

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	)
	)
vs.	)
	)
North Shore Gas Company	)
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 Docket Nos. 11-0663/11-0664 (cons.), Reconciliation of the third program  
32 year for Rider EEP.

33 Docket No. 12-0602, Reconciliation of the first program year for Rider  
34 EOA.

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

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

43 Q. Please give a brief description of the operations and status of Peoples  
44 Gas.

45 A. I am advised by counsel that Peoples Gas is a corporation organized and  
46 existing under the laws of the State of Illinois, having its principal office at 130  
47 East Randolph Street, Chicago, Illinois 60601. It is engaged in the business of  
48 purchasing natural gas for and distributing and selling natural gas to  
49 approximately 830,000 customers in the City of Chicago. I am advised by  
50 counsel that Peoples Gas is a public utility within the meaning of the Public  
51 Utilities Act.

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

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

58 Commission. The Rider EOA Effective Component is a per-therm charge to  
59 recover the costs of the energy efficiency program and the On-Bill Financing  
60 (“OBF”) program. The portions of the Effective Component associated with  
61 energy efficiency and OBF are based on the budgets included in the 3-year plan  
62 filed with the Commission in Docket No. 10-0564. Rider EOA is applicable to all  
63 Service Classifications (“S.C.”); however, for energy efficiency, certain large  
64 customers have been identified as “exempt” or “self-directing” by the Department  
65 of Commerce and Economic Development (“DCEO”) per criteria set forth in  
66 Section 8-104(m) of the Public Utilities Act. Such customers are not subject to  
67 Rider EOA and do not participate in North Shore’s energy efficiency programs or  
68 the OBF program, which is directed to residential customers. For North Shore,  
69 there is a separate Effective Component for:

- 70 • S.C. No. 1, which includes amounts for Residential Energy Efficiency  
71 and OBF programs;
- 72 • S.C. No. 2, which includes amounts for Residential Energy Efficiency,  
73 Commercial and Industrial Energy Efficiency, and OBF programs; and
- 74 • Combined S.C. Nos. 4, 5 and 7 (currently there are no customers  
75 under S.C. Nos. 5 or 7), which includes amounts for Commercial and  
76 Industrial Energy Efficiency programs.

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

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

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

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

92           Sections E of Riders EOA also requires that the Commission initiate an  
93           annual review. On the later of August 31 or the date set forth in the  
94           Commission’s order initiating a review, North Shore and Peoples Gas must file  
95           testimony addressing its reconciliation statement and the prudence and  
96           reasonableness of costs incurred and recovered under Rider EOA during the  
97           Program Year that is the subject of the reconciliation statement. My testimony  
98           addresses the reconciliation statement. Testimony of North Shore and Peoples  
99           Gas witness Mr. Edward Carroll (NS-PGL Ex. 2.0) addresses the energy  
100          efficiency plan, programs implemented in the second program year,  
101          reasonableness and prudence of costs incurred, and costs incurred under the  
102          OBF program.

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

104 A. Rider EOA requires a reconciliation of revenues for each Program Period,  
105 which is the twelve-month period beginning June 1. Accordingly, the  
106 reconciliation period, which is the subject of my testimony, is for the Program  
107 Period June 1, 2012, through May 31, 2013.

108 Q. Is there anything that is out of the ordinary about the second Program  
109 Period?

110 A. Yes. The June 18, 2013 Order in Docket Nos. 12-0511/12-0512 (cons.),  
111 North Shore's and Peoples Gas' rate cases, directed North Shore to renumber  
112 service classifications to be consistent with Peoples Gas. Effective June 27,  
113 2013, the following changes have been made for North Shore:

- 114 • S.C. No. 3 – Large Volume Demand Service, was renamed S.C. No. 4  
115 – Large Volume Demand Service.
- 116 • S.C. No. 4 – Contract Service to Prevent Bypass, was renamed S.C.  
117 No. 7 – Contract Service to Prevent Bypass; and
- 118 • S.C. No. 6 – Contract Service Electric Generation, was renamed S.C.  
119 No. 5 – Contract Service Electric Generation.

120 The Reconciliation for the second program year reflects the revised rate  
121 numbering that is currently in effect. My testimony will use the revised  
122 numbering, but the plan approved by the Commission in Docket 10-0564 used  
123 the former numbering.

