Rates) and 0.936 cents per therm (Proposed Rates).
 - (4) Includes Rider SSC Storage Banking Charge of 0.08 cents per capacity therm (Present Rates) and 0.11 cents per capacity therm (Proposed Rates).
 - (5) Includes Rider 2 - Gas Charge of 49.673 cents per therm.
 - (6) Includes gas cost proxy of 43.40 cents per therm. Applied to all therms.
 - (7) Includes Rider CFY Storage Gas Charge of 1.4 cents per capacity therm (Present Rates) and 1.4 cents per capacity therm (Proposed Rate).
 - (8) Charges included in footnotes (2) through (7) are estimated annualized charges.
- All rates, except Staff Proposed Rates, taken from NS Ex. 12.10.**

North Shore Gas Company
Bill Comparisons ^{(1) (8)}
S.C. No. 1 - Small Residential Service - Heating
Assumes Load Factor of 22%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider CFY				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates	Staff Proposed Rates	Amount	%	Present Rates	Staff Proposed Rates	Amount	%	
		[B]	[C]	[D] [C] - [B]	[E] [D] / [B]	[F]	[G]	[H] [G] - [F]	[I] [H] / [F]	
1	0	\$ 22.00	\$ 25.08	\$ 3.08	14%	\$ 22.05	\$ 25.13	\$ 3.08	14%	1
2	10	\$ 28.95	\$ 31.38	\$ 2.43	8%	\$ 28.62	\$ 31.04	\$ 2.42	8%	2
3	40	\$ 49.78	\$ 50.29	\$ 0.51	1%	\$ 48.33	\$ 48.73	\$ 0.40	1%	3
4	100	\$ 85.49	\$ 88.12	\$ 2.63	3%	\$ 81.44	\$ 83.78	\$ 2.34	3%	4
5	200	\$ 143.02	\$ 151.14	\$ 8.12	6%	\$ 134.87	\$ 142.42	\$ 7.55	6%	5
6	250	\$ 171.78	\$ 182.66	\$ 10.88	6%	\$ 161.40	\$ 171.55	\$ 10.15	6%	6
7	500	\$ 315.61	\$ 340.25	\$ 24.64	8%	\$ 294.80	\$ 317.98	\$ 23.18	8%	7
8	1,000	\$ 603.22	\$ 655.39	\$ 52.17	9%	\$ 561.94	\$ 611.18	\$ 49.24	9%	8

Notes:

- (1) Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders FCA, UEA or VBA. Bill impacts reflect proposed customer and distribution charges if Rider VBA is effective.
- (2) Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 0.835 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 0.965 cents per therm.
- (3) Includes Rider SSC Storage Service Charge of 0.7583 cents per therm (Present Rates) and 0.936 cents per therm (Proposed Rates).
- (4) Includes Rider SSC Storage Banking Charge of 0.08 cents per capacity therm (Present Rates) and 0.11 cents per capacity therm (Proposed Rates).
- (5) Includes Rider 2 - Gas Charge of 49.673 cents per therm.
- (6) Includes gas cost proxy of 43.40 cents per therm. Applied to all therms.
- (7) Includes Rider CFY Storage Gas Charge of 1.4 cents per capacity therm (Present Rates) and 1.4 cents per capacity therm (Proposed Rate).
- (8) Charges included in footnotes (2) through (7) are estimated annualized charges.

All rates, except Staff Proposed Rates, taken from NS Ex. 12.10.

North Shore Gas Company
Bill Comparisons ^{(1) (8)}
S.C. No. 2 - General Service (Meter Class 1)
Assumes Load Factor of 23%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider CFY				Transportation - Rider SST ⁽⁹⁾				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates	Staff Proposed Rates	Amount	%	Present Rates	Staff Proposed Rates	Amount	%	Present Rates	Staff Proposed Rates	Amount	%	
		[B]	[C]	[D] [C] - [B]	[E] [D] / [B]	[F]	[G]	[H] [G] - [F]	[I] [H] / [F]	[J]	[K]	[L] [K] - [J]	[M] [L] / [J]	
1	0	\$ 23.10	\$ 27.99	\$ 4.89	21.2%	\$ 23.15	\$ 28.04	\$ 4.89	21.1%	\$ 61.84	\$ 66.73	\$ 4.89	7.9%	1
2	300	\$ 205.62	\$ 208.00	\$ 2.38	1.2%	\$ 199.04	\$ 201.01	\$ 1.97	1.0%	\$ 226.90	\$ 228.65	\$ 1.76	0.8%	2
3	500	\$ 324.73	\$ 327.57	\$ 2.84	0.9%	\$ 313.47	\$ 315.64	\$ 2.17	0.7%	\$ 334.30	\$ 336.11	\$ 1.82	0.5%	3
4	1,000	\$ 622.45	\$ 626.49	\$ 4.04	0.6%	\$ 600.26	\$ 602.95	\$ 2.69	0.4%	\$ 602.96	\$ 604.92	\$ 1.96	0.3%	4
5	3,000	\$ 1,813.43	\$ 1,822.20	\$ 8.77	0.5%	\$ 1,746.72	\$ 1,751.47	\$ 4.75	0.3%	\$ 1,677.47	\$ 1,680.03	\$ 2.56	0.2%	5
6	5,000	\$ 2,987.36	\$ 2,992.24	\$ 4.88	0.2%	\$ 2,876.15	\$ 2,874.32	\$ (1.83)	-0.1%	\$ 2,734.94	\$ 2,729.47	\$ (5.47)	-0.2%	6
7	10,000	\$ 5,922.18	\$ 5,917.33	\$ (4.85)	-0.1%	\$ 5,699.36	\$ 5,681.07	\$ (8.29)	-0.3%	\$ 5,378.51	\$ 5,352.93	\$ (25.58)	-0.5%	7
8	20,000	\$ 11,791.83	\$ 11,767.51	\$ (24.32)	-0.2%	\$ 11,346.49	\$ 11,295.30	\$ (51.19)	-0.5%	\$ 10,665.86	\$ 10,600.08	\$ (65.78)	-0.6%	8

