

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)
On Its Own Motion)
)
vs.)
)
NORTHERN ILLINOIS GAS COMPANY)
d/b/a NICOR GAS COMPANY)
)
Reconciliation of Revenues Collected)
Under Rider 30 with the Actual Costs)
Associated with Energy Efficiency and)
On-Bill Financing Programs.)

Docket No. 12-0601

Rebuttal Testimony of

DONALD F. MARTINO

Lead Analyst, Rates
Nicor Gas Company

February 7, 2014

1 **I. INTRODUCTION**

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

3 A. Donald F. Martino, 1844 Ferry Road, Naperville, Illinois 60563-9600.

4 **Q. By whom and in what position are you employed?**

5 A. I am a Lead Analyst, Rates for Northern Illinois Gas Company d/b/a Nicor Gas Company
6 (“Nicor Gas” or the “Company”).

7 **Q. Are you the same Donald F. Martino that provided direct testimony in this matter?**

8 A. Yes.

9 **II. ITEMIZED ATTACHMENTS**

10 **Q. Are you submitting any exhibits with your rebuttal testimony?**

11 A. Yes. I am sponsoring Nicor Gas Exhibit 3.1, which is a summary schedule that balances
12 the Company’s actual rate reconciliation filings for Rider 29 – Energy Efficiency Plan
13 (“Rider 29”) and Plan Year (“PY”) 1 for Rider 30 – Energy Efficiency Plan Cost
14 Recovery (“Rider 30”) with Staff Exhibit 1.0 (Rev.) Schedule 1.01 (Rev.) Page 1 of 4.

15 **III. PURPOSE OF TESTIMONY**

16 **Q. What is the purpose of your rebuttal testimony?**

17 A. The purpose of my rebuttal testimony is to address the reconciling issues brought to the
18 Company’s attention upon review of my direct testimony (Nicor Gas Ex. 1.0) and the
19 direct testimony of Illinois Commerce Commission (“Commission”) Staff (“Staff”)
20 witness Ms. Burma C. Jones (Jones Dir., Staff Ex. 1.0 (Rev.)), and to respond in
21 agreement with Ms. Jones on specific reconciling issues in her testimony and her
22 supporting schedules. In their rebuttal testimony, Nicor Gas witnesses Messrs. James J.

23 Jerozal Jr. (Nicor Gas Ex. 4.0) and Kevin W. Kirby (Nicor Gas Ex. 5.0) will address Ms.
24 Jones' proposed adjustments to the Company's reconciliation of Rider 30 expenses.

25 **IV. TECHNICAL ISSUES RELATING TO THE RECONCILIATION**

26 **Q. Please describe Nicor Gas Exhibit 3.1 in more detail.**

27 A. Nicor Gas Exhibit 3.1 reconciles the Company's calculation of the relevant rate
28 reconciliation filings to the balances reported in Staff Exhibit 1.0 (Rev.) Schedule 1.01
29 (Rev.) Page 1 of 4. Columns (C), (D), (E), and (F) in Nicor Gas Exhibit 3.1 show the
30 activity by customer-class (Residential, Small Non-Residential, Large Non-Residential)
31 for each Energy Efficiency Plan Year filing (both Rider 29 and Rider 30) through August
32 20, 2012, the reconciliation of Rider 30 PY1. The actual filing dates are shown in
33 Column (B) and document the filings in a timeline fashion to keep activities in sequential
34 order. The timeline format is designed to facilitate a better understanding of the timing
35 differences between the initial rate filings, reconciliations, corrections for inadvertent
36 errors and ordered adjustments. Columns (G), (H), (I), and (J) use the same customer-
37 class designation as previously described, but show the activity grouped by individual
38 plan year for each rider. For comparison purposes, these columns utilize a format similar
39 to Staff's Exhibit 1.0 (Rev.) Schedule 1.01 (Rev.) Page 1 of 4.

