STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North Shore Gas Company	)	
	)	
	)	
Petition Pursuant to Rider UEA	)	Docket No. 14-
of Schedule of Rates for Gas	)	
Service to Initiate a Proceeding to	)	
Determine the Accuracy of the	)	
Rider UEA Reconciliation Statement	)	

PETITION OF
NORTH SHORE GAS COMPANY

North Shore Gas Company ("North Shore") submits to the Illinois Commerce Commission ("Commission") this Petition to initiate an annual reconciliation proceeding to determine the accuracy of the statement that North Shore submitted pursuant to Rider UEA of its Schedule of Rates for Gas Service.

1. North Shore is a corporation organized and existing under the laws of the State of Illinois, having its principal office at 200 East Randolph Street, Chicago, Illinois 60601. It is engaged in the business of purchasing natural gas for and distributing and selling natural gas to approximately 159,000 customers in Cook and Lake Counties, Illinois. North Shore is a public utility within the meaning of the Public Utilities Act.

2. North Shore's Schedule of Rates for Gas Service includes Rider UEA, Uncollectible Expense Adjustment. The Commission approved Rider UEA in Docket Nos. 09-0419/09-0420 (cons.). Rider UEA became effective in February 2010. Section G of Rider UEA generally requires North Shore to file annually, no later than May 20, adjustments to be effective for an upcoming effective period.

3. Section F of Rider UEA includes components for a Factor RA (Reconciliation Adjustment) and Factor O (Commission ordered adjustment amount). The RAs that North Shore included in the Rider UEA adjustments filed in May 2014 for the 2013 reporting year and effective June 1, 2014, were based on actual and expected revenues for the period April 1, 2013, through March 31, 2014. The reconciliation period that is the subject of this filing includes two months of activity related to the filing for the 2011 adjustments and ten months related to the filing for the 2012 adjustments including any applicable RA amounts.

4. Section I of Rider UEA requires North Shore to file, no later than August 31, a petition "seeking initiation of an annual review to reconcile all uncollectible amounts included in rates, plus amounts accrued pursuant to this rider with the actual uncollectible amount for the reporting year. The information submitted shall allow the Commission to verify that the Company collects the actual Uncollectible Accounts Expense amounts as provided for in each applicable Form 21 reporting year."

5. Attachment A, attached to and made a part of this Petition, is

- the Direct Testimony of Lynn M. Hosty (NSG Ex. 1.0). Ms. Hosty's direct testimony includes four exhibits (NSG Exs. 1.1, 1.2, 1.3, and 1.4) with data supporting the accuracy of North Shore's calculations under Rider UEA.
- the Direct Testimony of David B. Baron (NSG Ex. 2.0). Mr. Baron testifies to the activities that North Shore undertakes to pursue minimization of and collection of uncollectibles.

6. Attachment B, attached to and made a part of this Petition, identifies the municipalities that North Shore serves.

7. By this Petition, North Shore is requesting that the Commission initiate the proceeding described in Section I of Rider UEA. The purpose of the proceeding is to determine the accuracy of the Reconciliation Statement and to verify that North Shore collected the actual Uncollectible Accounts Expense amounts provided in the applicable Form 21 reporting years.

WHEREFORE, for the foregoing reasons, North Shore Gas Company respectfully requests that the Illinois Commerce Commission initiate a proceeding to determine the accuracy of the statement of the reconciliation adjustment components under Rider UEA.

Respectfully submitted,
North Shore Gas Company

By: /S/ MARY KLYASHEFF

Mary Klyasheff
An Attorney for
North Shore Gas Company

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Attorneys for
North Shore Gas Company

Dated at Chicago, Illinois
this 29th day of August, 2014

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

Thomas Aridas, being first duly sworn, upon oath states that he is Director, Gas Regulatory Policy, of Integrys Business Support, LLC providing service to North Shore Gas Company; that he has read the foregoing Petition and knows the contents thereof; and that said contents are true to the best of his knowledge and belief.

By: _____

Thomas Aridas
Director, Gas Regulatory Policy

Subscribed and sworn to
before me this 27th day
of August, 2014

Carol B O'Reilly
Notary Public

"OFFICIAL SEAL"
CAROL B. O'REILLY
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4/5/2018

STATE OF ILLINOIS

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ATTACHMENT A

Direct Testimony and Exhibits of Lynn M. Hosty

Direct Testimony of David B. Baron

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North Shore Gas Company	)	
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Petition Pursuant to Rider UEA	)	Docket No. 14-
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DIRECT TESTIMONY
OF
LYNN M. HOSTY

Q. Please state your name and business address.

A. Lynn M. Hosty, 200 East Randolph Street, Chicago, Illinois 60601.

Q. By whom are you employed?

A. Integrys Business Support, LLC ("IBS").

Q. What position do you hold with IBS?

A. I am a Senior Rate Planner/Analyst in Gas Regulatory Services.

Q. What are your responsibilities in that position?

A. I am responsible for performing activities related to rate research, rate design, rate and tariff administration, and billing and rate impact studies for Petitioner, North Shore Gas Company ("North Shore" or the "Company") and an affiliated company, The Peoples Gas Light and Coke Company ("Peoples Gas").

Q. Please summarize your educational background and experience.

A. In 1994, I graduated from Lewis University with a Bachelor of Arts Degree with majors in Accounting and Finance. I have been employed by IBS in my current position since January 2014 but was employed by Peoples Gas or its affiliates from

1994 through 2014. I have been employed in various positions and levels of responsibility at Peoples Gas/IBS in the Accounting and Financial Departments.

Q. Please give a brief description of the operations and status of Petitioner.

A. I am advised by counsel that North Shore is a corporation organized and existing under the laws of the State of Illinois, having its principal office at 200 East Randolph Street, Chicago, Illinois 60601. It is engaged in the business of purchasing, distributing and selling natural gas to approximately 159,000 customers in Cook and Lake Counties, Illinois. I am advised by counsel that North Shore is a public utility within the meaning of the Public Utilities Act ("Act").

Q. Please describe the subject matter of this proceeding.

A. North Shore's Schedule of Rates for Gas Service includes Rider UEA, Uncollectible Expense Adjustment, which was filed with the Illinois Commerce Commission ("Commission") pursuant to Section 19-145 of the Act. Rider UEA, which determines adjustments arising from incremental differences between the amount of Uncollectible Accounts Expense in the Company's rates and the amount reported in Form 21 ILCC to the Commission ("Form 21 ILCC report"), became effective in February 2010, and applies to Service Classification ("S.C.") Nos. 1, 2 and 4[1]. Section I of Rider UEA requires North Shore to file a petition no later than August 31, seeking initiation of an annual review and to reconcile the amounts as provided for under the rider.

Q. Are you sponsoring any attachments to your direct testimony?

A. Yes. I am sponsoring the following exhibits:

[1] North Shore's S.C. No. 3 was renamed S.C. No. 4 pursuant to the Final Order dated June 18, 2013 in Docket Nos. 12-0511/12-0512 (cons). The testimony and exhibits refer to S.C. No. 3/4 as a result of this change during the reconciliation period.

- NSG Ex. 1.1 is the Reconciliation Statement ("Statement") for the April 1, 2013 through March 31, 2014 reconciliation period that shows amounts to be included as the reconciliation adjustment ("RA") for the June 1, 2014 through May 31, 2015, Effective Period.
- NSG Ex. 1.2 is the Rider UEA filing that was filed with the Commission by letter dated May 16, 2014 for the 2013 reporting year which includes the RA amounts for the April 1, 2013 through March 31, 2014 reconciliation period per the Statement (NSG Ex. 1.1).
- NSG Ex. 1.3 is the Rider UEA filing that was filed with the Commission by letter dated May 16, 2013 for the 2012 reporting year and RA amounts for the April 1, 2012 through March 31, 2013 reconciliation period. The amounts from NSG Ex. 1.3, page 3, lines 1 through 4 are included on page 2 of the Statement.
- NSG Ex. 1.4 is the Report of the 2011 reporting year Rider UEA Adjustment amounts, including applicable RA, showing the amounts that were included and reconciled in the last reconciliation period (for June 1, 2012 through March 31, 2013) on lines 5 through 8 as well as the amounts for April 1 through May 31, 2013 on lines 9 through 12 that are included in the Statement on page 3 for this reconciliation period. This exhibit was submitted as NSG Ex. 1.1, page 2 of 3, in Docket No. 13-0491, the last Rider UEA reconciliation proceeding. The Commission approved that reconciliation statement in a July 9, 2014 Order. The exhibit from Docket No. 13-0491 is included now as NSG

Ex. 1.4 to show that the April and May 2013 amounts that were identified in that proceeding to be included in the next reconciliation are, in fact, the amounts included in this reconciliation.