Notes:

- ⁽¹⁾ Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders FCA, UEA or VBA. Bill impacts reflect proposed customer and distribution charges if Rider VBA is effective.
- ⁽²⁾ Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 0.835 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 1.599 cents per therm.
- ⁽³⁾ Includes Rider SSC Storage Service Charge of 0.7583 cents per therm (Present Rates) and 0.936 cents per therm (Proposed Rates).
- ⁽⁴⁾ Includes Rider SSC Storage Banking Charge of 0.08 cents per capacity therm (Present Rates) and 0.11 cents per capacity therm (Proposed Rates).
- ⁽⁵⁾ Includes Rider 2 - Gas Charge of 49.673 cents per therm.
- ⁽⁶⁾ Includes gas cost proxy of 49.673 cents per therm. Applied to all therms.
- ⁽⁶⁾ Includes gas cost proxy of 43.40 cents per therm. Applied to all therms.
- ⁽⁷⁾ Includes Rider CFY/SST Storage Gas Charge of 1.4 cents per capacity therm (Present Rates) and 1.4 cents per capacity therm (Proposed Rate).
- ⁽⁸⁾ Charges included in footnotes (2) through (7) are estimated annualized charges.
- ⁽⁹⁾ Average SST Capacity Days subscribed equal 7 days of storage.
All rates, except Staff Proposed Rates, taken from NS Ex. 12.10.

North Shore Gas Company
Bill Comparisons ^{(1) (6)}
S.C. No. 2 - General Service (Meter Class 2)
Assumes Load Factor of 23%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider CFY				Transportation - Rider SST ⁽⁹⁾				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates [B]	Staff Proposed Rates [C]	Amount [D] [C] - [B]	% [E] [D] / [B]	Present Rates [F]	Staff Proposed Rates [G]	Amount [H] [G] - [F]	% [I] [H] / [F]	Present Rates [J]	Staff Proposed Rates [K]	Amount [L] [K] - [J]	% [M] [L] / [J]	
1	0	\$ 69.00	\$ 83.54	\$ 14.54	21.1%	\$ 69.05	\$ 83.59	\$ 14.54	21.1%	\$ 107.74	\$ 122.28	\$ 14.54	13.5%	1
2	300	\$ 251.52	\$ 263.55	\$ 12.03	4.8%	\$ 244.94	\$ 256.56	\$ 11.62	4.7%	\$ 272.80	\$ 284.20	\$ 11.41	4.2%	2
3	500	\$ 370.63	\$ 383.12	\$ 12.49	3.4%	\$ 359.37	\$ 371.19	\$ 11.82	3.3%	\$ 380.20	\$ 391.66	\$ 11.47	3.0%	3
4	1,000	\$ 668.35	\$ 682.04	\$ 13.69	2.0%	\$ 646.16	\$ 658.50	\$ 12.34	1.9%	\$ 648.86	\$ 660.47	\$ 11.61	1.8%	4
5	3,000	\$ 1,859.33	\$ 1,877.75	\$ 18.42	1.0%	\$ 1,792.62	\$ 1,807.02	\$ 14.40	0.8%	\$ 1,723.37	\$ 1,735.58	\$ 12.21	0.7%	5
6	5,000	\$ 3,033.26	\$ 3,047.79	\$ 14.53	0.5%	\$ 2,922.05	\$ 2,929.87	\$ 7.82	0.3%	\$ 2,780.84	\$ 2,785.02	\$ 4.18	0.2%	6
7	10,000	\$ 5,968.08	\$ 5,972.88	\$ 4.80	0.1%	\$ 5,745.26	\$ 5,736.62	\$ (8.64)	-0.2%	\$ 5,424.41	\$ 5,408.48	\$ (15.93)	-0.3%	7
8	20,000	\$ 11,837.73	\$ 11,823.06	\$ (14.67)	-0.1%	\$ 11,392.39	\$ 11,350.85	\$ (41.54)	-0.4%	\$ 10,711.76	\$ 10,655.63	\$ (56.13)	-0.5%	8

Notes:
⁽¹⁾ Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders FCA, UEA or VBA. Bill impacts reflect proposed customer and distribution charges if Rider VBA is effective.
⁽²⁾ Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 0.835 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 1.599 cents per therm.
⁽³⁾ Includes Rider SSC Storage Service Charge of 0.7583 cents per therm (Present Rates) and 0.936 cents per therm (Proposed Rates).
⁽⁴⁾ Includes Rider SSC Storage Banking Charge of 0.08 cents per capacity therm (Present Rates) and 0.11 cents per capacity therm (Proposed Rates).
⁽⁵⁾ Includes Rider 2 - Gas Charge of 49.673 cents per therm.
⁽⁶⁾ Includes gas cost proxy of 43.40 cents per therm. Applied to all therms.
⁽⁷⁾ Includes Rider CFY/SST Storage Gas Charge of 1.4 cents per capacity therm (Present Rates) and 1.4 cents per capacity therm (Proposed Rate).
⁽⁸⁾ Charges included in footnotes (2) through (7) are estimated annualized charges.
⁽⁹⁾ Average SST Capacity Days subscribed equal 7 days of storage.
All rates, except Staff Proposed Rates, taken from NS Ex. 12.10.