40 **Q. How was Nicor Gas Exhibit 3.1 developed?**

41 A. Nicor Gas Exhibit 3.1 was the result of telephone discussions I had with Ms. Jones on
42 December 5, 2013. Through these conversations, Ms. Jones and I were able to identify
43 and discuss all the specific reconciling issues addressed in Nicor Gas Exhibit 3.1, and
44 were able to determine the best way to correct and balance both sides. These discussions
45 led to the filing of Ms. Jones' revised direct testimony in this proceeding on December

46 19, 2013. (Staff Ex. 1.0 (Rev.), Sch. 1.01 (Rev.)). In my opinion, Nicor Gas Exhibit 3.1
47 shows alignment with Ms. Jones' revised schedules and provides an easy to reference
48 format.

49 **Q. Were there any contested issues identified during your dialogue with Ms. Jones?**

50 A. No.

51 **Q. Does Nicor Gas Exhibit 3.1 show all the activity that has been filed with the**
52 **Commission related to the reconciliations of the Company's Energy Efficiency Plan**
53 **("EEP")?**

54 A. Yes. The over-recovered balances on Line 22 in columns (C), (D), (E), and (F) represent
55 the net activity of all the reconciliation filings on record for Rider 29 and Rider 30 PY1.

56 **Q. Does Nicor Gas Exhibit 3.1 include all the activity that is reported in Staff Exhibit**
57 **1.0 (Rev.) Schedule 1.01 (Rev.) Page 1 of 4?**

58 A. Yes. The over-recovered balances on Line 22 in columns (G), (H), (I), and (J) exactly
59 match the balances on Line 18 in columns (B), (C), (D), and (E) of Staff Exhibit 1.0
60 (Rev.) Schedule 1.01 (Rev.) Page 1 of 4.

61 **Q. Please explain what adjustments the Company will be required to make in**
62 **subsequent EEP rate reconciliations in order to balance with Ms. Jones' Schedule**
63 **1.01 (Rev.) Page 1 of 4.**

64 A. The adjustments identified in Nicor Gas Exhibit 3.1 on Lines 23 through 33 in columns
65 (C), (D), (E), and (F) need to be recorded in future Rider 30 reconciliation filings. Lines
66 23 through 25 have already been filed with the Commission as adjustments in the
67 Company's calculation of Annual Reconciliation Balance ("ARB") for the second plan
68 year of Rider 30 on August 20, 2013. The remaining items on Lines 26 through 33 will

69 be filed with the Commission as adjustments in the Company's ARB calculation for the
70 third plan year of Rider 30 on August 20, 2014.

71 **Q. Please clarify the timing of recording the adjustment identified on Line 26 in Nicor**
72 **Gas Exhibit 3.1.**

73 A. In my direct testimony, I discussed an adjustment that the Company needed to make
74 related to the reallocation of On-Bill Financing expenses. (Martino Dir., Nicor Gas. Ex.
75 1.0, 8:173-9:186). At the time the Company submitted my direct testimony, this
76 adjustment was to have been recognized in the August 20, 2013 ARB filing. In reality, it
77 will be recognized in the Company's August 20, 2014 ARB filing as documented in
78 Nicor Gas Exhibit 3.1.

79 **Q. Please identify any adjustments that will need to be recognized by Staff in**
80 **subsequent EEP reconciliations in order to balance with Nicor Gas Exhibit 3.1.**

81 A. One adjustment will be required in a subsequent reconciliation as identified in Nicor Gas
82 Exhibit 3.1 on Line 25 in columns (G), (H), (I), and (J).

83 **Q. Do columns (C), (D), (E), and (F) match columns (G), (H), (I), and (J) on Line 34 of**
84 **Nicor Gas Exhibit 3.1 after all of the above adjustments and corrections identified in**
85 **Nicor Gas Exhibit 3.1 have been made?**

86 A. No. The only difference is Staff's proposed adjustments identified on Line 21 in columns
87 (G), (H), (I), and (J). These proposed adjustments will be addressed in the rebuttal
88 testimony of Messrs. Jerozal and Kirby.

89 **V. CONCLUSION**

90 **Q. Does this complete your rebuttal testimony?**

91 A. Yes.