

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

NORTHERN ILLINOIS GAS COMPANY)
d/b/a NICOR GAS COMPANY)
) Docket No. 13-0549
Application pursuant to Section 8-104 of the)
Public Utilities Act for Consent to and)
Approval of an Energy Efficiency Plan)

Supplemental Testimony of

JAMES J. JEROZAL JR.

Managing Director, Energy Efficiency

Northern Illinois Gas Company
d/b/a Nicor Gas Company

March 5, 2014

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1 **I. INTRODUCTION**

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

3 A. James J. Jerozal Jr., 1844 Ferry Road, Naperville, Illinois, 60563.

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

5 A. I am the Managing Director - Energy Efficiency for Northern Illinois Gas Company d/b/a
6 Nicor Gas Company (“Nicor Gas” or the “Company”).

7 **Q. Are you the same James J. Jerozal Jr. that provided direct, supplemental direct,
8 rebuttal, and surrebuttal testimony in this matter?**

9 A. Yes.

10 **II. ITEMIZED ATTACHMENTS**

11 **Q. Are there any exhibits to your supplemental testimony?**

12 A. Yes. I am sponsoring, and have attached hereto, two exhibits:

- 13 • Nicor Gas Exhibit 15.1, which contains several revised tables and figures from Nicor
14 Gas’ Energy Efficiency Plan; and
- 15 • Nicor Gas Exhibit 15.2, which is the revised Appendix A to Nicor Gas’ Energy
16 Efficiency Plan.

17 **III. PURPOSE OF TESTIMONY**

18 **Q. What is the purpose of your supplemental testimony?**

19 A. The purpose of my supplemental testimony is to describe several revisions to figures in
20 Nicor Gas’ proposed Energy Efficiency Plan (“EEP”) necessitated by circumstances that
21 have occurred since I provided supplemental direct testimony in this proceeding on
22 January 9, 2014.

23 On March 3, 2014, the Company learned that one of its customers identified as
24 self-directing under Section 8-104(m)(1) of the Public Utilities Act (the “Act”), 220 ILCS
25 5/8-104(m)(1), during the Company’s first three-year EEP no longer wishes to be self-
26 directing as of the beginning of the second three-year EEP on June 1, 2014.

27 **Q. What impact does the removal of this self-directing customer have on Nicor Gas’**
28 **proposed EEP?**

29 A. Pursuant to Section 8-104(c) of the Act, it is my understanding that the Illinois
30 Commerce Commission (“Commission”) will determine specific therm savings goals for
31 each of the three years of the Company’s proposed EEP based on the volume of natural
32 gas delivered to retail customers, other than those described in Section 8-104(m), for the
33 calendar year 2009. At the time I provided supplemental direct testimony in this
34 proceeding on January 9, 2014, the self-directing customer’s approximately 7.7 million
35 therms of use in 2009 were excluded from the total 2009 deliveries presented for the
36 Commission’s consideration under Section 8-104(c). Accounting for these therms in the
37 calculation of the Company’s therm savings goals increases the total over the three years
38 of the EEP by approximately 184,000 therms.

39 In addition, it is my understanding that Section 8-104(d) of the Act requires the
40 Company’s EEP to limit the estimated average increase in the amounts paid by retail
41 customers in connection with natural gas service to no more than 2% in the applicable
42 three-year reporting period. As described in the supplemental testimony of Nicor Gas
43 witness Malcolm J. Quick, the removal of the self-directing customer increases the 2%
44 budget cap on the proposed EEP programs by approximately \$26,100 over the three years

45 of the EEP, with approximately \$19,575 of that total allocated to Nicor Gas and the
46 remainder to DCEO as provided for in Section 8-104(e).

47 **Q. What revisions should be reflected in Nicor Gas' proposed EEP as a result of the**
48 **removal of this self-directing customer?**

49 A. The revisions to the therm savings goals and the budget cap as described above
50 necessitate the following revisions to the Company's proposed EEP:

- 51 • Table 4, which appears on page 21 of Nicor Gas Exhibit 1.1, should be revised to
52 account for the removal of the self-directing customer in the calculations for both the
53 2% budget cap and the therm savings goals. In particular, the revised Table 4 reflects
54 the increase in the therm savings goals of approximately 184,444 therms and the
55 increase in the 2% budget cap of approximately \$26,100.
- 56 • Figure 4, which appears on page 22 of Nicor Gas Exhibit 1.1, remains the same as
57 revised in Nicor Gas Exhibit 5.1 to reflect 39.6 million therms for the statutory goal
58 and 6.6 million therms for the savings in Plan Year ("PY") 6.
- 59 • The Home Energy Efficiency Rebate ("HEER") Household Program participation
60 table, which appears on page 29 of the EEP, should be further revised from the
61 version of the table shown in Nicor Gas Exhibit 5.1 to increase the total units over the
62 three years of the EEP by 49 units. This revision changes several of the therms and
63 budget figures, but does not impact the dollars per therm figures with the exception of
64 the dollars per gross therm shown for PY6.
- 65 • The revisions to the HEER participation table, in turn, result in revised figures for the
66 HEER Household Program on Table 3, which appears on page 15 of Nicor Gas
67 Exhibit 1.1. Specifically, the first line of Table 3 should be further revised from the
68 version of the table shown in Nicor Gas Exhibit 5.1 to reflect higher figures in the
69 spending, gross annual therm savings, net annual therm savings and net lifecycle
70 therm savings columns. These revisions in the first line result in higher totals at the
71 bottom of Table 3 for Household Programs and overall for all programs.

72 The revised tables and figures described above are set forth in Nicor Gas Exhibit 15.1.

73 The revised tables and figures in Nicor Gas Exhibit 15.1 account for the previous
74 revisions to the same tables and figures described in my supplemental direct testimony
75 and therefore subsume the information set forth in Nicor Gas Exhibit 5.1.

76 In addition, Appendix A to the EEP, which sets forth Nicor Gas' Benefit-Cost
77 Model Input Assumptions, should be revised as reflected in Nicor Gas Exhibit 15.2.
78 Nicor Gas Exhibit 15.2 similarly incorporates the previous revisions reflected in Nicor
79 Gas Exhibit 5.2 attached to my supplemental direct testimony.

80 The Company will re-file its entire EEP at the conclusion of this proceeding to
81 include all revisions necessitated by changes in self-directing customers, as well as any
82 other revisions ordered by the Commission.

83 **IV. CONCLUSION**

84 **Q. Does this conclude your supplemental testimony?**

85 **A. Yes.**