North Shore Gas Company
Bill Comparisons ^{(1) (8)}
S. C. No 2 - General Service (Meter Class 3)
Assumes Load Factor of 23%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider CFY				Transportation - Rider SST ⁽⁹⁾				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates [B]	Staff Proposed Rates [C]	Amount [D] [C] - [B]	% [E] [D] / [B]	Present Rates [F]	Staff Proposed Rates [G]	Amount [H] [G] - [F]	% [I] [H] / [F]	Present Rates [J]	Staff Proposed Rates [K]	Amount [L] [K] - [J]	% [M] [L] / [J]	
1	0	\$ 192.30	\$ 235.12	\$ 42.82	22.3%	\$ 192.35	\$ 235.17	\$ 42.82	22.3%	\$ 231.04	\$ 273.86	\$ 42.82	18.5%	1
2	300	\$ 374.82	\$ 415.13	\$ 40.31	10.8%	\$ 368.24	\$ 408.14	\$ 39.90	10.8%	\$ 396.10	\$ 435.78	\$ 39.68	10.0%	2
3	500	\$ 493.93	\$ 534.70	\$ 40.77	8.3%	\$ 482.67	\$ 522.77	\$ 40.10	8.3%	\$ 503.50	\$ 543.24	\$ 39.75	7.9%	3
4	1,000	\$ 791.65	\$ 833.62	\$ 41.97	5.3%	\$ 769.46	\$ 810.08	\$ 40.62	5.3%	\$ 772.16	\$ 812.05	\$ 39.89	5.2%	4
5	3,000	\$ 1,982.63	\$ 2,029.33	\$ 46.70	2.4%	\$ 1,915.92	\$ 1,958.60	\$ 42.68	2.2%	\$ 1,846.67	\$ 1,887.16	\$ 40.49	2.2%	5
6	5,000	\$ 3,156.56	\$ 3,199.37	\$ 42.81	1.4%	\$ 3,045.35	\$ 3,081.45	\$ 36.10	1.2%	\$ 2,904.14	\$ 2,936.60	\$ 32.46	1.1%	6
7	10,000	\$ 6,091.38	\$ 6,124.46	\$ 33.08	0.5%	\$ 5,868.56	\$ 5,888.20	\$ 19.64	0.3%	\$ 5,547.71	\$ 5,560.06	\$ 12.35	0.2%	7
8	20,000	\$ 11,961.03	\$ 11,974.64	\$ 13.61	0.1%	\$ 11,515.69	\$ 11,502.43	\$ (13.26)	-0.1%	\$ 10,835.06	\$ 10,807.21	\$ (27.85)	-0.3%	8

Notes:

- ⁽¹⁾ Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders FCA, UEA or VBA. Bill impacts reflect proposed customer and distribution charges if Rider VBA is effective.
- ⁽²⁾ Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 0.835 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 1.599 cents per therm.
- ⁽³⁾ Includes Rider SSC Storage Service Charge of 0.7583 cents per therm (Present Rates) and 0.936 cents per therm (Proposed Rates).
- ⁽⁴⁾ Includes Rider SSC Storage Banking Charge of 0.08 cents per capacity therm (Present Rates) and 0.11 cents per capacity therm (Proposed Rates).
- ⁽⁵⁾ Includes Rider 2 - Gas Charge of 49.673 cents per therm.
- ⁽⁶⁾ Includes gas cost proxy of 43.40 cents per therm. Applied to all therms.
- ⁽⁷⁾ Includes Rider CFY/SST Storage Gas Charge of 1.4 cents per capacity therm (Present Rates) and 1.4 cents per capacity therm (Proposed Rate).
- ⁽⁸⁾ Charges included in footnotes (2) through (7) are estimated annualized charges.
- ⁽⁹⁾ Average SST Capacity Days subscribed equal 7 days of storage.

All rates, except Staff Proposed Rates, taken from NS Ex. 12.10.

North Shore Gas Company
Bill Comparisons ^{(1) (8)}
S.C. No. 3 - Large Volume Demand Service
Assumes Load Factor of 50%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider SST ⁽⁹⁾				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates	Staff Proposed Rates	Amount	%	Present Rates	Staff Proposed Rates	Amount	%	
		[B]	[C]	[D] [C] - [B]	[E] [D] / [B]	[F]	[G]	[H] [G] - [F]	[I] [H] / [F]	
1	0	\$ 477.00	\$ 630.00	\$ 153.00	32.1%	\$ 482.74	\$ 635.74	\$ 153.00	31.7%	1
2	1,000	\$ 1,050.01	\$ 1,209.53	\$ 159.52	15.2%	\$ 1,001.06	\$ 1,159.12	\$ 158.06	15.8%	2
3	5,000	\$ 3,341.52	\$ 3,527.09	\$ 185.57	5.6%	\$ 3,073.60	\$ 3,251.87	\$ 178.27	5.8%	3
4	10,000	\$ 6,205.47	\$ 6,423.59	\$ 218.12	3.5%	\$ 5,663.66	\$ 5,867.16	\$ 203.50	3.6%	4
5	25,000	\$ 14,799.01	\$ 15,114.84	\$ 315.83	2.1%	\$ 13,436.22	\$ 13,715.52	\$ 279.30	2.1%	5
6	50,000	\$ 29,120.46	\$ 29,599.10	\$ 478.64	1.6%	\$ 26,388.91	\$ 26,794.48	\$ 405.57	1.5%	6
7	100,000	\$ 57,764.47	\$ 58,568.79	\$ 804.32	1.4%	\$ 52,295.87	\$ 52,954.05	\$ 658.18	1.3%	7
8	500,000	\$ 286,913.24	\$ 290,322.80	\$ 3,409.56	1.2%	\$ 259,546.80	\$ 262,225.65	\$ 2,678.85	1.0%	8

