ICC Staff Cross Exhibit No. 11

ICC Docket No. 12-12-0512
The Peoples Gas Light and Coke Company's Response to
Staff Data Requests DLH 3.01
Dated: January 29, 2013

REQUEST NO. DLH 3.01:

Referring to NS-PGL Ex. 44, pp. 9-10, identify the amounts included in Company exhibits NS-PGL 43.1P and NS-PGL Ex. 42.1P, by line and column reference related to the increase in non-AMRP Gas Services from $4,359,396 to $16,073,896.

RESPONSE:

See PGL DLH 3.01 Attach 01 and Attach 02 for the requested information.

OFFICIAL FILE
ICC DOCKET NO. 12-0511/12-0512
Staff Exhibit No. ICC Staff Cross Ex. 11
Witness John Hengtgen
Date 2/7/13 Reporter

The Peoples Gas Light and Coke Company

Jurisdictional Operating Income Summary

Line No.	I.C.C. Acc. No.	Description	Company Rebuttal Proforma Present (NS-PGL Ex. 26.1P) (Col. F)	O&M update and ratemaking adjustments exclude NOL adjustments (NS-PGL Ex. 42.2P, p3 less Column E)	NOL Adjustments (NS-PGL Ex. 42.2P, p.1, col. G + I and p.3, col. H)	As Adjusted Under Present Rates	Requested Rate Increase	As adjusted Under Proposed Rates	Line No.	Amounts in Column F related to Non AMRP Gas Services
	[A]	[B]	[C]	[D]	[E]	[F] = [C + D + E]	[G]	[H] = [F] + [G]		[I]
1	480-481, 489	Base Rate Revenues excludes Base Rate adjustments	$ 531,898,000	-	-	$ 531,898,000	$ 96,996,000	$ 628,894,000	1	
2	480-481, 489	Uncollectibe Expense Adjustment Revenues	$ -	-	-	$ -		$ -	2	
3	480-481, 489	Volume Balancing Adjustment Revenues	$ -	-	-	$ -		$ -	3	
4	480-481, 489	Infrastructure Cost Recovery Revenues	$ -	-	-	-		$ -	4	
5		Base Rate Revenues	531,898,000	-	-	531,898,000	96,996,000	628,894,000	5	-
6	480-481, 489	PGA Revenues	$ -	-	-	$ -		$ -	6	
7	480-481, 489	Coaltar Revenues	$ -	-	-	$ -		$ -	7	
8	480-481, 489	Enhanced Energy Program Revenues	$ -	-	-	-		$ -	8	
9		Pass Through Service Revenues	-	-	-	-	-	-	9	-
10	487, 488, 495	Other Revenues	$ 15,386,000	-	-	15,386,000	$ 809,000	$ 16,195,000	10	
11	400	Operating Revenues	$ 547,284,000	$ -	$ -	$ 547,284,000	$ 97,805,000	$ 645,089,000	11	$ -