124 **North Shore Gas Company Reconciliation Statement**

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

126 A. NS-PGL Ex. 1.1N is a statement of the RA components that will apply for  
127 each month of the nine-month reconciliation amortization period beginning  
128 September 1, 2013 and ending May 31, 2014 (“Statement”) for S.C. Nos. 1  
129 through 7.

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

131 A. Yes, it was.

132 Q. What is the purpose of the Statement?

133 A. The Statement shows the applicable RA for customers served under North  
134 Shore’s S.C. Nos. 1, 2 and combined 4, 5 and 7 who are not classified as exempt  
135 or self-directing, for the North Shore and DCEO programs. It also shows the  
136 derivation of each RA component and provides supporting data.

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

138 A. Rider EOA is the funding mechanism for both North Shore’s and DCEO’s  
139 energy efficiency programs. Under the law, DCEO, subject to meeting certain  
140 requirements, is entitled to a portion of the available funding under Rider EOA.  
141 DCEO plays no role in the OBF program.

142 Q. Please describe the elements of the Statement.

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

- 144 • Page 1 shows the RA that will be billed over the nine-month reconciliation  
145 amortization period beginning September 1, 2013 for each Service  
146 Classification. The RA represents per-term charges or refunds.
- 147 • Pages 2 through 4 show the determination of the RA as described under  
148 Section D(2) of Rider EOA for S.C. Nos. 1 and 2 for residential programs,

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153 • Page 2 shows the determination of the RA for S.C. No. 1

154           Lines 2 through 12 represent the calculation of the Total  
155 Reconciliation Dollar amounts, including Interest, for Residential Energy  
156 Efficiency. This amount, shown on Line 12, is the result of deducting EOA  
157 Revenues (EREV) from EOA Expenses (EEXP), adding the RA amount for  
158 the previous program year RA to be recovered or refunded (ERA2), and  
159 adding the applicable Interest. For calendar year 2013, the applicable  
160 interest rate established by the Commission is 0.0% pursuant to the order  
161 in Docket No. 12-0686. Line 13 represents the dollars-per-therm RA. It is  
162 derived by dividing the Total Reconciliation Dollar amount on Line 12 by  
163 the Total Therm Deliveries forecasted for the nine-month reconciliation  
164 amortization period (Line 3) that the RA will be in effect. An RA must  
165 calculate to \$0.0001 per therm or more for North Shore to include it on  
166 customer bills.

167           Lines 15 through 25 represent the calculation of the Total  
168 Reconciliation Dollar amounts, including Interest, for the portion of Rider  
169 EOA attributable to OBF. This amount, shown on Line 25, is the result of  
170 deducting EOA Revenues related to OBF (OREV) from EOA Expenses  
171 related to OBF (OEXP), adding the RA related to OBF to be recovered or

172 refunded for the previous program year RA (ORA2), and adding the  
173 applicable Interest. Line 26 represents the dollars-per-therm RA. It is  
174 derived by dividing the Total Reconciliation Dollar amount on Line 25 by  
175 the Total Therm Deliveries forecasted for the nine-month reconciliation  
176 amortization period (Line 16) that the RA will be in effect.

177           Similar calculations are performed for S.C. No. 2 Residential  
178 Energy Efficiency and OBF on Page 3, and Commercial and Industrial  
179 Energy Efficiency on Page 4.

180 • Page 5 shows the North Shore program aggregation of monthly EOA  
181 Expenses (EEXP and OEXP), Revenues (EREV and OREV) and previous  
182 program year Reconciliation Adjustment (ERA1 and ORA1) amounts  
183 recovered or refunded. EEXP and OEXP represent the actual amount of  
184 expenses incurred by North Shore during the previous Program Period for  
185 energy efficiency and OBF. EREV represents 75% of billed revenues  
186 arising from application of the Effective Component during the previous  
187 Program Period for energy efficiency that are applicable to North Shore as  
188 allowed under the Rider. OREV represents billed revenues for OBF. The  
189 Reconciliation Adjustment ERA1 and ORA1 amounts represent the  
190 amounts collected or refunded during the previous reconciliation  
191 amortization period arising from the application of the RA from the  
192 Previous Program Period for energy efficiency and OBF. The totals for  
193 Expenses, Revenues, and RA amounts for each applicable service

194 classification are shown on Line 15 for Residential Energy Efficiency, Line  
195 31 for Commercial and Industrial Energy Efficiency, and Line 47 for OBF.