Notes:

- (1) Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders FCA or UEA.
 - (2) Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 0.835 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 0.728 cents per therm.
 - (3) Includes Rider SSC Storage Service Charge of 0.7583 cents per therm (Present Rates) and 0.936 cents per therm (Proposed Rates).
 - (4) Includes Rider SSC Storage Banking Charge of 0.08 cents per capacity therm (Present Rates) and 0.11 cents per capacity therm (Proposed Rates).
 - (5) Includes Rider 2 - Gas Charge of 49.673 cents per therm.
 - (6) Includes gas cost proxy of 43.40 cents per therm. Applied to all therms.
 - (7) Includes Rider SST Storage Gas Charge of 1.4 cents per capacity therm (Present Rates) and 1.4 cents per capacity therm (Proposed Rate).
 - (8) Charges included in footnotes (2) through (7) are estimated annualized charges.
 - (9) Average SST Capacity Days subscribed equal 7 days of storage.
- All rates, except Staff Proposed Rates, taken from NS Ex. 12.10.**

The Peoples Gas Light and Coke Company
Bill Comparisons ^{(1) (8)}
S.C. No. 1 - Small Residential Service - Non Heating
Assumes Load Factor of 34%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider CFY				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates	Staff Proposed Rates	Amount	%	Present Rates	Staff Proposed Rates	Amount	%	
		[B]	[C]	[D] [C] - [B]	[E] [D] / [B]	[F]	[G]	[H] [G] - [F]	[I] [H] / [F]	
1	0	\$ 22.25	\$ 13.87	\$ (8.38)	-38%	\$ 22.65	\$ 14.27	\$ (8.38)	-37%	1
2	10	\$ 30.54	\$ 24.21	\$ (6.33)	-21%	\$ 30.22	\$ 23.84	\$ (6.38)	-21%	2
3	40	\$ 55.40	\$ 55.19	\$ (0.21)	0%	\$ 53.54	\$ 53.13	\$ (0.41)	-1%	3
4	100	\$ 98.03	\$ 102.75	\$ 4.72	5%	\$ 92.80	\$ 97.01	\$ 4.21	5%	4
5	200	\$ 166.74	\$ 177.19	\$ 10.45	6%	\$ 155.87	\$ 165.30	\$ 9.43	6%	5
6	250	\$ 201.10	\$ 214.42	\$ 13.32	7%	\$ 187.23	\$ 199.28	\$ 12.05	6%	6
7	500	\$ 372.85	\$ 400.52	\$ 27.67	7%	\$ 345.07	\$ 370.20	\$ 25.13	7%	7
8	1,000	\$ 716.36	\$ 772.72	\$ 56.36	8%	\$ 660.07	\$ 711.33	\$ 51.26	8%	8

Notes:

- (1) Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders UEA or VBA. Bill impacts reflect proposed customer and distribution charges if Rider VBA is effective.
 - (2) Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 2.425 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 1.358 cents per therm.
 - (3) Includes Rider SSC Storage Service Charge of 4.1615 cents per therm (Present Rates) and 4.06 cents per therm (Proposed Rates).
 - (4) Includes Rider SSC Storage Banking Charge of 0.55 cents per capacity therm (Present Rates) and 0.54 cents per capacity therm (Proposed Rates).
 - (5) Includes Rider 2 - Gas Charge of 47.338 cents per therm.
 - (6) Includes gas cost proxy of 42.605 cents per therm. Applied to all therms.
 - (7) Includes Rider CFY Storage Gas Charge of 0.57 cents per capacity therm (Present Rates) and 0.57 cents per capacity therm (Proposed Rate).
 - (8) Charges included in footnotes (2) through (7) are estimated annualized charges.
- All rates, except Staff Proposed Rates, taken from PGL Ex. 12.10.**

The Peoples Gas Light and Coke Company
Bill Comparisons ^{(1) (8)}
S.C. No. 1 - Small Residential Service - Heating
Assumes Load Factor of 22%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider CFY				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates (2) (3)	Staff Proposed Rates (3)	Amount	%	Present Rates (2)(4)	Staff Proposed Rates (4)	Amount	%	
		[B]	[C]	[D] [C] - [B]	[E] [D] / [B]	[F]	[G]	[H] [G] - [F]	[I] [H] / [F]	
1	0	\$ 22.25	\$ 29.50	\$ 7.25	33%	\$ 22.65	\$ 29.90	\$ 7.25	32%	1
2	10	\$ 30.54	\$ 36.91	\$ 6.37	21%	\$ 30.22	\$ 36.58	\$ 6.36	21%	2
3	40	\$ 55.40	\$ 59.10	\$ 3.70	7%	\$ 52.89	\$ 56.57	\$ 3.68	7%	3
4	100	\$ 98.03	\$ 103.53	\$ 5.50	6%	\$ 91.18	\$ 96.60	\$ 5.42	6%	4
5	200	\$ 166.74	\$ 177.55	\$ 10.81	6%	\$ 152.29	\$ 162.96	\$ 10.67	7%	5
6	250	\$ 201.10	\$ 214.56	\$ 13.46	7%	\$ 183.01	\$ 196.30	\$ 13.29	7%	6
7	500	\$ 372.85	\$ 399.60	\$ 26.75	7%	\$ 336.30	\$ 362.69	\$ 26.39	8%	7
8	1,000	\$ 716.36	\$ 769.70	\$ 53.34	7%	\$ 643.17	\$ 695.78	\$ 52.61	8%	8