12		Operating Expenses							12	
13	401	Cost of Gas	$ -	$ -	$ -	$ -	$ -	$ -	13	
14	401 & 402	Other Operation and Maintenance:							14	
15	401 & 402	Other Production	$ 1,015,000	$ -	$ -	$ 1,015,000	$ -	$ 1,015,000	15	
16	401 & 402	Storage	$ 10,302,000	$ -	$ -	$ 10,302,000	$ -	$ 10,302,000	16	
17	401 & 402	Transmission	$ 3,245,000	$ -	$ -	$ 3,245,000	$ -	$ 3,245,000	17	
18	401 & 402	Distribution	$ 144,437,000	$ -	$ -	$ 144,437,000	$ -	$ 144,437,000	18	
19	401	Customer Accounts - Uncollectible Expense	$ 18,265,000	$ -	$ -	$ 18,265,000	$ 2,911,000	$ 21,176,000	19	
20	401	Customer Accounts - Other	$ 32,557,000	$ -	$ -	$ 32,557,000	$ -	$ 32,557,000	20	
21	401	Customer Services and Informational Services	$ 2,274,000	$ -	$ -	$ 2,274,000	$ -	$ 2,274,000	21	
22	401	Sales	$ -		$ -	$ -	$ -	$ -	22	
23	401 & 402	Administrative and General	$ 135,820,000	$ (1,200,000)	$ -	$ 134,620,000	$ -	$ 134,620,000	23	
24		Total Other Operation and Maintenance	$ 347,915,000	$ (1,200,000)	$ -	$ 346,715,000	$ 2,911,000	$ 349,626,000	24	$ -
25	403	Depreciation	$ 91,472,000	$ 164,000	$ -	$ 91,636,000	$ -	$ 91,636,000	25	$ 242,000
26	404	Amortization	$ 5,572,000	$ -	$ -	$ 5,572,000	$ -	$ 5,572,000	26	
27	408.1	Taxes Other than Income	$ 21,358,000	$ (41,000)	$ -	$ 21,317,000	$ -	$ 21,317,000	27	
28		Income Taxes					$ -	$ -	28	
29	409.1	Federal Income Taxes - Current	$ 18,822,000	$ (46,952,000)	$ 28,130,000	$ -	$ 30,057,000	$ 30,057,000	29	$ -
30	409.1	State Income Taxes - Current	$ 2,592,000	$ 88,000	$ -	$ 2,680,000	$ 9,016,000	$ 11,696,000	30	$ (41,731)
31	410.1 & 411.1	Deferred Income Taxes	$ (1,569,000)	$ 47,253,000	$ (28,130,000)	$ 17,554,000	$ -	$ 17,554,000	31	$ (57,912)
32	411.4	Investment Tax Credit	$ 321,000	$ -	$ -	$ 321,000	$ -	$ 321,000	32	
33		Total Operating Expenses	$ 486,483,000	$ (688,000)	$ -	$ 485,795,000	$ 41,984,000	$ 527,779,000	33	$ 142,357
34		Jurisdictional Operating Income (Loss)	$ 60,801,000	$ 688,000	$ -	$ 61,489,000	$ 55,821,000	$ 117,310,000	34	$ (142,357)

