

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	)	
	)	
vs.	)	
	)	
North Shore Gas Company	)	Docket No. 12-0602
The Peoples Gas Light and Coke Company	)	
	)	
Reconciliation of Revenues Collected	)	
under Riders EOA with the actual costs	)	
associated with energy efficiency and	)	
on-bill financing programs	)	

DIRECT TESTIMONY  
OF  
EDWARD M. KORENCHAN

- 1 Q. Please state your name and business address.
- 2 A. Edward M. Korenchan, 130 East Randolph Street, Chicago, Illinois 60601.
- 3 Q. By whom are you employed?
- 4 A. I am employed by Integrys Business Support, LLC (“IBS”), a centralized
- 5 service company for Integrys Energy Group, Inc.
- 6 Q. What position do you hold with IBS?
- 7 A. I am the Supervisor, Gas Regulatory Services.
- 8 Q. What are your responsibilities in that position?
- 9 A. I am responsible for coordinating and conducting activities related to rate
- 10 and tariff administration as well as rate research, and for supporting the
- 11 development of rate policies for Respondents, North Shore Gas Company

12 (“North Shore”) and The Peoples Gas Light and Coke Company (“Peoples Gas”),  
13 affiliate companies of IBS.

14 Q. Please summarize your educational background and experience.

15 A. I graduated from the University of Illinois at Chicago in 1986 with a  
16 Bachelor of Science Degree in Accounting. I began my employment at Peoples  
17 Gas in March 1986 in the General Accounting Department. Since then, I have  
18 been employed in various positions and levels of responsibility within State  
19 Regulatory Affairs, Marketing Research and Gas Regulatory Services. I have  
20 been in my present position since May, 2011.

21 Q. Have you testified before the Illinois Commerce Commission  
22 (“Commission”) or any other regulatory commission previously?

23 A. Yes. I have testified in the following proceedings before the Commission  
24 on behalf of North Shore and Peoples Gas:

25 Docket Nos. 09-0436/09-0437 (cons.), Reconciliation of the first program  
26 year for Rider EEP (Enhanced Efficiency Program).

27 Docket Nos. 10-0565/10-0566 (cons.), Reconciliation of the second  
28 program year for Rider EEP.

29 Docket No. 10-0564, Petition Pursuant to Section 8-104 of the Public  
30 Utilities Act to Submit an Energy Efficiency Plan.

31 Lastly, I am currently a witness in Docket Nos. 11-0663/11-0664 (cons.),  
32 Reconciliation of the third program year for Rider EEP.

33 Q. Please give a brief description of the operations and status of North Shore.

34 A. I am advised by counsel that North Shore is a corporation organized and  
35 existing under the laws of the State of Illinois, having its principal office at 130  
36 East Randolph Street, Chicago, Illinois 60601. It is engaged in the business of  
37 purchasing natural gas for and distributing and selling natural gas to  
38 approximately 158,000 customers in Cook and Lake Counties, Illinois. I am  
39 advised by counsel that North Shore is a public utility within the meaning of the  
40 Public Utilities Act.

41 Q. Please give a brief description of the operations and status of Peoples  
42 Gas.

43 A. I am advised by counsel that Peoples Gas is a corporation organized and  
44 existing under the laws of the State of Illinois, having its principal office at 130  
45 East Randolph Street, Chicago, Illinois 60601. It is engaged in the business of  
46 purchasing natural gas for and distributing and selling natural gas to  
47 approximately 819,000 customers in the City of Chicago. I am advised by  
48 counsel that Peoples Gas is a public utility within the meaning of the Public  
49 Utilities Act.

50 Q. Please describe the subject matter of this proceeding.

51 A. North Shore's and Peoples Gas' Schedules of Rates for Gas Service each  
52 includes Rider EOA, Energy Efficiency and On-Bill Financing Adjustment. The  
53 Commission approved Rider EOA in Docket No. 10-0564. Rider EOA became  
54 effective June 20, 2011. Each year, Rider EOA calls for North Shore and  
55 Peoples Gas to file charges (called the "Effective Component") with the  
56 Commission. The Rider EOA Effective Component is a per-therm charge to

57 recover the costs of the energy efficiency program and the On-Bill Financing  
58 (“OBF”) program. The portions of the Effective Component associated with  
59 energy efficiency and OBF are based on the budgets included in the three-year  
60 plan filed with the Commission in Docket No. 10-0564. Rider EOA is applicable  
61 to all Service Classifications (“S.C.”); however, for energy efficiency, certain large  
62 customers have been identified as “exempt” or “self-directing” by the Department  
63 of Commerce and Economic Development (“DCEO”) per criteria set forth in  
64 Section 8-104(m) of the Public Utilities Act. Such customers are not subject to  
65 Rider EOA and do not participate in North Shore’s or Peoples Gas’ energy  
66 efficiency programs or the OBF program, which is directed to residential  
67 customers.