Notes:

- (1) Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders UEA or VBA. Bill impacts reflect proposed customer and distribution charges if Rider VBA is effective.
 - (2) Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 2.425 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 1.358 cents per therm.
 - (3) Includes Rider SSC Storage Service Charge of 4.1615 cents per therm (Present Rates) and 4.06 cents per therm (Proposed Rates).
 - (4) Includes Rider SSC Storage Banking Charge of 0.55 cents per capacity therm (Present Rates) and 0.54 cents per capacity therm (Proposed Rates).
 - (5) Includes Rider 2 - Gas Charge of 47.338 cents per therm.
 - (6) Includes gas cost proxy of 42.605 cents per therm. Applied to all therms.
 - (7) Includes Rider CFY Storage Gas Charge of 0.57 cents per capacity therm (Present Rates) and 0.57 cents per capacity therm (Proposed Rate).
 - (8) Charges included in footnotes (2) through (7) are estimated annualized charges.
- All rates, except Staff Proposed Rates, taken from PGL Ex. 12.10.**

The Peoples Gas Light and Coke Company
Bill Comparisons ^{(1) (8)}
S.C. No. 2 - General Service (Meter Class 1)
Assumes Load Factor of 23%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider CFY				Transportation - Rider SST ⁽⁹⁾				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates [B]	Staff Proposed Rates [C]	Amount [D]	% [E]	Present Rates [F]	Staff Proposed Rates [G]	Amount [H]	% [I]	Present Rates [J]	Staff Proposed Rates [K]	Amount [L]	% [M]	
			[C] - [B]	[D] / [B]			[G] - [F]	[H] / [F]			[K] - [J]	[L] / [J]		
1	0	\$ 25.20	\$ 36.94	\$ 11.74	46.6%	\$ 25.60	\$ 37.34	\$ 11.74	45.9%	\$ 65.98	\$ 77.72	\$ 11.74	17.8%	1
2	300	\$ 244.30	\$ 246.88	\$ 2.57	1.1%	\$ 229.77	\$ 232.78	\$ 3.00	1.3%	\$ 261.48	\$ 264.57	\$ 3.09	1.2%	2
3	500	\$ 377.03	\$ 385.18	\$ 8.15	2.2%	\$ 352.30	\$ 361.19	\$ 8.89	2.5%	\$ 378.36	\$ 387.38	\$ 9.02	2.4%	3
4	1,000	\$ 708.79	\$ 730.92	\$ 22.13	3.1%	\$ 659.26	\$ 682.84	\$ 23.58	3.6%	\$ 670.81	\$ 694.65	\$ 23.84	3.6%	4
5	3,000	\$ 2,035.87	\$ 2,113.88	\$ 78.01	3.8%	\$ 1,886.47	\$ 1,968.84	\$ 82.37	4.4%	\$ 1,840.36	\$ 1,923.51	\$ 83.15	4.5%	5
6	5,000	\$ 3,362.94	\$ 3,496.84	\$ 133.90	4.0%	\$ 3,113.68	\$ 3,254.85	\$ 141.17	4.5%	\$ 3,009.92	\$ 3,152.37	\$ 142.45	4.7%	6
7	10,000	\$ 6,584.02	\$ 6,755.84	\$ 171.82	2.6%	\$ 6,084.79	\$ 6,271.13	\$ 186.34	3.1%	\$ 5,837.08	\$ 6,026.00	\$ 188.92	3.2%	7
8	20,000	\$ 13,026.19	\$ 13,273.84	\$ 247.65	1.9%	\$ 12,027.65	\$ 12,304.35	\$ 276.70	2.3%	\$ 11,491.66	\$ 11,773.50	\$ 281.84	2.5%	8

Notes:

- (1) Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders UEA or VBA. Bill impacts reflect proposed customer and distribution charges if Rider VBA is effective.
 - (2) Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 2.425 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 1.564 cents per therm.
 - (3) Includes Rider SSC Storage Service Charge of 4.1615 cents per therm (Present Rates) and 4.06 cents per therm (Proposed Rates).
 - (4) Includes Rider SSC Storage Banking Charge of 0.55 cents per capacity therm (Present Rates) and 0.54 cents per capacity therm (Proposed Rates).
 - (5) Includes Rider 2 - Gas Charge of 47.338 cents per therm.
 - (6) Includes gas cost proxy of 42.605 cents per therm. Applied to all therms.
 - (7) Includes Rider CFY/SST Storage Gas Charge of 0.57 cents per capacity therm (Present Rates) and 0.57 cents per capacity therm (Proposed Rate).
 - (8) Charges included in footnotes (2) through (7) are estimated annualized charges.
 - (9) Average SST Capacity Days subscribed equal 11 days of storage.
- All rates, except Staff Proposed Rates, taken from PGL Ex. 12.10.**