196 • Page 6 shows the DCEO program aggregation of monthly EOA Expenses  
197 (EEXP), Revenues (EREV) and previous program year Reconciliation  
198 Adjustment (RA1) Amounts recovered or refunded. EEXP represents the  
199 actual amount of expenses accrued by the DCEO during the previous  
200 Program Period. EREV represents 25% of billed revenues arising from  
201 application of the Effective Component during the previous Program  
202 Period for energy efficiency that are applicable to DCEO as allowed under  
203 the Rider. The Reconciliation Adjustment RA1 Amounts represent the  
204 amounts collected or refunded during the previous reconciliation  
205 amortization period arising from the application of the RA from the  
206 Previous Program Period. The totals for EEPE, EEPR, and RA Amounts  
207 for each applicable service classification are shown on Line 15 for  
208 Residential Energy Efficiency and Line 30 for Commercial and Industrial  
209 Energy Efficiency.

210 • Page 7 shows the forecasted total therm deliveries for the reconciliation  
211 amortization period of September 2013 through May 2014. The total  
212 therm deliveries for S.C. No. 2 and combined S.C. Nos. 4, 5 and 7 are  
213 adjusted to exclude therm deliveries to individual customers reported by  
214 DCEO as exempt or self-directing who are not subject to Rider EOA.  
215 Therm totals used in calculations of per-therm charges are:  
216 Column C, Line 10 for S.C. No. 1 residential programs;

217 Column F, Line 10 for S.C. No. 2 residential programs; and  
218 Columns F + I, Line 10 for combined S.C. Nos. 2, 4, 5 and 7  
219 commercial and industrial programs.

220 Q. How much was calculated as refundable or recoverable from S.C. No. 1  
221 customers over the nine-month period beginning September 1, 2013, for  
222 residential energy efficiency and OBF?

223 A. \$906,140.04 was calculated as being refundable to S.C. No. 1 customers  
224 (NS-PGL Ex. 1.1N, Page 2, Column D, Line 12 plus Line 25).

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

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

229 Q. What is the RA component that will be effective for S.C. No. 1 beginning  
230 September 1, 2013?

231 A. The RA component for S.C. No. 1 customers will be a refund of \$0.0053  
232 per therm (NS-PGL Ex. 1.1N, Page 1, Column B, Line 4).

233 Q. How much was calculated as refundable or recoverable from S.C. No. 2  
234 customers over the nine-month period beginning September 1, 2013, for  
235 residential energy efficiency and OBF programs?

236 A. \$33,108.16 was calculated as being recoverable from S.C. No. 2  
237 customers for residential energy efficiency and OBF programs (NS-PGL Ex.  
238 1.1N, Page 3, Column D, Line 12 plus Line 25).

239 Q. How much was calculated as refundable or recoverable from combined  
240 S.C. Nos. 2, 4, 5 and 7 customers over the nine-month period beginning  
241 September 1, 2013, for commercial and industrial energy efficiency programs?

242 A. \$806,844.27 was calculated as being refundable to these customers for  
243 commercial and industrial programs (NS-PGL Ex. 1.1N, Page 4, Column D, Line  
244 12).

245 Q. What is the RA component that will be effective for S.C. No. 2 beginning  
246 September 1, 2013, for residential, commercial and industrial energy efficiency  
247 and OBF?

248 A. The RA component for S.C. No. 2 customers will be a refund of \$0.0065  
249 per therm (NS-PGL Ex. 1.1N, Page 1, Column C, Line 4).

250 Q. What is the RA component that will be effective for S.C. Nos. 4, 5 and 7  
251 beginning September 1, 2013 for commercial and industrial energy efficiency?

252 A. The RA component for S.C. Nos. 4, 5 and 7 customers will be a refund of  
253 \$0.0069 per therm (NS-PGL Ex. 1.1N, Page 1, Column D, Line 4).

254 Q. Please describe how the RA components will be included on customers'  
255 bills.

256 A. The RA components were filed with the Commission on Information Sheet  
257 No. 7 and are added to the Effective Component adjustment amounts for the  
258 third program year and billed as a single adjustment for each service  
259 classification effective September 1, 2013 .