Q. Were these exhibits prepared by you or under your supervision and direction?

A. Yes.

Q. Please describe the filings and reconciliation period that pertain to the reconciliation statement.

A. Section G of Rider UEA requires North Shore to file annually, no later than May 20, adjustments to be effective under this rider for an Effective Period. North Shore filed adjustments in May 2012 for the calendar year 2011 Form 21 reporting year, and prior period RA, to refund $559,503.51 to customers, as shown in NSG Ex. 1.4, page 1, line 4, column D, and those adjustments became effective on June 1, 2012, and were billed through May 31, 2013. North Shore filed adjustments in May 2013 for the calendar year 2012 Form 21 reporting year and prior period RA, to refund $32,593.73 to customers, as shown in NSG Ex. 1.3, page 3, line 4, column C, and those adjustments became effective on June 1, 2013, and were billed through May 31, 2014. Section F of Rider UEA includes components for a Factor RA (Reconciliation Adjustment) and Factor O (Commission ordered adjustment amount)[2] that are included in each applicable Rider UEA adjustment. Pursuant to these provisions of the rider, the RAs that were included in the Rider UEA adjustments filed in May 2014 for the 2013 reporting year and effective June 1, 2014, were based on actual and expected revenues for the period April 1, 2013, through March 31, 2014. Thus, the reconciliation period that is the subject of this testimony includes two

[2] The Docket No. 13-0491 Order did not include a Factor O.

months of activity related to the filing for the 2011 adjustments and ten months related to the filing for the 2012 adjustments including any applicable RA amounts that were included with those filings.

Q. Please describe how the 2011 reporting year Rider UEA adjustment amount was determined.

A. The net refund amount of $559,503.51 as shown on NSG Ex. 1.1, page 3, line 4, column D, was determined by calculating the difference between the actual Uncollectible Accounts Expense amount reported in the 2011 Form 21 ILCC report on page 324, line 235, Column (b), of $1,090,221.00 to the baseline Uncollectible Accounts Expense amount in rates for the 2011 reporting period of $1,653,000[3], and adding the RA amount of $3,275.49 that was to be recovered for the April 1, 2011 through March 31, 2012 reconciliation period. The details and supporting calculations were provided in the Rider UEA filing that was filed with the Commission by letter dated May 17, 2012, which was included as NSG Ex. 1.3 in Docket No. 13-0491, the last reconciliation filing.

Q. Please describe how the 2012 reporting year Rider UEA adjustment amount was determined.

A. The net refund amount of $32,593.73 as shown on NSG Ex. 1.1, page 2, line 4, column C, and on NSG Ex. 1.3, page 3, line 4, column C, was determined by calculating the difference between the actual Uncollectible Accounts Expense amount reported in the 2012 Form 21 ILCC report on page 324, line 235, Column (b), of $914,139, to the baseline Uncollectible Accounts Expense amount in rates for the

[3] The baseline Uncollectible Accounts Expense amount for the 2011 reporting year is the baseline Uncollectible Accounts Expense amount included in the Company's base rates for the January 28, 2010 through January 20, 2012 period of $1,653,000 as defined in Section B of Rider UEA.

2012 reporting period of $946,041[4], and subtracting the RA amount of $691.73[5] for the April 1, 2012 through March 31, 2013 reconciliation period. The related filing documents that were filed with the Commission by letter dated May 16, 2013, are shown on NSG Ex. 1.3.

Q. Please describe NSG Ex. 1.1.

A. NSG Ex. 1.1 is a Statement of the RA amounts that reconciles the amounts that were expected to be billed April 1, 2013 through March 31, 2014, with the Actual amounts recorded for the same period for each service classification and adjustment type. These RA amounts are applicable for the Effective Period beginning June 1, 2014 and ending May 31, 2015.

Q. What is the purpose of the Statement?

A. The Statement shows the applicable RA amounts for each adjustment type for customers served under North Shore's S.C. Nos. 1, 2 and 3/4 for April 1, 2013 through March 31, 2014. It also shows the derivation of each RA amount and provides supporting data for the applicable periods.

Q. Please describe the elements of the Statement.

A. The Statement includes the following information:

- Page 1 shows the RA amounts arising from the Rider UEA adjustments for the 2011 and 2012 reporting years (including any applicable RA amounts)

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[4] The baseline Uncollectible Accounts Expense amount for the 2012 reporting year is a proration of the baseline Uncollectible Accounts Expense amount included in the Company's base rates for the January 28, 2010 through January 20, 2012 period of $1,653,000 and the baseline Uncollectible Accounts Expense amount included in the Company's base rates for the January 21, 2012 through June 26, 2013 period of $491,599 as defined in Section B of Rider UEA.

[5] NSG Ex. 1.3, page 5, line 12, column D.

over the reconciliation period, for each adjustment type and service classification. These amounts are also included on page 3 of the statement of the determination of the 2013 reporting year Rider UEA Adjustments submitted to the Commission by letter dated May 16, 2014 and effective over the twelve-month Effective Period beginning June 1, 2014 and as shown on NSG Ex. 1.2, page 5. The data on page 1, lines 1 through 3, of NSG Ex. 1.1 is a summation of the data on page 2 (for the 2012 reporting year) and page 3 (for the 2011 reporting year) for the reconciliation period. The data on page 1, lines 5 through 7, are the actual amounts that were recorded under Rider UEA for the reconciliation period. Finally, the data on lines 9 through 11 are the difference between the amounts expected to be billed on lines 1 through 3 and the amounts that were actually recorded on lines 5 through 7, resulting in the RA amounts.

- Page 2 shows the determination of the adjustment amounts for the 2012 reporting year (including prior period RA amounts) that were effective on June 1, 2013, and expected to be billed through the May 31, 2014 Effective Period. The data is broken down into amounts that are applicable to this reconciliation period for June 1, 2013 through March 31, 2014, on lines 5 through 7, and amounts for April 1 through May 31, 2014, that will be applicable to the next reconciliation period on lines 9 through 11.
- Page 3 shows the determination of the adjustment amounts for the 2011 reporting year that were effective on June 1, 2012, and expected to be billed through May 31, 2013. The data is broken down into amounts that

were included in the last reconciliation for June 1, 2012 through March 31, 2013, on lines 5 through 7, and amounts for April 1 through May 31, 2013, that are included in this reconciliation on lines 9 through 11.

Q. Please describe the data on page 2 related to the 2012 reporting year adjustments.

A. Page 2 provides data applicable to S.C. Nos. 1, 2 and 3/4 for each adjustment type for the 2012 reporting year adjustment amount and applicable prior period RA amounts. The adjustment types are: Incremental Delivery Service Uncollectible Adjustment (IDUA) and Incremental Gas Supply Service Uncollectible Adjustment (ISUA).

- Lines 1 through 3, Columns A and B, provide the amounts that were expected to be recovered or refunded for each service classification and adjustment type under the rider for the 2012 reporting year adjustments (and applicable RA amounts) for the June 1, 2013 through May 31, 2014 Effective Period.
- Lines 5 through 7, Columns A and B, provide the amounts that were expected to be recovered or refunded for each service classification and adjustment type under the rider for the 2012 reporting year adjustments and applicable RA for June 1, 2013 through March 31, 2014 that are included in this reconciliation.
- Lines 9 through 11, Columns A and B, provide the amounts that were expected to be recovered or refunded for each service classification and adjustment type under the rider for the 2012 reporting year adjustments

and applicable RA for April 1 through May 31, 2014 (the difference between the amounts recorded on lines 1 through 3 and the amounts recorded on lines 5 through 7) that will be included in the next reconciliation.

Q. Please describe the data on page 3 for the 2011 reporting year adjustments.

A. Page 3 provides the same type of data as I described for page 2, but for 2011 except that the adjustment amounts for the 2011 reporting year to be recovered / (refunded) in this reconciliation are for amounts from April 1 through May 31, 2013 as shown on lines 9 through 11. In Docket Nos. 11-0280/11-0281 (cons.), North Shore proposed, and the Commission approved, changes to Rider UEA to eliminate the ITUA, and that effective June 1, 2013, any Reconciliation Adjustment amounts pertaining to the ITUA be included in the IDUA. Pursuant to Section B of Rider UEA, the ITUA adjustment amounts shown on NSG Ex. 1.1, page 3, lines 9 through 11 of column C were included with the IDUA adjustment amounts to be recovered/refunded effective June 1, 2014. Amounts related to June 1, 2012 through March 31, 2013 were included in the last reconciliation as provided for in Rider UEA and shown on lines 5 through 7.

Q. What is NSG Ex. 1.4?

A. NSG Ex. 1.4 is a report of the 2011 reporting year showing the adjustment amounts that were filed in May 2012 for the 2011 reporting year. This exhibit was presented as page 2 of NSG Ex. 1.1 in the last Rider UEA reconciliation filing (Docket No. 13-0491) and supports the data presented on NSG Ex. 1.1, page 3, in this proceeding showing that the amounts for June 1, 2012 through March 31, 2013, were included in the last reconciliation.