The Peoples Gas Light and Coke Company
Bill Comparisons ^{(1) (8)}
S.C. No. 2 - General Service (Meter Class 2)
Assumes Load Factor of 23%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider CFY				Transportation - Rider SST ⁽⁹⁾				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates [B]	Staff Proposed Rates [C]	Amount [D] [C] - [B]	% [E] [D] / [B]	Present Rates [F]	Staff Proposed Rates [G]	Amount [H] [G] - [F]	% [I] [H] / [F]	Present Rates [J]	Staff Proposed Rates [K]	Amount [L] [K] - [J]	% [M] [L] / [J]	
1	0	\$ 92.40	\$ 123.93	\$ 31.53	34.1%	\$ 92.80	\$ 124.33	\$ 31.53	34.0%	\$ 133.18	\$ 164.71	\$ 31.53	23.7%	1
2	300	\$ 311.50	\$ 333.87	\$ 22.36	7.2%	\$ 296.97	\$ 319.77	\$ 22.79	7.7%	\$ 328.68	\$ 351.56	\$ 22.88	7.0%	2
3	500	\$ 444.23	\$ 472.17	\$ 27.94	6.3%	\$ 419.50	\$ 448.18	\$ 28.68	6.8%	\$ 445.56	\$ 474.37	\$ 28.81	6.5%	3
4	1,000	\$ 775.99	\$ 817.91	\$ 41.92	5.4%	\$ 726.46	\$ 769.83	\$ 43.37	6.0%	\$ 738.01	\$ 781.64	\$ 43.63	5.9%	4
5	3,000	\$ 2,103.07	\$ 2,200.87	\$ 97.80	4.7%	\$ 1,953.67	\$ 2,055.83	\$ 102.16	5.2%	\$ 1,907.56	\$ 2,010.50	\$ 102.94	5.4%	5
6	5,000	\$ 3,430.14	\$ 3,583.83	\$ 153.69	4.5%	\$ 3,180.88	\$ 3,341.84	\$ 160.96	5.1%	\$ 3,077.12	\$ 3,239.36	\$ 162.24	5.3%	6
7	10,000	\$ 6,651.22	\$ 6,842.83	\$ 191.61	2.9%	\$ 6,151.99	\$ 6,358.12	\$ 206.13	3.4%	\$ 5,904.28	\$ 6,112.99	\$ 208.71	3.5%	7
8	20,000	\$ 13,093.39	\$ 13,360.83	\$ 267.44	2.0%	\$ 12,094.85	\$ 12,391.34	\$ 296.49	2.5%	\$ 11,558.86	\$ 11,860.49	\$ 301.63	2.6%	8

Notes:

- ⁽¹⁾ Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders UEA or VBA. Bill impacts reflect proposed customer and distribution charges if Rider VBA is effective.
- ⁽²⁾ Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 2.425 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 1.564 cents per therm.
- ⁽³⁾ Includes Rider SSC Storage Service Charge of 4.1615 cents per therm (Present Rates) and 4.06 cents per therm (Proposed Rates).
- ⁽⁴⁾ Includes Rider SSC Storage Banking Charge of 0.55 cents per capacity therm (Present Rates) and 0.54 cents per capacity therm (Proposed Rates).
- ⁽⁵⁾ Includes Rider 2 - Gas Charge of 47.338 cents per therm.
- ⁽⁶⁾ Includes gas cost proxy of 42.605 cents per therm. Applied to all therms.
- ⁽⁷⁾ Includes Rider CFY/SST Storage Gas Charge of 0.57 cents per capacity therm (Present Rates) and 0.57 cents per capacity therm (Proposed Rate).
- ⁽⁸⁾ Charges included in footnotes (2) through (7) are estimated annualized charges.
- ⁽⁹⁾ Average SST Capacity Days subscribed equal 11 days of storage.

All rates, except Staff Proposed Rates, taken from PGL Ex. 12.10.

The Peoples Gas Light and Coke Company
Bill Comparisons ^{(1) (8)}
S. C. No 2 - General Service (Meter Class 3)
Assumes Load Factor of 23%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider CFY				Transportation - Rider SST ⁽⁹⁾				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates [B]	Staff Proposed Rates [C]	Amount [D] [C] - [B]	% [E] [D] / [B]	Present Rates [F]	Staff Proposed Rates [G]	Amount [H] [G] - [F]	% [I] [H] / [F]	Present Rates [J]	Staff Proposed Rates [K]	Amount [L] [K] - [J]	% [M] [L] / [J]	
1	0	\$ 235.60	\$ 319.52	\$ 83.92	35.6%	\$ 236.00	\$ 319.92	\$ 83.92	35.6%	\$ 276.38	\$ 360.30	\$ 83.92	30.4%	1
2	300	\$ 454.70	\$ 529.46	\$ 74.75	16.4%	\$ 440.17	\$ 515.36	\$ 75.18	17.1%	\$ 471.88	\$ 547.15	\$ 75.27	16.0%	2
3	500	\$ 587.43	\$ 667.76	\$ 80.33	13.7%	\$ 562.70	\$ 643.77	\$ 81.07	14.4%	\$ 588.76	\$ 669.96	\$ 81.20	13.8%	3
4	1,000	\$ 919.19	\$ 1,013.50	\$ 94.31	10.3%	\$ 869.66	\$ 965.42	\$ 95.76	11.0%	\$ 881.21	\$ 977.23	\$ 96.02	10.9%	4
5	3,000	\$ 2,246.27	\$ 2,396.46	\$ 150.19	6.7%	\$ 2,096.87	\$ 2,251.42	\$ 154.55	7.4%	\$ 2,050.76	\$ 2,206.09	\$ 155.33	7.6%	5
6	5,000	\$ 3,573.34	\$ 3,779.42	\$ 206.08	5.8%	\$ 3,324.08	\$ 3,537.43	\$ 213.35	6.4%	\$ 3,220.32	\$ 3,434.95	\$ 214.63	6.7%	6
7	10,000	\$ 6,794.42	\$ 7,038.42	\$ 244.00	3.6%	\$ 6,295.19	\$ 6,553.71	\$ 258.52	4.1%	\$ 6,047.48	\$ 6,308.58	\$ 261.10	4.3%	7
8	20,000	\$ 13,236.59	\$ 13,556.42	\$ 319.83	2.4%	\$ 12,238.05	\$ 12,586.93	\$ 348.88	2.9%	\$ 11,702.06	\$ 12,056.08	\$ 354.02	3.0%	8

