

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

The Peoples Gas Light	)	
and Coke 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  
THE PEOPLES GAS LIGHT AND COKE COMPANY**

The Peoples Gas Light and Coke Company (“Peoples Gas”) submits to the Illinois Commerce Commission (“Commission”) this Petition to initiate an annual reconciliation proceeding to determine the accuracy of the statement that Peoples Gas submitted pursuant to Rider UEA of its Schedule of Rates for Gas Service.

1. Peoples Gas 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 831,000 customers in the City of Chicago. Peoples Gas is a public utility within the meaning of the Public Utilities Act.
2. Peoples Gas’ 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 Peoples Gas 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 Peoples Gas 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 Peoples Gas 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 (PGL Ex. 1.0). Ms. Hosty’s direct testimony includes four exhibits (PGL Exs. 1.1, 1.2, 1.3, and 1.4) with data supporting the accuracy of Peoples Gas’ calculations under Rider UEA.
- the Direct Testimony of David B. Baron (PGL Ex. 2.0). Mr. Baron testifies to the activities that Peoples Gas undertakes to pursue minimization of and collection of uncollectibles.

6. Attachment B, attached to and made a part of this Petition, identifies the municipality that Peoples Gas serves.

7. By this Petition, Peoples Gas 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 Peoples Gas collected the actual Uncollectible Accounts Expense amounts provided in the applicable Form 21 reporting years.

WHEREFORE, for the foregoing reasons, The Peoples Gas Light and Coke 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,  
The Peoples Gas Light and Coke Company

By: /S/ MARY KLYASHEFF

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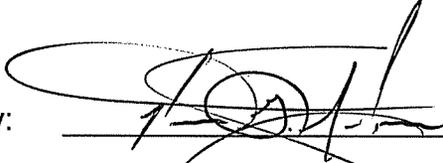
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Attorneys for  
The Peoples Gas Light and Coke Company

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

STATE OF ILLINOIS     )  
  )  
COUNTY OF COOK     )     SS

Thomas Aridas, being first duly sworn, upon oath states that he is Director, Gas Regulatory Policy, of Integrys Business Support, LLC providing service to The Peoples Gas Light and Coke 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

  
Notary Public



STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

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	)	
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**ATTACHMENT A**

Direct Testimony and Exhibits of Lynn M. Hosty

Direct Testimony of David B. Baron

STATE OF ILLINOIS  
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The Peoples Gas Light	)	
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DIRECT TESTIMONY  
OF  
LYNN M. HOSTY

- 1 Q. Please state your name and business address.
- 2 A. Lynn M. Hosty, 200 East Randolph Street, Chicago, Illinois 60601.
- 3 Q. By whom are you employed?
- 4 A. Integrys Business Support, LLC (“IBS”).
- 5 Q. What position do you hold with IBS?
- 6 A. I am a Senior Rate Planner/Analyst in Gas Regulatory Services.
- 7 Q. What are your responsibilities in that position?
- 8 A. I am responsible for performing activities related to rate research, rate
- 9 design, rate and tariff administration, and billing and rate impact studies for
- 10 Petitioner, The Peoples Gas Light and Coke Company (“Peoples Gas” or the
- 11 “Company”), and an affiliated company, North Shore Gas Company.
- 12 Q. Please summarize your educational background and experience.
- 13 A. In 1994, I graduated from Lewis University with a Bachelor of Arts Degree
- 14 with majors in Accounting and Finance. I have been employed by IBS in my

15 current position since January 2014 but was employed by Peoples Gas or its  
16 affiliates from 1994 through 2014. I have been employed in various positions and  
17 levels of responsibility at Peoples Gas/IBS in the Accounting and Financial  
18 Departments.

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

20 A. I am advised by counsel that Peoples Gas is a corporation organized and  
21 existing under the laws of the State of Illinois, having its principal office at 200 East  
22 Randolph Street, Chicago, Illinois 60601. It is engaged in the business of  
23 purchasing, distributing and selling natural gas to approximately 831,000  
24 customers in the City of Chicago. I am advised by counsel that Peoples Gas is a  
25 public utility within the meaning of the Public Utilities Act ("Act").

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

27 A. Peoples Gas' Schedule of Rates for Gas Service includes Rider UEA,  
28 Uncollectible Expense Adjustment, which was filed with the Illinois Commerce  
29 Commission ("Commission") pursuant to Section 19-145 of the Act. Rider UEA,  
30 which determines adjustments arising from incremental differences between the  
31 amount of Uncollectible Accounts Expense in the Company's rates and the  
32 amount reported in Form 21 ILCC to the Commission ("Form 21 ILCC report"),  
33 became effective in February 2010, and applies to Service Classification ("S.C.")  
34 Nos. 1, 2, 4 and 8. Section I of Rider UEA requires Peoples Gas to file a petition  
35 no later than August 31, seeking initiation of an annual review and to reconcile the  
36 amounts as provided for under the rider.