		Company Surrebuttal	
a Original Cost Rate Base	Exhibit 43.1P	$ 1,659,271,000	
b Operating Income at Present Rates	Exhibit 42.1P	$ 61,489,000	-
c Cost of Capital	Exhibit 38.1P	7.07%	
d Operating Income at Proposed Rates	line a x line c	$ 117,310,000	-
e Income Deficiency	line d - line b	$ 55,821,000	-
f Gross Revenue Conversion Factor	Co Schedule A-2.1	1.75211400	
g Revenue Increase Required	line e x line f	$ 97,805,000	

The Peoples Gs Light and Company

JURISDICTIONAL RATE BASE SUMMARY BY ICC ACCOUNT

SURREBUTTAL

Line No.	Company Direct Filed Supporting Schedule (A)	ICC Account (B)	Rate Base Component (C)	December 31, 2013 Year End Rate Base: Rebuttal Proposed Rate Base (Co. Schedule B-1) (D)	Surrebuttal Adjustments (E)	Surrebuttal Rate Base (col D + col E) (F)	December 31, 2012 Year End Rate Base (G)	June 30, 2013 Average (H)	September 30, 2013 Average (I)	Amounts in Column F related to Non AMRP Gas (J)	Amounts in Column G related to Non AMRP Gas (K)
1	B-5	101,106,107,117	Gross Utility Plant	$ 3,255,086,000	$ (858,000)	$ 3,254,228,000	$ 2,951,744,000	$ 3,102,986,000	$ 3,178,607,000	11,714,000	-
2	B-6	108,111,254	Accumulated Provision for Depreciation and Amortization	1,223,340,000	123,000	1,223,463,000	1,160,034,000	1,191,748,500	$ 1,207,605,750	243,000 (1)	
3			Net Utility Plant (Line 1 minus Line 2)	2,031,746,000	(981,000)	2,030,765,000	$ 1,791,710,000	$ 1,911,237,500	$ 1,971,001,250	11,471,000	-
4	B-8	131	Cash Working Capital	21,197,000	(755,000)	20,442,000	20,442,000	20,442,000	$ 20,442,000		
5	B-8.1	154,163	Materials and Supplies, Net of Account Payables	12,002,000		12,002,000	11,555,000	12,002,000	$ 12,002,000		
6	B-1.1	164.1, 164.2, 165	Gas in Storage, Net of Accounts Payable	54,843,000		54,843,000	58,756,000	54,843,000	$ 54,843,000		
7	B-1.2	129,182,228,242,254	Retirement Benefits, Net	49,017,000		49,017,000	90,008,000	69,512,500	$ 59,264,750		
8	B-14	142,242	Budget Plan Balances	8,597,000	(283,000)	8,314,000	(1,587,000)	8,314,000	$ 8,314,000		
9			Subtotal (Lines 4 to 8)	145,656,000	(1,038,000)	144,618,000	179,174,000	165,113,500	154,865,750	-	-
10	B-9	190,282,283	Accumulated Deferred Income Taxes	(510,194,000)	32,494,000	(477,700,000)	(470,751,000)	(474,225,500)	$ (475,962,750)	651,000	
11	B-13	235	Customer Deposits	(27,453,000)	-	(27,453,000)	(27,453,000)	(27,453,000)	$ (27,453,000)		
12	B-1.3	252	Customer Advances for Construction	(2,012,000)	-	(2,012,000)	(2,012,000)	(2,012,000)	$ (2,012,000)		
13	B-1.4	228.2	Reserve for Injuries and Damages	(8,947,000)	-	(8,947,000)	(9,206,000)	(9,076,500)	$ (9,011,750)		
14			Subtotal (Lines 10 to 13)	(548,606,000)	32,494,000	(516,112,000)	(509,422,000)	(512,767,000)	(514,439,500)	651,000	-
15			Total Rate Base (Lines 3 + 9 +14)	$ 1,628,796,000	$ 30,475,000	1,659,271,000	1,461,462,000	1,563,584,000	1,611,427,500	12,122,000	-

(1) $1,000 rounding difference from C-1

The Peoples Gas Light and Coke Company

Calculation of accumulated depreciation, accumulated deferred income taxes and depreciation expense based on Surrebuttal adjustment for Non AMRP Gas Services

Summary

	12/31/2012	12/31/2013	Rate Base Average
Gross Plant	0	11,714,000	5,857,000
Accumulated Depreciation	0	(242,000)	(121,000)
Deferred Taxes - Depreciation	0	(1,461,000)	(731,000)
Deferred Taxes - Federal NOL	0	2,112,000	1,056,000
Net Rate Base	0	12,123,000	6,061,000

Total Tax Rate	41.175%
Federal	35.000%
State	6.175%

	Plant and Depreciation Amounts					Accumulated Deferred Income Tax Amounts						
	Plant	Book Depr (1)	Accum Book Dep	Net Plant	Year End	Tax Depr (2)	Accum Tax Dep	Timing Difference	Net Plant	Tax Rate	Deferred Taxes	Acc Def Inc Tax
Account 380 - Non AMRP Gas Services	11,714,000											
Total	11,714,000											
						Federal						
Calendar year 2013		242,000	242,000	11,472,000	December 31, 2013	6,076,638	6,076,638	5,834,638	5,637,363	35.000%	2,042,123	2,042,123
											Proration Impact:	(593,407)
												1,448,716
						State						
						439,275	439,275	197,275	11,274,725	6.175%	12,182	12,182
						Total Accumultaed Deferred Income Taxes						1,460,898

(1) Book depreciation calculated using depreciation rate for account 380200

	Rate	Plant	Annual Book Depr Expense
Calendar 2013	0.0414	11,714,000	242,000

(2) Tax depreciation calculated using accelerated rates

See Sheet - PGL-Tax Depr

Federal	6,076,638
State	439,275

(3) Impact of Proration of Deferred Taxes - per Sch G-7:

