

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

NORTH SHORE GAS COMPANY	:	
	:	
Proposed General Increase In Rates For Gas Service.	:	No. 12-0511
	:	and
THE PEOPLES GAS LIGHT AND COKE COMPANY	:	No. 12-0512
	:	Consol.
	:	
Proposed General Increase In Rates For Gas Service.	:	

Surrebuttal Testimony of

KEVIN R. KUSE

Senior Load Forecaster

Integrys Business Support, LLC On Behalf of
North Shore Gas Company and
The Peoples Gas Light and Coke Company

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1 **I. INTRODUCTION AND BACKGROUND**

2 **A. Identification of Witness**

3 **Q. Please state your name and business address.**

4 **A.** My name is Kevin R. Kuse. My business address is Integrys Energy Group, Inc.
5 (“Integrys”), 700 North Adams Street, P.O. Box 19001, Green Bay, WI 54307-9001.

6 **Q. Are you the same Kevin R. Kuse who submitted direct testimony on behalf of The**
7 **Peoples Gas Light and Coke Company (“Peoples Gas”) and the North Shore Gas**
8 **Company (“North Shore”) (together, “the Utilities”) in these consolidated dockets?**

9 **A.** Yes.

10 **B. Purpose of Surrebuttal Testimony**

11 **Q. Mr. Kuse, what is the purpose of your surrebuttal testimony in this proceeding?**

12 **A.** My surrebuttal testimony and attachments respond to issues related to adjustments
13 presented by the Illinois Attorney General (“AG”) witness Scott J. Rubin in his rebuttal
14 testimony concerning the proposed sales adjustment in AG witness David J. Effron’s
15 direct testimony. Specifically, my testimony addresses:

- 16 1. The Sales Adjustment proposed in David J. Effron’s direct testimony.
17 2. The blocking of Mr. Effron’s proposed Sales Adjustment as presented by Mr.
18 Rubin in AG Exhibit 6.03 for Peoples Gas’ Service Classification (“S.C.”) No. 1.

19 My surrebuttal testimony addresses the proposed adjustment to present rate sales which
20 underlie the revenue adjustments used in AG Exhibit 6.03 for Peoples Gas’ S.C. No. 1
21 that will be reviewed in detail in Utilities witness Valerie Grace’s surrebuttal.

22 **C. Summary of Conclusions**

23 **Q. Please summarize the conclusions of your Surrebuttal testimony.**

24 A. In brief, the conclusions of my Surrebuttal testimony are as follows:

25 1. The Utilities have provided blocked test year adjusted sales for Peoples Gas S.C.
26 Nos. 1 and 2 and for North Shore S.C. No 2 if the Commission approves adjustments as
27 proposed in Mr. Effron's direct testimony.

28 2. The blocking adjustments for Peoples Gas S.C. No. 1 presented by Mr. Rubin on
29 rebuttal in AG Exhibit 6.03 are not consistent with how the test year forecast was
30 derived.

31 3. Mr. Rubin's testimony only partially addresses Mr. Effron's proposal and does
32 not include any block calculations for North Shore S.C. No. 2 or Peoples Gas S.C. No. 2.

33 **D. Itemized Attachments to Surrebuttal Testimony**

34 **Q. Please describe the attachments to your surrebuttal testimony.**

35 A. Yes. I am sponsoring, and have attached hereto, the following exhibits.

36 NS-PGL Ex. 40.1 Data Request Response to PGL WRJ 13.01

37 NS-PGL Ex. 40.2 Data Request Response to NS WRJ 13.01

38 NS-PGL Ex. 40.3 Data Request Response to NS WRJ 12.01 Attach 02

39 NS-PGL Ex. 40.4 Data Request Response to PGL WRJ 12.02 Attach 02

40 NS-PGL Ex. 40.5 Data Request Response to PGL WRJ 12.03 Attach 01

41 **II. SALES ADJUSTMENT PROPOSED IN**
42 **DAVID J. EFFRON'S DIRECT TESTIMONY**

43 **Q. Have the Utilities rebutted the sales adjustments to Peoples Gas S.C. Nos. 1 and 2 or**
44 **North Shore S.C. No. 2 proposed in the direct testimony of AG witness Mr. Effron?**

45 A. As stated in the response to Staff data request WRJ 13.01 in exhibits NS-PGL Exs. 40.1
46 and 40.2, the Utilities did not submit rebuttal testimony regarding Mr. Effron's proposed
47 adjustments.