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

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

262 A. NS-PGL Ex. 1.1P is a statement of the RA components that will apply for  
263 each month of the nine-month reconciliation amortization period beginning  
264 September 1, 2013, and ending May 31, 2014 ("Statement") for S.C. Nos. 1  
265 through 8.

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

267 A. Yes, it was.

268 Q. What is the purpose of the Statement?

269 A. The Statement shows the applicable RA for customers served under  
270 Peoples Gas' S.C. Nos. 1, 2, 4, 5, 7 and 8 who are not classified as exempt or  
271 self-directing, for the Peoples Gas and DCEO programs. It also shows the  
272 derivation of each RA component and provides supporting data.

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

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

278 Q. Please describe the elements of the Statement.

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

- 280 • Page 1 shows the RA that will be billed over the nine-month reconciliation  
281 amortization period beginning September 1, 2013, for each Service  
282 Classification. The RA represents per-therm charges or refunds.
- 283 • Pages 2 through 4 show the determination of the RA as described under  
284 Section D(2) of Rider EOA for S.C. Nos. 1 and 2 for residential programs,

285 and combined S.C. Nos. 2, 4, 5, 7 and 8 for commercial and industrial  
286 programs. Column [B] for each page represents Peoples Gas  
287 calculations, Column [C] represents DCEO calculations, and Column [D]  
288 represents calculations combining Peoples Gas and DCEO.

- 289 • Page 2 shows the determination of the RA for S.C. No. 1

290 Lines 2 through 12 represent the calculation of the Total  
291 Reconciliation Dollar amounts, including Interest, for Residential Energy  
292 Efficiency. This amount, shown on Line 12, is the result of deducting EOA  
293 Revenues (EREV) from EOA Expenses (EEXP), adding the RA amount  
294 for the previous program year RA to be recovered or refunded (ERA2),  
295 and adding the applicable Interest. For calendar year 2013, the applicable  
296 interest rate established by the Commission is 0.0% pursuant to the order  
297 in Docket No. 12-0686. Line 13 represents the dollars-per-therm RA. It is  
298 derived by dividing the Total Reconciliation Dollar amount on Line 12 by  
299 the Total Therm Deliveries forecasted for the nine-month reconciliation  
300 amortization period (Line 3) that the RA will be in effect. An RA must  
301 calculate to \$0.0001 per therm or more for Peoples Gas to include it on  
302 customer bills.

303 Lines 15 through 25 represent the calculation of the Total  
304 Reconciliation Dollar amounts, including Interest, for the portion of Rider  
305 EOA attributable to OBF. This amount, shown on Line 25, is the result of  
306 deducting EOA Revenues related to OBF (OREV) from EOA Expenses  
307 related to OBF (OEXP), adding the RA related to OBF to be recovered or

308 refunded for the previous reconciliation amortization period (ORA2), and  
309 adding the applicable Interest. Line 26 represents the dollars-per-therm  
310 RA. It is derived by dividing the Total Reconciliation Dollar amount on Line  
311 25 by the Total Therm Deliveries forecasted for the nine-month  
312 reconciliation amortization period (Line 16) that the RA will be in effect.

313 Similar calculations are performed for S.C. No. 2 Residential  
314 Energy Efficiency and OBF on Page 3, and Commercial and Industrial  
315 Energy Efficiency on Page 4.

316 • Page 5 shows the Peoples Gas program aggregation of monthly EOA  
317 Expenses (EEXP and OEXP), Revenues (EREV and OREV) and previous  
318 reconciliation amortization period Reconciliation Adjustment (ERA1 and  
319 ORA1) amounts recovered or refunded. EEXP and OEXP represent the  
320 actual amount of expenses incurred by Peoples Gas during the previous  
321 Program Period for energy efficiency and OBF, as well as expenses  
322 incurred prior to the first Program Period for program design and  
323 implementation. EREV represents 75% of billed revenues arising from  
324 application of the Effective Component during the previous Program  
325 Period for energy efficiency that are applicable to Peoples Gas as allowed  
326 under the Rider. OREV represents billed revenues for OBF. The  
327 Reconciliation Adjustment ERA1 and ORA1 amounts represent the  
328 amounts collected or refunded during the previous Program Period arising  
329 from the application of the RA from the Previous Program Period for  
330 energy efficiency and OBF. The totals for Expenses, Revenues, and RA

331 amounts for each applicable service classification are shown on Line 15  
332 for Residential Energy Efficiency, Line 31 for Commercial and Industrial  
333 Energy Efficiency, and Line 47 for OBF.