Q. How much will North Shore refund to or recover from S.C. No. 1 customers as part of the Rider UEA adjustments effective for the twelve-month Effective Period beginning June 1, 2014?

A. As shown on NSG Ex. 1.1, North Shore will recover $5,534.64 from S.C. No. 1 customers through the IDUA adjustment (page 1, line 9, column A). This amount applies to sales and transportation customers. The ISUA RA amount for S.C. No. 1 sales customers is a refund of $2,877.57 (page 1, line 9, column B).

Q. How much will North Shore refund to or recover from S.C. No. 2 customers over the twelve-month period beginning June 1, 2014?

A. As shown on NSG Ex. 1.1, North Shore will recover $331.08 from S.C. No. 2 customers through the IDUA adjustment (page 1, line 10, column A). This amount applies to sales and transportation customers. The ISUA RA amount for S.C. No. 2 sales customers is a recovery of $872.03 (page 1, line 10, column B).

Q. How much will North Shore recover from S.C. No. 3/4 customers over the twelve-month period beginning June 1, 2014?

A. As shown on NSG Ex. 1.1, North Shore will recover $1.00 from S.C. No. 3/4 customers through the IDUA adjustment (page 1, line 11, column A). This amount applies to sales and transportation customers. There is no applicable ISUA adjustment amount for S.C. No. 3/4 customers.

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

A. Beginning June 1, 2014, the RA components are included with the 2013 reporting year Rider UEA adjustment amounts for each adjustment type and service classification, resulting in a single adjustment amount for each adjustment type and

service classification (see NSG Ex. 1.2). These are per customer adjustments that North Shore will bill for the June 1, 2014, through May 31, 2015, Effective Period. The Rider UEA adjustments are included in the customer charge on customers' bills.

Q. Does this conclude your direct testimony?

A. Yes, it does.

North Shore Gas Company
Uncollectible Expense Adjustments
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17
Applicable to Service Classification Nos. 1, 2 and 3

Statement of Reconciliation Adjustment (RA) for April 1, 2013 through March 31, 2014 Reconciliation Period

Rider UEA Reconciliation amounts included in May 2014 filing[1]

Rider UEA Amounts to be recovered / (refunded) April 1, 2013 through March 31, 2014

Line No.	S.C. No.	Delivery IDUA [2] [A]	Gas Supply ISUA [B]	Total [C] [A] + [B]	Notes
1	1	$ (47,302.48)	$ (57,867.03)	$ (105,169.51)	Page 2, Line 5 + page 3, Line 9
2	2	(3,192.46)	(14,382.35)	(17,574.81)	Page 2, Line 6 + page 3, Line 10
3	3/4 [3]	1.00	-	1.00	Page 2, Line 7 + page 3, Line 11
4	Total	$ (50,493.94)	$ (72,249.38)	$ (122,743.32)	Sum Lines 1-3

Actual Amounts Recorded for Rider UEA Adjustment - April 1, 2013 through March 31, 2014

		Delivery IDUA [A]	Gas Supply ISUA [B]	Total [C] [A] + [B]	
5	1	$ (52,837.12)	$ (54,989.46)	$ (107,826.58)	
6	2	(3,523.54)	(15,254.38)	(18,777.92)	
7	3/4	-	-	-	
8	Total	$ (56,360.66)	$ (70,243.84)	$ (126,604.50)	Sum Lines 5 through 7

Reconciliation Adjustment (RA) Amount to be recovered / (refunded)

		Delivery IDUA [A]	Gas Supply ISUA [B]	Total [C] [A] + [B]	
9	1	$ 5,534.64	$ (2,877.57)	$ 2,657.07	Line 1 - Line 5
10	2	331.08	872.03	1,203.11	Line 2 - Line 6
11	3/4	1.00	-	1.00	Line 3 - Line 7
12	Total	$ 5,866.72	$ (2,005.54)	$ 3,861.18	Sum Lines 9-11

(1) The RA amounts from this page are included with the filing for the 2013 Reporting year. See NSG Ex. 1.2, page 5.
(2) The IDUA and ITUA amounts will be billed together under the IDUA factor effective June 1, 2013.
(3) North Shore's S.C No. 3 was renamed S.C No. 4 pursuant to the Final Order dated June 18, 2013 in Docket Nos. 12-0511/12-0512(cons).

North Shore Gas Company
Uncollectible Expense Adjustments
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17
Applicable to Service Classification Nos. 1, 2 and 3

Statement of Reconciliation Adjustment (RA)
Rider UEA Reconciliation for 2012 Adjustments including applicable prior period RA

2012 Rider UEA Amounts to be recovered / (refunded) June 1, 2013 through May 31, 2014 per last Rider UEA filing

Line No.	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Total [C] [A] + [B]	Notes
1	1	$ (45,990.48)	$ 12,591.74	$ (33,398.74)	NSG Ex. 1.3, Page 3, line 1
2	2	182.70	621.09	803.79	NSG Ex. 1.3, Page 3, line 2
3	3/4	1.22	-	1.22	NSG Ex. 1.3, Page 3, line 3
4	Total	$ (45,806.56)	$ 13,212.83	$ (32,593.73)	Sum Lines 1 through 3

2012 Rider UEA Amounts to be recovered / (refunded) June 1, 2013 through March 31, 2014 per amortization schedule and included in this reconciliation

		Delivery IDUA [A]	Gas Supply ISUA [B]	Total [C] [A] + [B]	
5	1	$ (38,256.70)	$ 10,472.30	$ (27,784.40)	
6	2	151.74	515.29	667.03	
7	3/4	1.00	-	1.00	
8	Total	$ (38,103.96)	$ 10,987.59	$ (27,116.37)	Sum Lines 5 through 7

2012 Rider UEA Amounts to be recovered / (refunded) April 1, 2014 through May 31, 2014 and included in the next reconciliation

		Delivery IDUA [A]	Gas Supply ISUA [B]	Total [C] [A] + [B]	
9	1	$ (7,733.78)	$ 2,119.44	$ (5,614.34)	Line 1 - Line 5
10	2	30.96	105.80	136.76	Line 2 - Line 6
11	3/4	0.22	-	0.22	Line 3 - Line 7
12	Total	$ (7,702.60)	$ 2,225.24	$ (5,477.36)	Sum Lines 9-11

Note: any amounts previously reported in ITUA have been incorporated into the IDUA Per the Tariff.

North Shore Gas Company
Uncollectible Expense Adjustments
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17
Applicable to Service Classification Nos. 1, 2 and 3

Statement of Reconciliation Adjustment (RA)
Rider UEA Reconciliation for 2011 Adjustments including applicable prior period RA

2011 Rider UEA Amounts to be recovered / (refunded) June 1, 2012 through May 31, 2013 per 2011 Rider UEA filing

Line No.	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]	
1	1	$ (52,975.26)	$ (399,897.36)	$ 40.46	$ (452,832.16)	NSG Ex. 1.4, line 1
2	2	(15,213.11)	(86,963.89)	(4,494.35)	(106,671.35)	NSG Ex. 1.4, line 2
3	3	-	-	-	-	NSG Ex. 1.4, line 3
4	Total	$ (68,188.37)	$ (486,861.25)	$ (4,453.89)	$ (559,503.51)	NSG Ex. 1.4, line 4

2011 Rider UEA Amounts to be recovered / (refunded) June 1, 2012 through March 31, 2013 per amortization schedule and included in last reconciliation

	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]	Notes
5	1	$ (43,922.58)	$ (331,558.03)	$ 33.56	$ (375,447.05)	NSG Ex. 1.4, line 5
6	2	(12,619.69)	(72,066.25)	(3,743.57)	(88,429.51)	NSG Ex. 1.4, line 6
7	3	-	-	-	-	NSG Ex. 1.4, line 7
8	Total	$ (56,542.27)	$ (403,624.28)	$ (3,710.01)	$ (463,876.56)	NSG Ex. 1.4, line 8

2011 Rider UEA Amounts to be recovered / (refunded) April 1, 2013 through May 31, 2013 to be included in this reconciliation

		Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]	
9	1	$ (9,052.68)	$ (68,339.33)	$ 6.90	$ (77,385.11)	NSG Ex. 1.4, line 9
10	2	(2,593.42)	(14,897.64)	(750.78)	(18,241.84)	NSG Ex. 1.4, line 10
11	3	-	-	-	-	NSG Ex. 1.4, line 11
12	Total	$ (11,646.10)	$ (83,236.97)	$ (743.88)	$ (95,626.95)	NSG Ex. 1.4, line 12

Note: There may be differences due to rounding.

NORTH SHORE GAS®
NATURAL GAS DELIVERY

North Shore Gas Company
An Integrys Energy Group Company
200 East Randolph Street
Chicago, IL 60601
www.northshoregasdelivery.com

May 16, 2014

Advice No. 1358

Ms. Elizabeth A. Rolando
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Dear Ms. Rolando:

Attached hereto are North Shore Gas Company's Rider UEA, Uncollectible Expense Adjustment, Information Sheet No. 7 specifying the adjustments under Rider UEA to be effective for service rendered on and after June 1, 2014 and a statement showing the determination of the adjustments under the rider.