68 For North Shore, there is a separate Effective Component for:

- 69 • S.C. No. 1, which includes amounts for Residential Energy Efficiency  
70 and OBF programs;
- 71 • S.C. No. 2, which includes amounts for Residential Energy Efficiency,  
72 Commercial and Industrial Energy Efficiency, and OBF programs; and
- 73 • Combined S.C. Nos. 3, 4 and 6 (currently there are no customers  
74 under S.C. No. 6), which includes amounts for Commercial and  
75 Industrial Energy Efficiency programs.

76 For Peoples Gas, there is a separate Effective Component for:

- 77 • S.C. No. 1, which includes amounts for Residential Energy Efficiency  
78 and OBF programs;

- 79           • S.C. No. 2, which includes amounts for Residential Energy Efficiency,  
80           Commercial and Industrial Energy Efficiency, and OBF programs; and
- 81           • Combined S.C. Nos. 4, 5, 7 and 8, which includes amounts for  
82           Commercial and Industrial Energy Efficiency programs.

83           Section E of each Rider EOA requires North Shore and Peoples Gas,  
84 beginning in 2012, to file annually no later than August 31 a reconciliation of  
85 amounts billed in the Previous Program Year to the actual costs, as well as  
86 Reconciliation Adjustments (“RA”) for any amounts over- or under-collected from  
87 customers per the reconciliation. Such Reconciliation Adjustments would apply  
88 to the nine-month reconciliation amortization period beginning September 1.  
89 Future reconciliations, beginning in 2013, will also include reconciliation of  
90 amounts collected or refunded through the previous year’s RA.

91           Section E of each Rider EOA also requires that the Commission initiate an  
92 annual review. On the later of August 31 or the date set forth in the  
93 Commission’s order initiating a review, North Shore and Peoples Gas must file  
94 testimony addressing its reconciliation statement and the prudence and  
95 reasonableness of costs incurred and recovered under Rider EOA during the  
96 Program Year that is the subject of the reconciliation statement. My testimony  
97 addresses the reconciliation statement. Testimony of North Shore and Peoples  
98 Gas witness Mr. Jay Boettcher addresses the energy efficiency plan, programs  
99 implemented in the first program year, reasonableness and prudence of costs  
100 incurred, and costs incurred under the OBF program.

101 Q.     Please describe the period that will be reconciled.

102 A. Rider EOA requires a reconciliation of revenues for each Program Period,  
103 which is the twelve-month period beginning June 1. Accordingly, the  
104 reconciliation period, which is the subject of my testimony, is for the Program  
105 Period June 1, 2011, through May 31, 2012.

106 Q. Is there anything that is out of the ordinary about the first Program Period?

107 A. Yes. In addition to costs incurred during the Program Period, the first  
108 reconciliation period includes expenses incurred after July 10, 2009 (*i.e.*, the  
109 effective date of Public Act 96-0033, which created the mandates that North  
110 Shore and Peoples Gas implement energy efficiency and OBF programs), but  
111 before June 1, 2011 (*i.e.*, beginning of the first Program Year) related to program  
112 design and start-up. In addition, since Rider EOA became effective June 20,  
113 2011, the effective component was effective on July 1, 2011, and, therefore,  
114 revenues under Rider EOA were first recorded in July 2011. Lastly, since this is  
115 the first reconciliation period, there are no previous year RA amounts to be  
116 reconciled.

117 **North Shore Gas Company Reconciliation Statement**

118 Q. Please describe NS-PGL Ex. 1.1N.

119 A. NS-PGL Ex. 1.1N is a statement of the RA components that will apply for  
120 each month of the nine-month reconciliation amortization period beginning  
121 September 1, 2012, and ending May 31, 2013 ("Statement") for S.C. Nos. 1  
122 through 4.

123 Q. Was the Statement prepared under your supervision and direction?

124 A. Yes, it was.

125 Q. What is the purpose of the Statement?

126 A. The Statement shows the applicable RA for customers served under North  
127 Shore's S.C. Nos. 1, 2 and combined 3 and 4 who are not classified as exempt  
128 or self-directing, for the North Shore and DCEO programs. It also shows the  
129 derivation of each RA component and provides supporting data.