48 **Q. Have the Utilities proposed blocking if the Commission supports a sales adjustment**
49 **for Peoples Gas S.C. No. 1 and S.C. No. 2 for Peoples Gas and North Shore?**

50 A. Yes they have. Their responses to Staff data requests WRJ 12.01, WRJ 12.02 and WRJ
51 12.03, attached as NS-PGL Exs. 40.3 through 40.5, provided blocked sales for Sales and
52 Transportation customers separately, as well as for Peoples Gas S.C. No. 1 heating and
53 non-heating, that should result if the Commission approves the adjustments proposed in
54 Mr. Effron's direct testimony. The responses to WRJ 12.01 and WRJ 12.02 provide the
55 Utilities' blocked test year adjusted sales per Mr. Effron's proposed adjustment for S.C.
56 No. 2 as determined by North Shore and Peoples Gas, respectively. The response to WRJ
57 12.03 provides the blocked test year adjusted sales per Mr. Effron's proposed adjustment
58 as determined by Peoples Gas for S.C. No. 1, separately for heating and non-heating, as
59 well as for sales and transportation customers.

60 **III. SALES ADJUSTMENT PROPOSED IN**
61 **MR. RUBIN'S REBUTTAL TESTIMONY**

62 **Q. Is the sales adjustment for Peoples Gas S.C. No. 1 in Mr. Rubin's rebuttal testimony**
63 **the same as proposed in Mr. Effron's direct testimony?**

64 A. No it is not. Mr. Effron's direct testimony (AG Exhibit 2.0) simply proposed a total sales
65 and revenue adjustment by service classification. Mr. Rubin's now presents in AG
66 Exhibit 6.03 a different adjustment for Peoples Gas S.C. No. 1 based on blocked volumes
67 and pricing.

68 **Q. Is the blocking proposed in Mr. Rubin’s rebuttal testimony consistent with the**
69 **blocking provided by the Utilities in their responses to data requests WRJ 12.01,**
70 **WRJ 12.02 and WRJ 12.03, and as provided in exhibits NS-PGL Ex. 40.3 through**
71 **40.5?**

72 A. No it is not. The blocking for Peoples Gas S.C. No. 1 as proposed by the Utilities in
73 response to data request PGL WRJ 12.03 Attachment 1 is based on use-per-customer
74 approach which is consistent with the method by which the forecast was prepared. The
75 blocking adjustments presented by Mr. Rubin in AG Exhibit 6.03 were taken from
76 Schedule E-4, column E, of sections B and C, as referred to in the notes of AG Exhibit
77 6.03. However, the differences shown on Schedule E-4, sections B and C, column E are
78 not reflective of how the test year forecast was derived as indicated in Schedule E-4,
79 Section A which states:

80 “Peoples Gas does not normally derive billing units in this manner.
81 However, Peoples Gas has created the attached data to respond to this
82 filing requirement. Please see the testimony of Kevin Kuse (PGL Ex. 4.0)
83 for an explanation of how the test year billing units were derived.”

84 North Shore included an identical statement in its Schedule E-4, Section A. Furthermore,
85 Mr. Rubin’s testimony does not propose any blocking for North Shore S.C. No. 2 or
86 Peoples Gas S.C. No. 2.

87 **Q. Are you addressing the related revenue adjustments in Mr. Effron’s and Mr.**
88 **Rubin’s testimony?**

89 A. No, I am not. Ms. Grace’s surrebuttal testimony will analyze Mr. Effron’s and Mr.
90 Rubin’s revenue adjustments.

91 **Q. Does this complete your surrebuttal testimony?**

92 A. Yes.