A copy of this letter with attachments is being sent to the Rates and Accounting Departments of the Financial Analysis Division.

I am also enclosing a copy of this letter with attachments and a self-addressed stamped envelope for your convenience in acknowledging receipt thereof.

Sincerely,

Debra E. Egelhoff

Debra E. Egelhoff
Manager,
Gas Regulatory Policy

Attachments
cc: Thomas G. Aridas

Rider UEA
Information Sheet No. 7
(Superceding Information Sheet No.6)

North Shore Gas Company
Uncollectible Expense Adjustment
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17

Applicable to Service Classification Nos. 1, 2, and 4

Effective with Service Rendered on or after June 1, 2014

		Rider UEA Adjustments per Customer to be billed during the Effective Period (EP) June 1, 2014 through May 31, 2015			
		Delivery Service	Gas Supply Service	Sales Customers	Transportation Customers
Line No.	S.C. No.	IDUA	ISUA	Total Adjustment	Total Adjustment
	[A]	[B]	[C]	[D] = [B] + [C]	[E] = [B]
1	1	$ (0.01)	$ 0.02	$ 0.01	$ (0.01)
2	2	$ (0.31)	$ (0.38)	$ (0.69)	$ (0.31)
3	4	$ -	$ -	$ -	$ -

Notes:
Positive number indicates a recovery from customers; negative number indicates a refund to customers.

Submitted By: Thomas G. Aridas
Director

North Shore Gas Company
Uncollectible Expense Adjustment
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17
Applicable to Service Classification Nos. 1, 2 and 4

Adjustments Effective June 1, 2014 for the Reporting Year of 2013 and Reconciliation Adjustment

2013 Adjustment and Reconciliation Adjustment (RA) to be recovered / (refunded)

Line No.	S.C. No. (1)	Delivery IDUA (2) [A]	Gas Supply ISUA [B]	Total [C] [A] + [B]	Notes
1	1	$ (24,951.84)	$ 31,965.93	7,014.09	Page 2, line 9 + Page 3, line 9
2	2	(50,499.89)	(49,843.23)	(100,343.12)	Page 2, line 10 + Page 3, line 10
3	4	1.00	-	1.00	Page 2, line 11 + Page 3, line 11
4	Total	$ (75,450.73)	$ (17,877.30)	$ (93,328.03)	Sum Lines 1-3

$CUSTS_{EP}$ - Forecasted Customer Billing Periods for Effective Period (EP) June 1, 2014 - May 31, 2015

		Delivery IDUA [A] [A] = [B] + [C]	Sales IDUA and ISUA [B]	Transportation IDUA only [C]	
5	1	1,757,724	1,653,466	104,258	
6	2	161,429	129,738	31,691	
7	4	300	-	300	
8	Total	1,919,453	1,783,204	136,249	Sum lines 5 - 7

Rider UEA Adjustments per Customer to be billed during the Effective Period June 1, 2014 - May 31, 2015

		Delivery IDUA [A]	Gas Supply ISUA [B]	Total Adjustment Sales Customers [C] [A] + [B]	Total Adjustment Transportation Customers [D] [A]	Notes For Cols. [A] & [B]
9	1	$ (0.01)	$ 0.02	$ 0.01	$ (0.01)	Line 1 / Line 5
10	2	(0.31)	(0.38)	(0.69)	(0.31)	Line 2 / Line 6
11	4	-	-	-	-	Line 3 / Line 7

Notes:
(1) Effective June 27, 2013, S.C. 3 was renumbered as S.C. 4 to comply with the Commission order in Docket Nos. 12-0511/12-0512 (cons.), which ordered the Company to conform its service classification numbering to Peoples Gas' format.
(2) The ITUA RA amount is included in the IDUA amount since the ITUA adjustments are no longer applicable effective with the 2012 filing.

North Shore Gas Company
Uncollectible Expense Adjustment
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17
Applicable to Service Classification Nos. 1, 2 and 4

Adjustments Effective June 1, 2014 for the Reporting Year of 2013

2013 Form 21 Actual Net Write-off

Line No.	S.C. No.	Delivery Service Net Write-off Amounts [A]	Gas Supply Service Net Write-off Amounts [B]	Total [C] [A] + [B]	Notes
1	1	$ 493,430.88	$ 656,808.60	$ 1,150,239.48	Page 6, Cols. C, D and E, Line 1.
2	2	$ 73,594.78	$ 75,160.88	$ 148,755.66	Page 6, Cols. C, D and E, Line 2.
3	4	$ -	$ -	$ -	Page 6, Cols. C, D and E, Line 3.
4	Total	$ 567,025.66	$ 731,969.48	$ 1,298,995.14	Sum Lines 1-3

Docket Nos. 11-0280 and 12-0511 Weighted Average Baseline

		Delivery DUR_{2013} [A]	Gas Supply SUR_{2013} [B]	Total [C] [A] + [B]	
5	1	$ 523,917.36	$ 621,965.10	$ 1,145,882.46	Page 5, Cols. C, D and E, Line 1.
6	2	$ 124,425.75	$ 125,876.14	$ 250,301.89	Page 5, Cols. C, D and E, Line 2.
7	4	$ -	$ -	$ -	Page 5, Cols. C, D and E, Line 3.
8	Total	$ 648,343.11	$ 747,841.24	$ 1,396,184.35	Sum Lines 5-7

Difference - 2013 Adjustment

		Delivery IDUA [A]	Gas Supply ISUA [B]	Total [C] [A] + [B]	
9	1	$ (30,486.48)	$ 34,843.50	$ 4,357.02	Line 1 - Line 5
10	2	$ (50,830.97)	$ (50,715.26)	$ (101,546.23)	Line 2 - Line 6
11	4	$ -	$ -	$ -	Line 3 - Line 7
12	Total	$ (81,317.45)	$ (15,871.76)	$ (97,189.21)	Sum Lines 9-11

North Shore Gas Company
Uncollectible Expense Adjustments
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17
Applicable to Service Classification Nos. 1, 2 and 4

Statement of Reconciliation Adjustment

Rider UEA Reconciliation for 2011 and 2012

2011 and 2012 Rider UEA Amounts to be recovered / (refunded) April 1, 2013 through March 31, 2014

Line No.	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Total [C] [A] + [B]	Notes
1	1	$ (47,302.48)	$ (57,867.03)	$ (105,169.51)	
2	2	(3,192.46)	(14,382.35)	(17,574.81)	
3	3/4	1.00	-	1.00	
4	Total	$ (50,493.94)	$ (72,249.38)	$ (122,743.32)	

Actual Amounts Recorded for 2011 and 2012 Rider UEA Adjustment - April 1, 2013 through March 31, 2014

	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Total [D] [A] + [B] + [C]
5	1	$ (52,837.12)	$ (54,989.46)	$ (107,826.58)
6	2	(3,523.54)	(15,254.38)	(18,777.92)
7	3/4	-	-	-
8	Total	$ (56,360.66)	$ (70,243.84)	$ (126,604.50)

Reconciliation Adjustment (RA) Amount to be recovered / (refunded)

	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Total [D] [A] + [B] + [C]	
9	1	$ 5,534.64	$ (2,877.57)	$ 2,657.07	Line 1 - Line 5
10	2	331.08	872.03	1,203.11	Line 2 - Line 6
11	3/4	1.00	-	1.00	Line 3 - Line 7
12	Total	$ 5,866.72	$ (2,005.54)	$ 3,861.18	Sum Lines 9-11

Note: Any amounts previously reported in ITUA have been incorporated into IDUA per the tariff.

North Shore Gas Company
Rider UEA - Uncollectible Expense Adjustment

Determination of Rate Allocation Factor (RAF) Based on Base Rate Revenues (BRR)
Calendar Year 2013

Line No.	Time Period Calendar 2013 [A]		Docket No. [B]	Base Rate Revenues (BRR_{2013}) Sales [C]	Transportation [D]	Total [E] [C] + [D]	RAF [F]
1	Jan 1 - May 31 (Actual)		11-0280	$ 30,082,109.88	$ 6,786,771.53	$ 36,868,881.41	
2	June		11-0280/12-0511	4,477,664.03	970,067.03	5,447,731.06	
3	July 1 - Dec 31 (Actual)		12-0511	33,990,872.26	7,396,975.21	41,387,847.47	
4	Total Year (Actual)			$ 68,550,646.17	$ 15,153,813.77	$ 83,704,459.94	
5	June 1 - June 26 (26 Days)	(1)	11-0280	$ 3,880,642.16	$ 840,724.76	$ 4,721,366.92	
6	June 27 - June 30 (4 Days)	(2)	12-0511	597,021.87	129,342.27	726,364.14	
7	June - Allocated			$ 4,477,664.03	$ 970,067.03	$ 5,447,731.06	
				BRR_{2013A}	BRR_{2013A}	BRR_{2013A}	
8	Jan 1 - June 26 (Line 1 + Line 5)		11-0280	$ 33,962,752.04	$ 7,627,496.29	$ 41,590,248.33	49.69% RAF_{2013A} (3)
				BRR_{2013B}	BRR_{2013B}	BRR_{2013B}	
9	Jun 27 - Dec 31 (Line 3 + Line 6)		12-0511	$ 34,587,894.13	$ 7,526,317.48	$ 42,114,211.61	50.31% RAF_{2013B} (4)
				$BRR_{2013(A+B)}$	$BRR_{2013(A+B)}$	$BRR_{2013(A+B)}$	
10	Total Year (Line 8 + Line 9)			$ 68,550,646.17	$ 15,153,813.77	$ 83,704,459.94	100.00%

Notes:

(1) Revenues for the period January 1, 2013 - June 26, 2013 based on rates approved in Docket No. 11-0280.
Revenues for Columns C and D determined as follows: Line 2 / 30 days x 26 days.