130 Q. Why is the DCEO program relevant to your testimony?

131 A. Rider EOA is the funding mechanism for both North Shore's and DCEO's  
132 energy efficiency programs. Under the law, DCEO, subject to meeting certain  
133 requirements, is entitled to a portion of the available funding under Rider EOA.  
134 DCEO plays no role in the OBF program.

135 Q. Please describe the elements of the Statement.

136 A. In general, the Statement includes the following information:

- 137 • Page 1 shows the RA that will be billed over the nine-month reconciliation  
138 amortization period beginning September 1, 2012, for each Service  
139 Classification. The RA represents per-therm charges or refunds.
- 140 • Pages 2 through 4 show the determination of the RA as described under  
141 Section D(2) of Rider EOA for S.C. Nos. 1 and 2 for residential programs,  
142 and combined S.C. Nos. 2, 3 and 4 for commercial and industrial  
143 programs. Column [B] for each page represents North Shore calculations,  
144 Column [C] represents DCEO calculations, and Column [D] represents  
145 calculations combining North Shore and DCEO.
- 146 • Page 2 shows the determination of the RA for S.C. No. 1.

147                    Lines 2 through 12 represent the calculation of the Total  
148                    Reconciliation Dollar amounts, including Interest, for Residential Energy  
149                    Efficiency. This amount, shown on Line 12, is the result of deducting EOA  
150                    Revenues (EREV) from EOA Expenses (EEXP), adding the RA amount to  
151                    be recovered or refunded (ERA2), and adding the applicable Interest. For  
152                    calendar year 2012, the applicable interest rate established by the  
153                    Commission is 0.0% pursuant to the order in Docket No. 11-0793. Line 13  
154                    represents the dollars-per-therm RA. It is derived by dividing the Total  
155                    Reconciliation Dollar amount on Line 12 by the Total Therm Deliveries  
156                    forecasted for the nine-month reconciliation amortization period (Line 3)  
157                    that the RA will be in effect. An RA must calculate to \$0.0001 per therm or  
158                    more for North Shore to include it on customer bills.

159                    Lines 15 through 25 represent the calculation of the Total  
160                    Reconciliation Dollar amounts, including Interest, for the portion of Rider  
161                    EOA attributable to OBF. This amount, shown on Line 25, is the result of  
162                    deducting EOA Revenues related to OBF (OREV) from EOA Expenses  
163                    related to OBF (OEXP), adding the RA related to OBF to be recovered or  
164                    refunded (ORA2), and adding the applicable Interest. Line 26 represents  
165                    the dollars-per-therm RA. It is derived by dividing the Total Reconciliation  
166                    Dollar amount on Line 25 by the Total Therm Deliveries forecasted for the  
167                    nine-month reconciliation amortization period (Line 16) that the RA will be  
168                    in effect.

169                    Similar calculations are performed for S.C. No. 2 Residential  
170                    Energy Efficiency and OBF on Page 3, and Commercial and Industrial  
171                    Energy Efficiency on Page 4.

- 172                    • Page 5 shows the North Shore program aggregation of monthly EOA  
173                    Expenses (EEXP and OEXP), Revenues (EREV and OREV) and  
174                    Reconciliation Adjustment (ERA1 and ORA1) amounts recovered or  
175                    refunded. EEXP and OEXP represent the actual amount of expenses  
176                    incurred by North Shore during the previous Program Period for energy  
177                    efficiency and OBF, as well as expenses incurred prior to the first Program  
178                    Period for program design and implementation. EREV represents 75% of  
179                    billed revenues arising from application of the Effective Component during  
180                    the previous Program Period for energy efficiency that are applicable to  
181                    North Shore as allowed under the Rider. OREV represents billed  
182                    revenues for OBF. The Reconciliation Adjustment ERA1 and ORA1  
183                    amounts represent the amounts collected or refunded during the previous  
184                    Program Period arising from the application of the RA from the Previous  
185                    Program Period for energy efficiency and OBF. The totals for Expenses,  
186                    Revenues, and RA amounts for each applicable service classification are  
187                    shown on Line 16 for Residential Energy Efficiency, Line 33 for  
188                    Commercial and Industrial Energy Efficiency, and Line 50 for OBF.
- 189                    • Page 6 shows the DCEO program aggregation of monthly EOA Expenses  
190                    (EEXP), Revenues (EREV) and Reconciliation Adjustment (RA1) Amounts  
191                    recovered or refunded. EEXP represents the actual amount of expenses