Notes:

- (1) Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders UEA or VBA. Bill impacts reflect proposed customer and distribution charges if Rider VBA is effective.
- (2) Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 2.425 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 1.564 cents per therm.
- (3) Includes Rider SSC Storage Service Charge of 4.1615 cents per therm (Present Rates) and 4.06 cents per therm (Proposed Rates).
- (4) Includes Rider SSC Storage Banking Charge of 0.55 cents per capacity therm (Present Rates) and 0.54 cents per capacity therm (Proposed Rates).
- (5) Includes Rider 2 - Gas Charge of 47.338 cents per therm.
- (6) Includes gas cost proxy of 42.605 cents per therm. Applied to all therms.
- (7) Includes Rider CFY/SST Storage Gas Charge of 0.57 cents per capacity therm (Present Rates) and 0.57 cents per capacity therm (Proposed Rate).
- (8) Charges included in footnotes (2) through (7) are estimated annualized charges.
- (9) Average SST Capacity Days subscribed equal 11 days of storage.

All rates, except Staff Proposed Rates, taken from PGL Ex. 12.10.

The Peoples Gas Light and Coke Company
Bill Comparisons ^{(1) (8)}
S.C. No. 4 - Large Volume Demand Service
Assumes Load Factor of 40%

Line No.	Monthly Therms [A]	Sales				Transportation - Rider SST ⁽⁹⁾				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates	Staff Proposed Rates	Amount	%	Present Rates	Staff Proposed Rates	Amount	%	
		[B]	[C]	[D] [C] - [B]	[E] [D] / [B]	[F]	[G]	[H] [G] - [F]	[I] [H] / [F]	
1	0	\$ 481.00	\$ 692.00	\$ 211.00	43.9%	\$ 488.78	\$ 699.78	\$ 211.00	43.2%	1
2	1,000	\$ 1,113.88	\$ 1,350.01	\$ 236.13	21.2%	\$ 1,047.41	\$ 1,284.37	\$ 236.96	22.6%	2
3	5,000	\$ 3,646.00	\$ 3,982.81	\$ 336.81	9.2%	\$ 3,282.70	\$ 3,623.69	\$ 340.99	10.4%	3
4	10,000	\$ 6,810.98	\$ 7,273.62	\$ 462.64	6.8%	\$ 6,076.62	\$ 6,547.62	\$ 471.00	7.8%	4
5	25,000	\$ 16,305.97	\$ 17,146.05	\$ 840.08	5.2%	\$ 14,458.38	\$ 15,319.37	\$ 860.99	6.0%	5
6	50,000	\$ 32,130.32	\$ 33,599.32	\$ 1,469.00	4.6%	\$ 28,427.18	\$ 29,937.99	\$ 1,510.81	5.3%	6
7	100,000	\$ 63,779.65	\$ 66,506.64	\$ 2,726.99	4.3%	\$ 56,365.59	\$ 59,176.21	\$ 2,810.62	5.0%	7
8	500,000	\$ 316,974.83	\$ 329,765.97	\$ 12,791.14	4.0%	\$ 279,873.62	\$ 293,082.84	\$ 13,209.22	4.7%	8

Notes:

- (1) Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders UEA.
 - (2) Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 2.425 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 0.716 cents per therm.
 - (3) Includes Rider SSC Storage Service Charge of 4.1615 cents per therm (Present Rates) and 4.06 cents per therm (Proposed Rates).
 - (4) Includes Rider SSC Storage Banking Charge of 0.55 cents per capacity therm (Present Rates) and 0.54 cents per capacity therm (Proposed Rates).
 - (5) Includes Rider 2 - Gas Charge of 47.338 cents per therm.
 - (6) Includes gas cost proxy of 42.605 cents per therm. Applied to all therms.
 - (7) Includes Rider SST Storage Gas Charge of 0.57 cents per capacity therm (Present Rates) and 0.57 cents per capacity therm (Proposed Rate).
 - (8) Charges included in footnotes (2) through (7) are estimated annualized charges.
 - (9) Average SST Capacity Days subscribed equal 11 days of storage.
- All rates, except Staff Proposed Rates, taken from PGL Ex. 12.10.**

The Peoples Gas Light and Coke Company
Bill Comparisons ⁽¹⁾
Present and Proposed Combined S.C. Nos. 5 and 7