(2) Revenues for the period June 27, 2013 - December 31, 2013 based on rates approved in Docket No. 12-0511.
Revenues for Columns C and D determined as follows: Line 2 / 30 days x 4 days.

(3) RAF_{2013A} = Column E, Line 8 / Column E, Line 10.

(4) RAF_{2013B} = Column E, Line 9 / Column E, Line 10.

North Shore Gas Company
Rider UEA - Uncollectible Expense Adjustment

Determination of Baseline Uncollectible Accounts Expense Amounts
Reflected in Rates for 2013 based on Docket Nos. 11-0281 and 12-0512

		Baseline Uncollectible Account Expense				
		Docket No. 11-0281 Effective January 1 through June 26, 2013 (TUE_{2013A})	Docket No. 12-0512 Effective June 27 through December 31, 2013 (TUE_{2013B})	Effective January 1 through December 31, 2013 (TUE_{2013})	Rider UEA-GC Revenue	
Line No.	S.C. No.	DUR_{2013A} Delivery Service (1)	DUR_{2013B} Delivery Service (3)	DUR_{2013} Delivery Service Total	SUR_{2013} Gas Supply (6)	Total
		[A]	[B]	[C] =([A] x line 5, Col. A) + ([B] x line 6, Col. B)	[D]	[E]=[C]+[D]
1	1	$ 390,441	$ 655,733	$ 523,917.36	$ 621,965.10	$ 1,145,882.46
2	2	101,158	147,404	124,425.75	125,876.14	250,301.89
3	4	-	-	-	-	-
4	Total	$ 491,599 (2)	$ 803,137 (4)	$ 648,343.11	$ 747,841.24	$ 1,396,184.35
5	RAF_{2013A}	49.69% (5)				
6	RAF_{2013B}		50.31% (5)			

Notes:

(1) See Compliance Filing Workpaper WP NS 7.1 in Docket No. 11-0280, column A less column G.

(2) See Rider UEA, Section B, amount referenced for the period January 21, 2012 through June 26, 2013, which excludes amounts recoverable under Rider UEA-GC.

(3) See Compliance Filing Workpaper WP NSG 7.1 in Docket No. 12-0511, column L (sum of lines 1 and 2 for SC No. 1).

(4) See Rider UEA, Section B, amount referenced for the period June 27, 2013 through December 31, 2013, which excludes amounts recoverable under Rider UEA-GC.

(5) See Page 4, Column F.

(6) Rider UEA-GC revenue booked in 2013

* There may be differences due to rounding.

North Shore Gas Company
Rider UEA - Uncollectible Expense Adjustment
Calendar Year 2013 Form 21 Actual New Write-Off Amounts
By Service Classification and Service Type

Form 21 Actual Net Write-off Allocated By Service Classification and Service Type
Jan. 1 - Dec. 31, 2013

Line No.	S.C. No.	Actual Net Write-Off Amounts	Historical Delivery Service % of Revenues (2)	Delivery Service Net Write-off Amounts	Gas Supply Service Net Write-off Amounts	Total Net Write-Off Amounts
		[A]	[B]	[C]	[D]	[E]
				[A]*[B]	[A]-[C]	[C] + [D]
1	1	$ 1,150,239.48	42.898%	$ 493,430.88	$ 656,808.60	$ 1,150,239.48
2	2	148,755.66	49.474%	73,594.78	75,160.88	148,755.66
3	4	-	100.000%	-	-	-
4	Total	$ 1,298,995.14 (1)		$ 567,025.66	$ 731,969.48	$ 1,298,995.14

Notes:

(1) The amount reported in Calendar Year 2013 Form 21 ILCC, Page 48, Line 2, Column (d) + Column (e). Amounts by service class are based on actual amount.
(2) See Page 7, Column F (Delivery Percent by Service Class).

* There may be differences due to rounding.

North Shore Gas Company
Historical Delivery and Supply Allocation

Line No.	Sevice Classification	2011	2012	2013	3 Year Average	% of Total Net Revenues
	[A]	[B]	[C]	[D]	[E]=[B]+[C]+[D]	[F]
	SC 1					
1	Total Net Revenue	$ 154,492,639.87	$ 124,891,506.85	$ 158,030,957.14	$ 145,805,034.62	
2	Total Retail Gas Charge Revenues	92,974,363.76	65,774,237.80	91,023,766.71	83,257,456.09	57.1019%
3	Delivery	61,518,276.11	59,117,269.05	67,007,190.43	62,547,578.53	42.8981%
	SC 2					
4	Total Net Revenue	38,030,663.15	32,069,118.32	43,334,534.34	37,811,438.60	
5	Total Retail Gas Charge Revenues	21,550,616.02	14,763,319.55	21,000,341.67	19,104,759.08	50.5264%
6	Delivery	16,480,047.13	17,305,798.77	22,334,192.67	18,706,679.52	49.4736%
	SC 3/SC 4 (1)					
7	Total Net Revenue	4,032,219.72	3,704,257.23	5,298,107.89	4,344,861.61	
8	Total Retail Gas Charge Revenues	-	-	-	-	0.0000%
9	Delivery	4,032,219.72	3,704,257.23	5,298,107.89	4,344,861.61	100.0000%
	SC 4/SC 7 (1)					
10	Total Net Revenue	674,475.83	447,585.27	-	374,020.37	
11	Total Retail Gas Charge Revenues	-	-	-	-	0.0000%
12	Delivery	674,475.83	447,585.27	-	374,020.37	100.0000%
	Other					
13	Total Net Revenue	1,181,634.42	692,280.60	655,660.18	843,191.73	
14	Total Retail Gas Charge Revenues	-	-	-	-	0.0000%
15	Delivery	1,181,634.42	692,280.60	655,660.18	843,191.73	100.0000%
	Total					
16	Total Net Revenue (2)	$ 198,411,632.99	$ 161,804,748.27	$ 207,319,259.55	$ 189,178,546.94	
17	Total Retail Gas Charge Revenues	$ 114,524,979.78	$ 80,537,557.35	$ 112,024,108.38	$ 102,362,215.17	54.1088%
18	Delivery	$ 83,886,653.21	$ 81,267,190.92	$ 95,295,151.17	$ 86,816,331.77	45.8912%

Notes:
(1) Effective June 27, 2013, S.C. 4 was renumbered as S.C. 7 and S.C. 3 was renumbered as S.C. 4 to comply with the Commission order in Docket No. 12-0511/12-0512 (cons.), which ordered the Company to conform its service classification numbering to Peoples Gas' format.
(2) Total Net Revenues sum to the amounts reported in the Form 21 ICC, Page 300, Column (b), Line 12 + Line 19 for each Calendar Year Filing.

NORTH SHORE GAS
NATURAL GAS DELIVERY

130 East Randolph Drive
Chicago, IL 60601-6207
www.northshoregasdelivery.com

May 16, 2013

Advice No. 1325

Ms. Elizabeth A. Rolando
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Dear Ms. Rolando:

Attached hereto are North Shore Gas Company's Rider UEA, Uncollectible Expense Adjustment, Information Sheet No. 5 specifying the adjustments under Rider UEA to be effective for service rendered on and after June 1, 2013 and a statement showing the determination of the adjustments under the rider.

A copy of this letter with attachments is being sent to the Rates and Accounting Departments of the Financial Analysis Division.

I am also enclosing a copy of this letter with attachments and a self-addressed stamped envelope for your convenience in acknowledging receipt thereof.