192 accrued by the DCEO during the previous Program Period. EREV  
193 represents 25% of billed revenues arising from application of the Effective  
194 Component during the previous Program Period for energy efficiency that  
195 are applicable to DCEO as allowed under the Rider. The Reconciliation  
196 Adjustment RA1 Amounts represent the amounts collected or refunded  
197 during the previous Program Period arising from the application of the RA  
198 from the Previous Program Period. The totals for EEPE, EEPR, and RA1  
199 Amounts for each applicable service classification are shown on Line 15  
200 for Residential Energy Efficiency and Line 30 for Commercial and  
201 Industrial Energy Efficiency.

202 • Page 7 shows the forecasted total therm deliveries for the reconciliation  
203 period of September 2012 through May 2013. The total therm deliveries  
204 for S.C. No. 2 and combined S.C. Nos. 3 and 4 are adjusted to exclude  
205 therm deliveries to individual customers reported by DCEO as exempt or  
206 self-directing who are not subject to Rider EOA. Therm totals used in  
207 calculations of per-therm charges are:

208 Column C, Line 10 for S.C. No. 1 residential programs;  
209 Column F, Line 10 for S.C. No. 2 residential programs; and  
210 Columns F + I, Line 10 for combined S.C. Nos. 2, 3 and 4 commercial  
211 and industrial programs.

212 Q. How much was calculated as refundable or recoverable from S.C. No. 1  
213 customers over the nine-month period beginning September 1, 2012, for  
214 residential energy efficiency and OBF?

215 A. \$247,613.52 was calculated as being refundable to S.C. No. 1 customers  
216 (NS-PGL Ex. 1.1N, Page 2, Column D, Line 12 plus Line 25).

217 Q. Are dollar amounts refundable or recoverable broken out separately for  
218 North Shore and DCEO?

219 A. Yes. Pages 2, 3 and 4 of the Statement show calculations for North  
220 Shore, DCEO, and in Total.

221 Q. What is the RA component that will be effective for S.C. No. 1 beginning  
222 September 1, 2012?

223 A. The RA component for S.C. No. 1 customers will be a refund of \$0.0014  
224 per therm (NS-PGL Ex. 1.1N, Page 1, Column B, Line 4).

225 Q. How much was calculated as refundable or recoverable from S.C. No. 2  
226 customers over the nine-month period beginning September 1, 2012, for  
227 residential energy efficiency and OBF programs?

228 A. \$118,886.25 was calculated as being refundable to these customers for  
229 residential energy efficiency and OBF programs (NS-PGL Ex. 1.1N, Page 3,  
230 Column D, Line 12 plus Line 25).

231 Q. How much was calculated as refundable or recoverable from combined  
232 S.C. Nos. 2, 3 and 4 customers over the nine-month period beginning September  
233 1, 2012, for commercial and industrial energy efficiency programs?

234 A. \$298,823.71 was calculated as being recoverable from these customers  
235 for commercial and industrial programs (NS-PGL Ex. 1.1N, Page 4, Column D,  
236 Line 12).

237 Q. What is the RA component that will be effective for S.C. No. 2 beginning  
238 September 1, 2012, for residential, commercial and industrial energy efficiency  
239 and OBF?

240 A. The RA component for S.C. No. 2 customers will be a charge of \$0.0012  
241 per therm (NS-PGL Ex. 1.1N, Page 1, Column C, Line 4).

242 Q. What is the RA component that will be effective for S.C. Nos. 3 and 4  
243 beginning September 1, 2012, for commercial and industrial energy efficiency?

244 A. The RA component for S.C. Nos. 3 and 4 customers will be a charge of  
245 \$0.0026 per therm (NS-PGL Ex. 1.1N, Page 1, Column D, Line 4).

246 **The Peoples Gas Light and Coke Company Reconciliation Statement**

247 Q. Please describe NS-PGL Ex. 1.1P.

248 A. NS-PGL Ex. 1.1P is a statement of the RA components that will apply for  
249 each month of the nine-month reconciliation amortization period beginning  
250 September 1, 2012, and ending May 31, 2013 ("Statement") for S.C. Nos. 1  
251 through 8.

252 Q. Was the Statement prepared under your supervision and direction?

253 A. Yes, it was.

254 Q. What is the purpose of the Statement?

255 A. The Statement shows the applicable RA for customers served under  
256 Peoples Gas' S.C. Nos. 1, 2 and combined 4 through 8 who are not classified as  
257 exempt or self-directing, for the Peoples Gas and DCEO programs. It also  
258 shows the derivation of each RA component and provides supporting data.