- 334 • Page 6 shows the DCEO program aggregation of monthly EOA Expenses  
335 (EEXP), Revenues (EREV) and Reconciliation Adjustment (RA1) Amounts  
336 recovered or refunded. EEXP represents the actual amount of expenses  
337 accrued by the DCEO during the previous Program Period. EREV  
338 represents 25% of billed revenues arising from application of the Effective  
339 Component during the previous Program Period for energy efficiency that  
340 are applicable to DCEO as allowed under the Rider. The Reconciliation  
341 Adjustment RA1 Amounts represent the amounts collected or refunded  
342 during the previous Program Period arising from the application of the RA  
343 from the Previous Program Period. The totals for EEPE, EEPR, and RA1  
344 Amounts for each applicable service classification are shown on Line 15  
345 for Residential Energy Efficiency and Line 30 for Commercial and  
346 Industrial Energy Efficiency.
- 347 • Page 7 shows the forecasted total therm deliveries for the reconciliation  
348 amortization period of September 2013 through May 2014. The total  
349 therm deliveries for S.C. No. 2 and combined S.C. Nos. 4, 5, 7 and 8 are  
350 adjusted to exclude therm deliveries to individual customers reported by  
351 DCEO as exempt or self-directing who are not subject to Rider EOA.  
352 Therm totals used in calculations of per-therm charges are:  
353 Column C, Line 10 for S.C. No. 1 residential programs;

354 Column F, Line 10 for S.C. No. 2 residential programs; and  
355 Columns F + I, Line 10 for combined S.C. Nos. 2, 4, 5, 7 and 8 for  
356 commercial and industrial programs.

357 Q. How much was calculated as refundable or recoverable from S.C. No. 1  
358 customers over the nine-month period beginning September 1, 2013, for  
359 residential energy efficiency and OBF?

360 A. \$2,916,609.30 was calculated as being refundable to S.C. No. 1  
361 customers (NS-PGL Ex. 1.1P, Page 2, Column D, Line 12 plus Line 25).

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

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

366 Q. What is the RA component that will be effective for S.C. No. 1 beginning  
367 September 1, 2013?

368 A. The RA component for S.C. No. 1 customers will be a refund of \$0.0043  
369 per therm (NS-PGL Ex. 1.1P, Page 1, Column B, Line 4).

370 Q. How much was calculated as refundable or recoverable from S.C. No. 2  
371 customers over the nine-month period beginning September 1, 2013, for  
372 residential energy efficiency and OBF programs?

373 A. \$1,965,669.55 was calculated as being recoverable from these customers  
374 for residential energy efficiency and OBF programs (NS-PGL Ex. 1.1P, Page 3,  
375 Column D, Line 12 plus Line 25).

376 Q. How much was calculated as refundable or recoverable from combined  
377 S.C. Nos. 2, 4, 5, 7 and 8 customers over the nine-month period beginning  
378 September 1, 2013, for commercial and industrial energy efficiency programs?

379 A. \$997,888.74 was calculated as being refundable to these customers for  
380 commercial and industrial programs (NS-PGL Ex. 1.1P, Page 4, Column D, Line  
381 12).

382 Q. What is the RA component that will be effective for S.C. No. 2 beginning  
383 September 1, 2013, for residential, commercial and industrial energy efficiency  
384 and OBF?

385 A. The RA component for S.C. No. 2 customers will be a charge of \$0.0018  
386 per therm (NS-PGL Ex. 1.1P, Page 1, Column C, Line 4).

387 Q. What is the RA component that will be effective for S.C. Nos. 4, 5, 7 and 8  
388 beginning September 1, 2013, for commercial and industrial energy efficiency?

389 A. The RA component for S.C. Nos. 4, 5, 7 and 8 customers will be a refund  
390 of \$0.0012 per therm (NS-PGL Ex. 1.1P, Page 1, Column D, Line 4).

391 Q. Please describe how the RA components will be included on customers'  
392 bills.

393 A. The RA components were filed with the Commission on Information Sheet  
394 No. 6 and are added to the Effective Component adjustment amounts for the  
395 third program year and billed as a single adjustment for each service  
396 classification effective September 1, 2013.

397 Q. Does this conclude your direct testimony?

398 A. Yes, it does.