Sincerely,

Debra E. Egelhoff
Manager,
Gas Regulatory Services

Attachments
cc: Thomas G. Aridas

Rider UEA
Information Sheet No. 5
(Superceding Information Sheet No. 4)

North Shore Gas Company
Uncollectible Expense Adjustment
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17

Applicable to Service Classification Nos. 1, 2, and 3

Effective with Service Rendered on or after June 1, 2013

		Rider UEA Adjustments per Customer to be billed during the Effective Period (EP) June 1, 2013 through May 31, 2014			
		Delivery Service	Gas Supply Service	Sales Customers	Transportation Customers
Line No.	S.C. No.	IDUA	ISUA	Total Adjustment	Total Adjustment
	[A]	[B]	[C]	[D] = [B] + [C]	[E] = [B]
1	1	$ (0.03)	$ 0.01	$ (0.02)	$ (0.03)
2	2	$ -	$ -	$ -	$ -
3	3	$ -	$ -	$ -	$ -

Notes:
Positive number indicates a recovery from customers; negative number indicates a refund to customers.

Submitted By: Thomas G. Aridas
Director

North Shore Gas Company
Uncollectible Expense Adjustment
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17
Applicable to Service Classification Nos. 1, 2 and 3

Adjustments Effective June 1, 2013 for the Reporting Year of 2012 and Reconciliation Adjustment

2012 Adjustment and Reconciliation Adjustment (RA) to be recovered / (refunded)

Line No.	S.C. No.	Delivery IDUA [1] [A]	Gas Supply ISUA [B]	Total [C] [A] + [B]	Notes
1	1	$ (45,990.48)	$ 12,591.74	(33,398.74)	Page 2, line 9 + Page 3, line 9
2	2	182.70	621.09	803.79	Page 2, line 10 + Page 3, line 10
3	3	1.22	-	1.22	Page 2, line 11 + Page 3, line 11
4	Total	$ (45,806.56)	$ 13,212.83	$ (32,593.73)	Sum Lines 1-3

$CUSTS_{EP}$ - Forecasted Customer Billing Periods for Effective Period (EP) June 1, 2013 - May 31, 2014

		Delivery IDUA [A] [A] = [B] + [C]	Sales IDUA and ISUA [B]	Transportation IDUA only [C]	
5	1	1,755,383	1,652,466	102,917	
6	2	160,933	129,560	31,373	
7	3	312	-	312	
8	Total	1,916,628	1,782,026	134,602	Sum lines 5 - 7

Rider UEA Adjustments per Customer to be billed during the Effective Period June 1, 2013 - May 31, 2014

		Delivery IDUA [A]	Gas Supply ISUA [B]	Total Adjustment Sales Customers [C] [A] + [B]	Total Adjustment Transportation Customers [D] [A]	Notes For Cols. [A] & [B]
9	1	$ (0.03)	$ 0.01	$ (0.02)	$ (0.03)	Line 1 / Line 5
10	2	-	-	-	-	Line 2 / Line 6
11	3	-	-	-	-	Line 3 / Line 7

Notes:
(1) The ITUA RA amount is included in the IDUA amount since the ITUA adjustments are no longer applicable effective with this filing.

North Shore Gas Company
Uncollectible Expense Adjustment
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17
Applicable to Service Classification Nos. 1, 2 and 3

Adjustments Effective June 1, 2013 for the Reporting Year of 2012

		2012 Form 21 Account 904			
Line No.	S.C. No.	Delivery $904DUR_{2012}$ [A]	Gas Supply $904SUR_{2012}$ [B]	Total [C] [A] + [B]	Notes
1	1	$ 344,754.00	$ 382,901.00	$ 727,655.00	Page 7, Cols. G, H and I, Line 1.
2	2	101,472.00	85,012.00	$ 186,484.00	Page 7, Cols. G, H and I, Line 2.
3	3	-	-	$ -	Page 7, Cols. G, H and I, Line 3.
4	Total	$ 446,226.00	$ 467,913.00	$ 914,139.00	Sum Lines 1-3

		Docket Nos.09-0166 and 11-0280 Weighted Average Baseline			
		Delivery DUR_{2012} [A]	Gas Supply SUR_{2012} [B]	Total [C] [A] + [B]	
5	1	$ 391,950	$ 367,260	$ 759,210	Page 6, Cols. B, C and D, Line 11.
6	2	$ 101,771	$ 85,060	$ 186,831	Page 6, Cols. B, C and D, Line 12.
7	3	$ -	$ -	$ -	Page 6, Cols. B, C and D, Line 13.
8	Total	$ 493,721	$ 452,320	$ 946,041	Sum Lines 5-7

		Difference - 2012 Adjustment			
		Delivery IDUA [A]	Gas Supply ISUA [B]	Total [C] [A] + [B]	
9	1	$ (47,196)	$ 15,641	$ (31,555)	Line 1 - Line 5
10	2	$ (299)	$ (48)	$ (347)	Line 2 - Line 6
11	3	$ -	$ -	$ -	Line 3 - Line 7
12	Total	$ (47,495)	$ 15,593	$ (31,902)	Sum Lines 9-11

North Shore Gas Company
Uncollectible Expense Adjustments
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17
Applicable to Service Classification Nos. 1, 2 and 3

Statement of Reconciliation Adjustment

Rider UEA Reconciliation for 2010 and 2011

2010 and 2011 Rider UEA Amounts to be recovered / (refunded) April 1, 2012 through March 31, 2013

Line No.	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]	Notes
1	1	$ (40,099.38)	$ (379,513.62)	$ 360.70	$ (419,252.30)	
2	2	$ (11,878.39)	$ (83,496.01)	$ (4,117.77)	$ (99,492.17)	
3	3	$ 0.76	$ -	$ -	$ 0.76	
4	Total	$ (51,977.01)	$ (463,009.63)	$ (3,757.07)	$ (518,743.71)	

Actual Amounts Recorded for 2010 and 2011 Rider UEA Adjustment - April 1, 2012 through March 31, 2013

	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]
5	1	$ (40,944.20)	$ (376,464.36)	$ -	$ (417,408.56)
6	2	$ (12,521.71)	$ (84,165.10)	$ (3,956.15)	(100,642.96)
7	3	$ (0.46)	$ -	$ -	(0.46)
8	Total	$ (53,466.37)	$ (460,629.46)	$ (3,956.15)	$ (518,051.98)

Reconciliation Adjustment (RA) Amount to be recovered / (refunded)

	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]	
9	1	$ 844.82	$ (3,049.26)	$ 360.70	$ (1,843.74)	Line 1 - Line 5
10	2	643.32	669.09	(161.62)	1,150.79	Line 2 - Line 6
11	3	1.22	-	-	1.22	Line 3 - Line 7
12	**Total**	$ 1,489.36	$ (2,380.17)	$ 199.08	$ (691.73)	Sum Lines 9-11

North Shore Gas Company
Rider UEA - Uncollectible Expense Adjustment

Determination of Rate Allocation Factor (RAF) Based on Base Rate Revenues (BRR)
Calendar Year 2012

Line No.	Time Period Calendar 2010 [A]		Docket No. [B]	Base Rate Revenues (BRR_{2012}) Sales [C]	Transportation [D]	Total [E] [C] + [D]	RAF [F]
1	Jan 1 - Jan 31 (Actual)		09-0166 / 11-0280	$6,977,078.61	$1,510,318.34	$8,487,396.95	
2	Feb 1 - Dec 31 (Actual)		11-0280	$55,541,816.40	$11,769,603.46	$67,311,419.86	
3	Total Year (Actual)			$62,518,895.01	$13,279,921.80	$75,798,816.81	
4	Jan 1 - Jan 20 (20 Days)	(1)	09-0166	$4,501,341.04	$974,398.93	$5,475,739.97	
5	Jan 21 - Jan 31 (11 Days)	(2)	11-0280	$2,475,737.57	$535,919.41	$3,011,656.98	
6	Jan - Allocated			$6,977,078.61	$1,510,318.34	$8,487,396.95	
				BRR_{2012A}	BRR_{2012A}	BRR_{2012A}	
7	Jan 1 - Jan 20 (Line 4)		09-0166	$4,501,341.04	$974,398.93	$5,475,739.97	7.224% RAF_{2012A} (3)
				BRR_{2012B}	BRR_{2012B}	BRR_{2012B}	
8	Jan 21 - Dec 31 (Line 2 + Line 5)		11-0280	$58,017,553.97	$12,305,522.87	$70,323,076.84	92.776% RAF_{2012B} (4)
				$BRR_{2012(A+B)}$	$BRR_{2012(A+B)}$	$BRR_{2012(A+B)}$	
9	Total Year (Line 7 + Line 8)			$62,518,895.01	$13,279,921.80	$75,798,816.81	100.000%

Notes:

(1) Revenues for the period January 1, 2012 - January 20, 2012 based on rates approved in Docket No. 09-0166.
Revenues for Columns C and D determined as follows: Line 1 / 31 days x 20 days.

(2) Revenues for the period January 21, 2012 - January 31, 2012 based on rates approved in Docket No. 11-0280.
Revenues for Columns C and D determined as follows: Line 1 / 31 days x 11 days.

(3) RAF_{2012A} = Column E, Line 7 / Column E, Line 9.

(4) RAF_{2012B} = Column E, Line 8 / Column E, Line 9.