259 Q. Why is the DCEO program relevant to your testimony?

260 A. Rider EOA is the funding mechanism for both Peoples Gas' and DCEO's  
261 energy efficiency programs. Under the law, DCEO, subject to meeting certain  
262 requirements, is entitled to a portion of the available funding under Rider EOA.  
263 DCEO plays no role in the OBF program.

264 Q. Please describe the elements of the Statement.

265 A. In general, the Statement includes the following information:

- 266 • Page 1 shows the RA that will be billed over the nine-month reconciliation  
267 amortization period beginning September 1, 2012, for each Service  
268 Classification. The RA represents per-therm charges or refunds.
- 269 • Pages 2 through 4 show the determination of the RA as described under  
270 Section D(2) of Rider EOA for S.C. Nos. 1 and 2 for residential programs,  
271 and combined S.C. Nos. 2, 4, 5, 7 and 8 for commercial and industrial  
272 programs. Column [B] for each page represents Peoples Gas  
273 calculations, Column [C] represents DCEO calculations, and Column [D]  
274 represents calculations combining Peoples Gas and DCEO.
- 275 • Page 2 shows the determination of the RA for S.C. No. 1  
276 Lines 2 through 12 represent the calculation of the Total  
277 Reconciliation Dollar amounts, including Interest, for Residential Energy  
278 Efficiency. This amount, shown on Line 12, is the result of deducting EOA  
279 Revenues (EREV) from EOA Expenses (EEXP), adding the RA amount to  
280 be recovered or refunded (ERA2), and adding the applicable Interest. For  
281 calendar year 2012, the applicable interest rate established by the  
282 Commission is 0.0% pursuant to the order in Docket No. 11-0793. Line 13

283 represents the dollars-per-therm RA. It is derived by dividing the Total  
284 Reconciliation Dollar amount on Line 12 by the Total Therm Deliveries  
285 forecasted for the nine-month reconciliation amortization period (Line 3)  
286 that the RA will be in effect. An RA must calculate to \$0.0001 per therm or  
287 more for Peoples Gas to include it on customer bills.

288 Lines 15 through 25 represent the calculation of the Total  
289 Reconciliation Dollar amounts, including Interest, for the portion of Rider  
290 EOA attributable to OBF. This amount, shown on Line 25, is the result of  
291 deducting EOA Revenues related to OBF (OREV) from EOA Expenses  
292 related to OBF (OEXP), adding the RA related to OBF to be recovered or  
293 refunded (ORA2), and adding the applicable Interest. Line 26 represents  
294 the dollars-per-therm RA. It is derived by dividing the Total Reconciliation  
295 Dollar amount on Line 25 by the Total Therm Deliveries forecasted for the  
296 nine-month reconciliation amortization period (Line 16) that the RA will be  
297 in effect.

298 Similar calculations are performed for S.C. No. 2 Residential  
299 Energy Efficiency and OBF on Page 3, and Commercial and Industrial  
300 Energy Efficiency on Page 4.

301 • Page 5 shows the Peoples Gas program aggregation of monthly EOA  
302 Expenses (EEXP and OEXP), Revenues (EREV and OREV) and  
303 Reconciliation Adjustment (ERA1 and ORA1) amounts recovered or  
304 refunded. EEXP and OEXP represent the actual amount of expenses  
305 incurred by Peoples Gas during the previous Program Period for energy

306 efficiency and OBF, as well as expenses incurred prior to the first Program  
307 Period for program design and implementation. EREV represents 75% of  
308 billed revenues arising from application of the Effective Component during  
309 the previous Program Period for energy efficiency that are applicable to  
310 Peoples Gas as allowed under the Rider. OREV represents billed  
311 revenues for OBF. The Reconciliation Adjustment ERA1 and ORA1  
312 amounts represent the amounts collected or refunded during the previous  
313 Program Period arising from the application of the RA from the Previous  
314 Program Period for energy efficiency and OBF. The totals for Expenses,  
315 Revenues, and RA amounts for each applicable service classification are  
316 shown on Line 16 for Residential Energy Efficiency, Line 33 for  
317 Commercial and Industrial Energy Efficiency, and Line 50 for OBF.