Description [A]	Days(1) [B]	Ratio [C]	Per Books [D]	Prorated [E]
Balance 12/31/2012			0	0
January		100.0%	(170,177)	(170,177)
February		100.0%	(170,177)	(170,177)
March		100.0%	(170,177)	(170,177)
April		100.0%	(170,177)	(170,177)
May		100.0%	(170,177)	(170,177)
June		100.0%	(170,177)	(170,177)
July	154	83.2%	(170,177)	(141,587)
August	123	66.5%	(170,177)	(113,168)
September	93	50.3%	(170,177)	(85,599)
October	62	33.5%	(170,177)	(57,009)
November	32	17.3%	(170,177)	(29,441)
December	1	0.5%	(170,177)	(851)
Balance 12/31/2013			$ (2,042,123)	(1,448,716)
				593,407

Notes. (1)Total days in period 185

Assumes rates become effective July 1, 2013.

Macrs 20	HY	Macrs 15	HY
1	0.03750	1	0.05000
2	0.07219	2	0.09500
3	0.06677	3	0.08550
4	0.06177	4	0.07700
5	0.05713	5	0.06930
6	0.05285	6	0.06230
7	0.04888	7	0.05900
8	0.04522	8	0.05900
9	0.04462	9	0.05910
10	0.04461	10	0.05900
11	0.04462	11	0.05910
12	0.04461	12	0.05900
13	0.04462	13	0.05910
14	0.04461	14	0.05900
15	0.04462	15	0.05910
16	0.04461	16	0.02950
17	0.04462		
18	0.04461		
19	0.04462		
20	0.04461		
21	0.02231		
	1.00000		1.00000

FEDERAL TAX DEPRECIATION

	11,714,000	0%	0%	-
	11,714,000	100%	50%	5,857,000
	Cost	Bonus	Depr	Depr+Bonus
2013	11,714,000	5,857,000	219,638	6,076,638
2014			422,817	422,817
2015			391,072	391,072
2016			361,787	361,787
2017			334,610	334,610
2018			309,542	309,542
2019			286,290	286,290
2020			264,854	264,854
2021			261,339	261,339
2022			261,281	261,281
2023			261,339	261,339
2024			261,281	261,281
2025			261,339	261,339
2026			261,281	261,281
2027			261,339	261,339
2028			261,281	261,281
2029			261,339	261,339
2030			261,281	261,281
2031			261,339	261,339
2032			261,281	261,281
2033			130,670	130,670
		5,857,000	5,857,000	11,714,000

STATE TAX DEPRECIATION

	11,714,000	0%	0%	-
	-	0%	100%	-
	Cost	Bonus	Depr	Depr+Bonus
2013	11,714,000	-	439,275	439,275
2014			845,634	845,634
2015			782,144	782,144
2016			723,574	723,574
2017			669,221	669,221
2018			619,085	619,085
2019			572,580	572,580
2020			529,707	529,707
2021			522,679	522,679
2022			522,562	522,562
2023			522,679	522,679
2024			522,562	522,562
2025			522,679	522,679
2026			522,562	522,562
2027			522,679	522,679
2028			522,562	522,562
2029			522,679	522,679
2030			522,562	522,562
2031			522,679	522,679
2032			522,562	522,562
2033			261,339	261,339
		-	11,714,000	11,714,000

Current Taxes and NOL

Change to Book Income		(242,000)
Temporary Difference - State		(197,275)
Taxable Income State		(439,275)
Tax	9.50%	(41,731)
Federal		
State Taxable Income		(439,275)
Reverse State Temp		197,275
Temporary Difference - Federal		(5,834,638)
State taxes		41,731
Taxable Income Federal		(6,034,906)
Tax	35.00%	(2,112,217)

		Adj NOL	Adjusted	Tax Accrued 236	ADIT NOL 190	ADIT Plant 282
Current Federal	(2,112,217)	2,112,217	-	-		
Deferred Federal	2,042,123		2,042,123			(2,042,123)
Deferred Federal - NOL		(2,112,217)	(2,112,217)		2,112,217	
Current State	(41,731)		(41,731)	41,731		
Deferred State	12,182		12,182			(12,182)
Total	(99,643)	-	(99,643)	41,731	2,112,217	(2,054,305)