North Shore Gas Company
Rider UEA - Uncollectible Expense Adjustment

Percentage of Uncollectible Accounts Expense By Service Classification
Docket No. 09-0166 and Docket No. 11-0280
Determination of PUAF - Calendar 2012

Line No.	S.C. No.	Embedded Cost of Service Study Docket No. 09-0166 Effective Jan. 1 - Jan. 20, 2012[1] $PUAF_{2012A}$ [A]	Embedded Cost of Service Study Docket No. 11-0280 Effective Jan. 21 - Dec. 31, 2012[2] $PUAF_{2012B}$ [B]	Weighted Average ECOSS Allocation $PUAF_{2012}$ [C] [A] X [C] line 6 + [B] X [C] line 7
1	1	81.187%	79.423%	79.60%
2	2	18.813%	20.577%	20.40%
3	3	0.000%	0.000%	0.00%
4	4	0.000%	0.000%	0.00%
5	Total	100.00%	100.00%	100.00%
6				7.224% (3)
7				92.776% (3)
8				100.000%

Notes

(1) See Compliance Filing Workpaper WP NRD 7.1 in Docket No. 09-0166, column B.
(2) See Compliance Filing Workpaper WP NSG 7.1 in Docket No. 11-0280, column B.
(3) See Page 4, Column F.

North Shore Gas Company
Rider UEA - Uncollectible Expense Adjustment

Determination of Baseline Uncollectible Accounts Expense Amounts
Reflected in Base Rates for 2012 based on Docket Nos. 09-0166 and 11-0280

			Baseline Uncollectible Account Expense (TUE_{2012A}) [2] Docket No. 09-0166 Effective January 1 through January 20, 2012		
Line No.	S.C. No.	RAF_{2012A} [A]	DUR_{2012A} Delivery [B]	SUR_{2012A} Gas Supply [C]	Total [D] [B] + [C]
		7.22% [1]			
1	1		$ 411,329	$ 930,497	$ 1,341,826
2	2		$ 109,645	$ 201,289	$ 310,934
3	3		$ -	$ -	$ -
4	4		$ -	$ -	$ -
5	Total		$ 520,974	$ 1,131,786	$ 1,652,760 [3]

			Baseline Uncollectible Account Expense (TUE_{2012B}) Docket No. 11-0280 Effective January 21 through December 31, 2012		
		RAF_{2012B} [A]	DUR_{2012B} Delivery Service [4] [B]	SUR_{2012B} Gas Supply [5] [C]	Total [D] [B] + [C]
		92.78% [1]			
6	1		$ 390,441	$ 300,041	$ 690,482
7	2		$ 101,158	$ 70,519	$ 171,677
8	3		$ -	-	$ -
9	4		$ -	-	$ -
10	Total		$ 491,599 [6]	$ 370,560	$ 862,159

			Baseline Uncollectible Account Expense (TUE_{2012}) Effective January 1 through December 31, 2012		
			DUR_{2012} Delivery Service	SUR_{2012} Gas Supply	Total
		[A]	(DUR_{2012A} x RAF_{2012A}) + (DUR_{2012B} x RAF_{2012B}) [B]	(SUR_{2012A} x RAF_{2012A}) + SUR_{2012B} [C]	[D] [B] + [C]
11	1		$ 391,950	$ 367,260	$ 759,210
12	2		$ 101,771	$ 85,060	$ 186,831
13	3		$ -	$ -	$ -
14	4		$ -	$ -	$ -
15	Total (Sum Lines 11 through 14)		$ 493,721	$ 452,320	$ 946,041

Notes: (1) See Page 4, Column F.
(2) See Compliance Filing Workpaper WP NRD 7.1 in Docket No. 09-0166, cols. I and K for DUR amount, col. J for SUR amount.
(3) See Rider UEA, Section B, amount referenced for the period January 28, 2010 through January 20, 2012.
(4) See Compliance Filing Workpaper WP NSG 7.1 in Docket No. 11-0280, column A less column G.
(5) Rider UEA-GC revenue booked in 2012, effective January 21, 2012.
(6) See Rider UEA, Section B, amount referenced for the period January 21, 2012, which excludes amounts recoverable under Rider UEA-GC.

North Shore Gas Company
Calendar Year 2012 Form 21 Revenues and Actual Account 904 Uncollectible Accounts Expense
By Service Classification

		Form 21 Actual Revenues By Service Classification Jan. 1 - Dec. 31, 2012					Form 21 Account 904 Allocation Jan. 1 - Dec. 31, 2012			
Line No.	S.C. No.	$904ATUE_{2012}$ Actual Account 904 Uncollectible Expense [A] Line 7 x [B]	$PUAF_{2012}$ Percentage Uncoll. Account Expense (2) [B]	BDR_{2012} Delivery Service Revenues [C]	SRR_{2012} Gas Supply Service Revenues [D]	Total (TR_{2012}) [E] [C] + [D]	UF_{2012} [F] [A] / [E]	$904DUR_{2012}$ Delivery Service Uncollectible Costs [G] [C] x [F]	$904SUR_{2012}$ Gas Supply Service Uncollectible Costs [H] [D] x [F]	$904ATUE_{2012}$ Actual Account 904 Uncollectible Expense [I] [G] + [H]
1	1	$ 727,655	79.600%	$ 59,221,506	$ 65,774,238	$ 124,995,744	0.58214%	$ 344,754	$ 382,901	$ 727,655
2	2	186,484	20.400%	17,621,974	14,763,319	$ 32,385,293	0.57583%	101,472	85,012	$ 186,484
3	3	-	0.000%	3,885,495	-	$ 3,885,495	0.00000%	-	-	$ -
4	4	-	0.000%	538,216	-	$ 538,216	0.00000%	-	-	$ -
5	Total	$ 914,139	100.00%	$ 81,267,191	$ 80,537,557	$ 161,804,748 (3)	0.56496%	$ 446,226	$ 467,913	$ 914,139
6	Form 21	$ 914,139 (1)								

Notes:

(1) The amount reported in Calendar Year 2012 Form 21 ILCC, Page 324, Line 235, Column (b).
(2) See Page 5, Column C.
(3) Revenues for each rate class sum to the amounts reported in Calendar Year 2012 Form 21 ILCC, Page 300, Column (b), Line 12 + Line 19.

North Shore Gas Company
Uncollectible Expense Adjustments
Under Rider UEA

Schedule of Rates, ILL C.C. No. 17
Applicable to Service Classification Nos. 1, 2 and 3

Statement of Reconciliation Adjustment (RA)
Rider UEA Reconciliation for 2011 Adjustments including applicable prior period RA

Line No.	2011 Rider UEA Amounts to be recovered / (refunded) June 1, 2012 through May 31, 2013 per 2011 Rider UEA filing					
	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]	
1	1	$ (52,975.26)	$ (399,897.36)	$ 40.46	$ (452,832.16)	NSG Ex. 1.3, line 1
2	2	(15,213.11)	(86,963.89)	(4,494.35)	(106,671.35)	NSG Ex. 1.3, line 2
3	3	-	-	-	-	NSG Ex. 1.3, line 3
4	Total	$ (68,188.37)	$ (486,861.25)	$ (4,453.89)	$ (559,503.51)	Sum Lines 1 - 3

	2011 Rider UEA Amounts to be recovered / (refunded) June 1, 2012 through March 31, 2013 per amortization schedule and included last reconciliation					
	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]	Notes
5	1	$ (43,922.58)	$ (331,558.03)	$ 33.56	$ (375,447.05)	
6	2	(12,619.69)	(72,066.25)	(3,743.57)	(88,429.51)	
7	3	-	-	-	-	
8	Total	$ (56,542.27)	$ (403,624.28)	$ (3,710.01)	$ (463,876.56)	Sum Lines 5 - 7

	2011 Rider UEA Amounts to be recovered / (refunded) April 1, 2013 through May 31, 2013 to be included in this reconciliation					
		Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]	
9	1	$ (9,052.68)	$ (68,339.33)	$ 6.90	$ (77,385.11)	Line 1 - Line 5
10	2	(2,593.42)	(14,897.64)	(750.78)	(18,241.84)	Line 2 - Line 6
11	3	-	-	-	-	Line 3 - Line 7
12	Total	$ (11,646.10)	$ (83,236.97)	$ (743.88)	$ (95,626.95)	Sum Lines 9 - 11

Note: There may be differences due to rounding.

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North Shore Gas Company	)	
	)	
Petition Pursuant to Rider UEA	)	Docket No. 14-
of Schedule of Rates for Gas	)	
Service to Initiate a Proceeding to	)	
Determine the Accuracy of the	)	
Rider UEA Reconciliation Statement	)	

DIRECT TESTIMONY
OF
DAVID B. BARON

Q. Please state your name and business address.

A. David B. Baron, 200 East Randolph Street, Chicago, Illinois 60601.

Q. By whom are you employed?

A. Integrys Business Support, LLC ("IBS").

Q. What position do you hold with IBS?

A. I am Manager, Business Solutions Center.

Q. What are your responsibilities in that position?

A. I am responsible for overall direction, management and leadership of Credit and Collections for North Shore Gas Company ("North Shore") and its affiliated utility, The Peoples Gas Light and Coke Company ("Peoples Gas"). This function requires providing input for Customer Relations strategies and insuring employees understand and optimally implement these strategies. As manager, I have the primary responsibility for the performance of the credit and collections groups.