- 318 • Page 6 shows the DCEO program aggregation of monthly EOA Expenses  
319 (EEXP), Revenues (EREV) and Reconciliation Adjustment (RA1) Amounts  
320 recovered or refunded. EEXP represents the actual amount of expenses  
321 accrued by the DCEO during the previous Program Period. EREV  
322 represents 25% of billed revenues arising from application of the Effective  
323 Component during the previous Program Period for energy efficiency that  
324 are applicable to DCEO as allowed under the Rider. The Reconciliation  
325 Adjustment RA1 Amounts represent the amounts collected or refunded  
326 during the previous Program Period arising from the application of the RA  
327 from the Previous Program Period. The totals for EEPE, EEPR, and RA1  
328 Amounts for each applicable service classification are shown on Line 15

329 for Residential Energy Efficiency and Line 30 for Commercial and  
330 Industrial Energy Efficiency.

331 • Page 7 shows the forecasted total therm deliveries for the reconciliation  
332 period of September 2012 through May 2013. The total therm deliveries  
333 for S.C. No. 2 and combined S.C. Nos. 4, 5, 7 and 8 are adjusted to  
334 exclude therm deliveries to individual customers reported by DCEO as  
335 exempt or self-directing who are not subject to Rider EOA. Therm totals  
336 used in calculations of per-therm charges are:

337 Column C, Line 10 for S.C. No. 1 residential programs;

338 Column F, Line 10 for S.C. No. 2 residential programs; and

339 Columns F + I, Line 10 for combined S.C. Nos. 2, 4, 5, 7 and 8 for  
340 commercial and industrial programs.

341 Q. How much was calculated as refundable or recoverable from S.C. No. 1  
342 customers over the nine-month period beginning September 1, 2012, for  
343 residential energy efficiency and OBF?

344 A. \$2,367,652.54 was calculated as being refundable to S.C. No. 1  
345 customers (NS-PGL Ex. 1.1P, Page 2, Column D, Line 12 plus Line 25).

346 Q. Are dollar amounts refundable or recoverable broken out separately for  
347 Peoples Gas and DCEO?

348 A. Yes. Pages 2, 3 and 4 of the Statement show calculations for Peoples  
349 Gas, DCEO, and in Total.

350 Q. What is the RA component that will be effective for S.C. No. 1 beginning  
351 September 1, 2012?

352 A. The RA component for S.C. No. 1 customers will be a refund of \$0.0035  
353 per therm (NS-PGL Ex. 1.1P, Page 1, Column B, Line 4).

354 Q. How much was calculated as refundable or recoverable from S.C. No. 2  
355 customers over the nine-month period beginning September 1, 2012, for  
356 residential energy efficiency and OBF programs?

357 A. \$286,424.55 was calculated as being refundable to these customers for  
358 residential energy efficiency and OBF programs (NS-PGL Ex. 1.1P, Page 3,  
359 Column D, Line 12 plus Line 25).

360 Q. How much was calculated as refundable or recoverable from combined  
361 S.C. Nos. 2, 4, 5, 7 and 8 customers over the nine-month period beginning  
362 September 1, 2012, for commercial and industrial energy efficiency programs?

363 A. \$1,204,181.80 was calculated as being recoverable from these customers  
364 for commercial and industrial programs (NS-PGL Ex. 1.1P, Page 4, Column D,  
365 Line 12).

366 Q. What is the RA component that will be effective for S.C. No. 2 beginning  
367 September 1, 2012, for residential, commercial and industrial energy efficiency  
368 and OBF?

369 A. The RA component for S.C. No. 2 customers will be a charge of \$0.0009  
370 per therm (NS-PGL Ex. 1.1P, Page 1, Column C, Line 4).

371 Q. What is the RA component that will be effective for S.C. Nos. 4, 5, 7 and 8  
372 beginning September 1, 2012, for commercial and industrial energy efficiency?

373 A. The RA component for S.C. Nos. 4, 5, 7 and 8 customers will be a charge  
374 of \$0.0014 per therm (NS-PGL Ex. 1.1P, Page 1, Column D, Line 4).

375 Q. Your exhibits are the filed reconciliation calculations for the first Program  
376 Year. Do you have any editorial comments on the exhibits?

377 A. Yes. NS-PGL Ex. 1.1N, Column A, Line 2 should read "Calculation of C&I  
378 Energy Efficiency ERA1". In addition, for both NS-PGL Ex. 1.1P and NS-PGL  
379 Ex. 1.1N, Pages 2-4, subscript numbers in Column A that represent segments  
380 should be ignored. Segments are clearly identified in the page headings. These  
381 minor corrections do not affect any calculations.

382 Q. Does this conclude your direct testimony?

383 A. Yes, it does.