Line No.	Monthly Therms [A]	Bill Amount		Difference		Line No.
		Present Rates [B]	Staff Proposed Rates [C]	Amount [D] [C] - [B]	% [E] [D] / [B]	
1	0	\$ 272,000	\$ 272,000	\$ -	0.0%	1
2	1,000	\$ 272,000	\$ 272,000	\$ -	0.0%	2
3	5,000	\$ 272,000	\$ 272,000	\$ -	0.0%	3
4	10,000	\$ 272,000	\$ 272,000	\$ -	0.0%	4
5	25,000	\$ 272,000	\$ 272,000	\$ -	0.0%	5
6	50,000	\$ 272,000	\$ 272,000	\$ -	0.0%	6
7	100,000	\$ 272,000	\$ 272,000	\$ -	0.0%	7
8	500,000	\$ 272,000	\$ 272,000	\$ -	0.0%	8

Notes:

⁽¹⁾ Excludes add-on taxes and other state charges under Rider 1. Reflects actual annual billed charges / 12, rounded to thousands of dollars.
All rates, except Staff Proposed Rates, taken from PGL Ex. 12.10.

The Peoples Gas Light and Coke Company
Bill Comparisons ^{(1) (8)}
S.C. No. 8 - Compressed Natural Gas Service
Assumes Load Factor of 39%

Line No.	Monthly Therms [A]	Retail				Transportation - Rider CFY				Transportation - Rider SST ⁽⁹⁾				Line No.
		Bill Amount ^{(2) (3) (5)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		Bill Amount ^{(2) (4) (6) (7)}		Difference		
		Present Rates [B]	Staff Proposed Rates [C]	Amount [D] [C] - [B]	% [E] [D] / [B]	Present Rates [F]	Staff Proposed Rates [G]	Amount [H] [G] - [F]	% [I] [H] / [F]	Present Rates [J]	Staff Proposed Rates [K]	Amount [L] [K] - [J]	% [M] [L] / [J]	
1	0	\$ 69.00	\$ 129.00	\$ 60.00	87.0%	\$ 69.40	\$ 129.40	\$ 60.00	86.5%	\$ 109.78	\$ 169.78	\$ 60.00	54.7%	1
2	300	\$ 259.18	\$ 339.73	\$ 80.55	31.1%	\$ 241.03	\$ 321.81	\$ 80.78	33.5%	\$ 276.37	\$ 357.20	\$ 80.83	29.2%	2
3	500	\$ 385.98	\$ 480.22	\$ 94.24	24.4%	\$ 355.55	\$ 450.18	\$ 94.63	26.6%	\$ 387.46	\$ 482.16	\$ 94.70	24.4%	3
4	1,000	\$ 702.95	\$ 831.43	\$ 128.48	18.3%	\$ 641.69	\$ 770.94	\$ 129.25	20.1%	\$ 665.13	\$ 794.54	\$ 129.41	19.5%	4
5	3,000	\$ 1,970.84	\$ 2,236.29	\$ 265.45	13.5%	\$ 1,786.57	\$ 2,054.34	\$ 267.77	15.0%	\$ 1,775.95	\$ 2,044.17	\$ 268.22	15.1%	5
6	5,000	\$ 3,238.73	\$ 3,641.15	\$ 402.42	12.4%	\$ 2,931.14	\$ 3,337.42	\$ 406.28	13.9%	\$ 2,886.65	\$ 3,293.69	\$ 407.04	14.1%	6
7	10,000	\$ 6,408.45	\$ 7,153.30	\$ 744.85	11.6%	\$ 5,793.21	\$ 6,545.76	\$ 752.55	13.0%	\$ 5,663.64	\$ 6,417.71	\$ 754.07	13.3%	7
8	20,000	\$ 12,747.90	\$ 14,177.60	\$ 1,429.70	11.2%	\$ 11,517.02	\$ 12,962.13	\$ 1,445.11	12.5%	\$ 11,217.49	\$ 12,665.64	\$ 1,448.15	12.9%	8

Notes:

- ⁽¹⁾ Excludes add-on taxes and other state charges under Rider 1 as well as any potential adjustments under Riders UEA.
 - ⁽²⁾ Includes Rider 11 Adjustment for Incremental Costs of Environmental Activities charge of 2.425 cents per therm and Rider EOA Energy Efficiency and On-Bill Financing Adjustment of 0.716 cents per therm.
 - ⁽³⁾ Includes Rider SSC Storage Service Charge of 4.1615 cents per therm (Present Rates) and 4.06 cents per therm (Proposed Rates).
 - ⁽⁴⁾ Includes Rider SSC Storage Banking Charge of 0.55 cents per capacity therm (Present Rates) and 0.54 cents per capacity therm (Proposed Rates).
 - ⁽⁵⁾ Includes Rider 2 - Gas Charge of 47.338 cents per therm.
 - ⁽⁶⁾ Includes gas cost proxy of 42.605 cents per therm. Applied to all therms.
 - ⁽⁷⁾ Includes Rider CFY/SST Storage Gas Charge of 0.57 cents per capacity therm (Present Rates) and 0.57 cents per capacity therm (Proposed Rate).
 - ⁽⁸⁾ Charges included in footnotes (2) through (7) are estimated annualized charges.
 - ⁽⁹⁾ Average SST Capacity Days subscribed equal 11 days of storage.
- All rates, except Staff Proposed Rates, taken from PGL Ex. 12.10.**