Q. Please summarize your educational background and experience.

A. I have worked in the utility industry for approximately 16 years. Over the last 12 years, I have held various leadership positions within the Customer Relations Department for North Shore and Peoples Gas. I have spent 9 of those years overseeing the staff and processes associated with our Credit and Collections department. During that timeframe I have been involved with all aspects of Credit and Collections within the Meter-to-Cash lifecycle. My primary responsibilities have included developing/implementing the strategy and corresponding tactics around accounts receivables management, along with overseeing the day-to-day operations associated with such work groups as Credit, Bankruptcy, Low Income programs, Revenue Protection, and Active & Final collections. I am currently in the process of completing a B.S.-Accounting at DePaul University.

Q. What is the purpose of your direct testimony?

A. I describe how North Shore pursues minimization of and collection of uncollectibles.

Q. Section 19-145 of the Public Utilities Act directs utilities to pursue minimization of and collection of uncollectibles through several activities, including identifying customers with late payments. Does North Shore identify customers with late payments?

A. Yes. North Shore's customer information system identifies and tracks outstanding receivables by placing these receivables into proper "aging buckets." The aging buckets are for the following number of days past due: 30, 60, 90, 120 and 150 days.

Q. Another activity identified in the statute is contacting the customer in an effort to obtain payment. Does North Shore engage in this activity?

A. Yes. North Shore uses several methods. These include:

- Bill Messages - These messages remind customers that the company reports payment history to major credit bureaus and it is to the customers' benefit to make timely payments. North Shore also offers auto-enrollment to payment and budget plans through bill messages.
- Auto-Dialer Messages - These are reminder messages informing customers, as applicable, that a payment is due, past-due, or disconnection is imminent. The messages also remind customers of the availability of payment plans and heating assistance.
- Letters - Letters remind customers that payment is due and North Shore reports payment history to credit bureaus.
- Disconnect Notices - Consistent with Commission requirements, North Shore mails these notices separate from a bill.
- Field Notifications - These notifications take the form of field posting or visit for disconnection.
- Collection Talk-Off - This means that company agents remind customers calling the call center that their bill is past due and offer to take a payment.
- Out-Bound Live Agent Calls - North Shore uses outbound calls on a limited basis to remind customers of the information described above for auto-dialer messages.

- Post Cards – Mailed seasonally, post cards to customers in arrears remind them of company-sponsored events and Low Income Home Energy Assistance Program ("LIHEAP") availability.

Q. Another activity identified in the statute is providing delinquent customers with information about possible options, including payment plans and assistance programs. Does North Shore engage in this activity?

A. Yes. North Shore provides customers with information about payment plans, both those required by the Commission's rules and others that are available. Specifically,

- STA - This refers to short-term payment plans offered to all customers in arrears in compliance with the Commission's rules (83 Illinois Administrative Code ("Ill. Admin. Code") Section 280.110, Deferred Payment Agreements).
- STAr* - This refers to alternative short-term payment plans that provide options to customers no longer eligible for reinstated plans when they agree to have payments automatically debited from a credit card or checking account.
- Share the Warmth - The Share the Warmth program, administrated by a third party, provides grants of up to $200 to eligible customers. Share the Warmth is seasonal and funds are donated by customers and North Shore employees who want to help others. North Shore contributes to this fund annually.

- MPO - The Minimum Payment Option is in effect from April through September each year, and it allows disconnection eligible customers to avoid service interruption by paying a percentage of the arrears indicated on the disconnect notice.
- Medical Certificates - This alternative is available to certain customers in arrears to restore or maintain service in compliance with the Commission's rules (83 Ill. Admin. Code Section 280.130 j).
- Reconnection of former residential utility customers for the heating season is administered in compliance with the Commission's rules (83 Ill. Admin. Code Section 280.138).
- LIHEAP - LIHEAP, administered by a third party, is available to certain low income customers.

Q. Another activity identified in the statute is serving disconnection notices. Does North Shore engage in this activity?

A. Yes. North Shore serves notices in compliance with the Commission's rules (83 Ill. Admin. Code Part 280). Specifically, it mails disconnection notices to all customers deemed eligible for disconnection the day after the regular bill, including the arrearage amount in addition to the current amount, is mailed. These notices include all arrears customers must pay to avoid a service interruption and the MPO amount. Ten days from the mailed date if no payment has been offered, a disconnect for non-payment ("DNP") service order is automatically initiated. Any DNP service order that is not completed by the next bill cycle is canceled and the notification process begins again. When accounts

for master metered buildings are DNP eligible, North Shore follows the same disconnection notice procedure and, in addition, physically posts notification to tenants of the property that the service is in danger of being disconnected for nonpayment. The posting describes remedies tenants may pursue to maintain service. This notice expires ten days after date of posting and a DNP service order is automatically initiated.

Q. Another activity identified in the statute is implementing disconnections based on the level of uncollectibles. Does North Shore engage in this activity?

A. Yes. North Shore implements disconnections based upon write-off risk. The disconnection amounts vary by rate classification.

Q. Another activity identified in the statute is pursuing collection activities based on the level of uncollectibles. Does North Shore engage in this activity?

A. Yes. The collection schedules incorporated in North Shore's customer information system drive all collection activities from bill messages to disconnect orders based upon predetermined variables. These variables include:

- Amount of account receivable
- Age of account receivable
- Time of year
- Last payment date
- Last payment amount
- Payment type
- Payment plan eligibility
- Budget payment plan eligibility

- Type of premises
- Meter location
- Customer term
- DNP eligibility

Q. Does North Shore take actions other than those described above?

A. Yes. These include:

- using auto-dialer technology to encourage customers to apply for LIHEAP when funding is available. Combined, Peoples Gas and North Shore generally make up to 300,000 LIHEAP reminder calls annually;
- sponsoring community events in the neighborhoods where customers can learn about energy conservation, receive conservation kits and apply for LIHEAP in one location;
- billing and collecting deposits to offset the impact of uncollectibles;
- subscribing to the Utility Data Exchange database, which helps locate customers in other utility service territories that may have forgotten to pay their final bill;
- employing three primary collection agencies to collect final receivables before they are written off, and five additional agencies that will continue to pursue the debt post write off; and
- initiating replevin actions to retrieve its meter.

Q. Does this conclude your direct testimony?

A. Yes, it does.

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North Shore Gas Company	)	
	)	
	)	
Petition Pursuant to Rider UEA	)	Docket No. 14-
of Schedule of Rates for Gas	)	
Service to Initiate a Proceeding to	)	
Determine the Accuracy of the	)	
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ATTACHMENT B

Municipalities Served by North Shore Gas Company

North Shore Gas Company

SCHEDULE OF RATES FOR GAS SERVICE

THIS RATE SCHEDULE APPLIES TO THE MUNICIPALITIES AND UNINCORPORATED AREAS LISTED BELOW AND/OR TO TERRITORIES CONTIGUOUS THERETO

Municipality or Unincorporated Area	County	Municipality or Unincorporated Area	County
Antioch	Lake	Lincolnshire	Lake
Aptakisic	"	Lindenhurst	"
Bannockburn	"	Long Grove	"
Beach Park	"	Mettawa	"
Buffalo Grove	"	Millburn	"
Deerfield	"	Mundelein	"
Diamond Lake	"	Nimitz Village	"
Druce Lake	"	North Chicago	"
Forrestal Village	"	Northbrook	Cook
Fort Sheridan	"	Old Mill Creek	Lake
Gages Lake	"	Park City	"
Glencoe	Cook	Prairie View	"
Grayslake	Lake	Riverwoods	"
Great Lakes	"	Rondout	"
Green Oaks	"	Rosecrans	"
Gurnee	"	Round Lake Beach	"
Half Day	"	Russell	"
Halsey Village	"	Third Lake	"
Hawthorn Woods	"	Venetian Village	"
Highland Park	"	Vernon Hills	"
Highwood	'	Wadsworth	"
Indian Creek	"	Waukegan	"
Knollwood	"	Wheeling	"
Lake Bluff	"	Wildwood	"
Lake Forest	"	Winnetka	Cook
Lake Villa	"	Winthrop Harbor	Lake
Libertyville	"	Zion	"

Date Issued: FEBRUARY 8, 2008 **Date Effective**: FEBRUARY 14, 2008

Issued by James F. Schott, Vice President
130 East Randolph Drive, Chicago, Illinois 60601

Filed Pursuant to Order of Illinois Commerce Commission
Entered February 5, 2008 in Docket No. 07-0241