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

38 A. Yes. I am sponsoring the following exhibits:

- 39 • PGL Ex. 1.1 is the Reconciliation Statement (“Statement”) for the  
40 April 1, 2013 through March 31, 2014 reconciliation period that  
41 shows amounts to be included as the reconciliation adjustment  
42 (“RA”) for the June 1, 2014 through May 31, 2015, Effective Period.
- 43 • PGL Ex. 1.2 is the Rider UEA filing that was filed with the  
44 Commission by letter dated May 16, 2014 for the 2013 reporting year  
45 which includes the RA amounts for the April 1, 2013 through March  
46 31, 2014 reconciliation period per the Statement (PGL Ex. 1.1).
- 47 • PGL Ex. 1.3 is the Rider UEA filing that was filed with the  
48 Commission by letter dated May 16, 2013 for the 2012 reporting year  
49 and RA amounts for the April 1, 2012 through March 31, 2013  
50 reconciliation period. The amounts from PGL Ex. 1.3, page 3, lines 1  
51 through 5 are included on page 2 of the Statement.
- 52 • PGL Ex. 1.4 is the Report of the 2011 reporting year Rider UEA  
53 Adjustment amounts, including applicable RA, showing the amounts  
54 that were included and reconciled in the last reconciliation period (for  
55 June 1, 2012 through March 31, 2013) on lines 6 through 10 as well  
56 as the amounts for April 1 through May 31, 2013 on lines 11 through  
57 15 that are included in the Statement on page 3 for this reconciliation  
58 period. This exhibit was submitted as PGL Ex. 1.1, page 2 of 3, in  
59 Docket No. 13-0492, the last Rider UEA reconciliation proceeding.  
60 The Commission approved that reconciliation statement in a July 9,

61                   2014 Order. The exhibit from Docket No. 13-0492 is included now  
62                   as PGL Ex. 1.4 to show that the April and May 2013 amounts that  
63                   were identified in that proceeding to be included in the next  
64                   reconciliation are, in fact, the amounts included in this reconciliation.

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

67   A.     Yes.

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

70   A.     Section G of Rider UEA requires Peoples Gas to file annually, no later than  
71   May 20, adjustments to be effective under this rider for an Effective Period.  
72   Peoples Gas filed adjustments in May 2012 for the calendar year 2011 Form 21  
73   reporting year, and prior period RA, to refund \$7,326,691.45 to customers, as  
74   shown in PGL Ex. 1.4, page 1, line 5, column D, and those adjustments became  
75   effective on June 1, 2012, and were billed through May 31, 2013. Peoples Gas  
76   filed adjustments in May 2013 for the calendar year 2012 Form 21 reporting year  
77   and prior period RA, to refund \$4,908,101.02 to customers, as shown in PGL Ex.  
78   1.3, page 3, line 5, column C, and those adjustments became effective on June 1,  
79   2013, and were billed through May 31, 2014. Section F of Rider UEA includes  
80   components for a Factor RA (Reconciliation Adjustment) and Factor O  
81   (Commission ordered adjustment amount)<sup>1</sup> that are included in each applicable  
82   Rider UEA adjustment. Pursuant to these provisions of the rider, the RAs that

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<sup>1</sup> The Docket No. 13-0492 Order did not include a Factor O.

83 were included in the Rider UEA adjustments filed in May 2014 for the 2013  
84 reporting year and effective June 1, 2014, were based on actual and expected  
85 revenues for the period April 1, 2013 through March 31, 2014. Thus, the  
86 reconciliation period that is the subject of this testimony includes two months of  
87 activity related to the filing for the 2011 adjustments and ten months related to the  
88 filing for the 2012 adjustments including any applicable RA amounts that were  
89 included with those filings.

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

92 A. The net refund amount of \$7,326,691.45 as shown on PGL Ex. 1.1, page 3,  
93 line 5, column D, was determined by calculating the difference between the actual  
94 Uncollectible Accounts Expense amount reported in the 2011 Form 21 ILCC report  
95 on page 324, line 235, Column (b), of \$22,465,458 to the baseline Uncollectible  
96 Accounts Expense amount in rates for the 2011 reporting period of \$29,916,000<sup>2</sup>,  
97 and adding the RA amount of \$123,850.55 that was to be recovered for the April 1,  
98 2011 through March 31, 2012 reconciliation period. The details and supporting  
99 calculations were provided in the Rider UEA filing that was filed with the  
100 Commission by letter dated May 17, 2012, which was included as PGL Ex. 1.3 in  
101 Docket No. 13-0492, the last reconciliation filing.

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

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<sup>2</sup> 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 \$29,916,000 as defined in Section B of Rider UEA.

104 A. The net refund amount of \$4,908,101.02 as shown on PGL Ex. 1.1, page 2,  
105 line 5, column C, and on PGL Ex. 1.3, page 3, line 5, column C, was determined  
106 by calculating the difference between the actual Uncollectible Accounts Expense  
107 amount reported in the 2012 Form 21 ILCC report on page 324, line 235, Column  
108 (b), of \$17,970,168.00, to the baseline Uncollectible Accounts Expense amount in  
109 rates for the 2012 reporting period of \$22,943,555<sup>3</sup> and adding the RA amount of  
110 \$65,285.98<sup>4</sup> for the April 1, 2012 through March 31, 2013 reconciliation period.  
111 The related filing documents that were filed with the Commission by letter dated  
112 May 16, 2013, are shown on PGL Ex. 1.3.

113 Q. Please describe PGL Ex. 1.1.

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

119 Q. What is the purpose of the Statement?

120 A. The Statement shows the applicable RA amounts for each adjustment type  
121 for customers served under Peoples Gas' S.C. Nos. 1, 2, 4 and 8 for April 1, 2013  
122 through March 31, 2014. It also shows the derivation of each RA amount and  
123 provides supporting data for the applicable periods.

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<sup>3</sup> 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 \$29,916,000 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 \$13,941,291 as defined in Section B of Rider UEA.

<sup>4</sup> PGL Ex. 1.3, page 5, line 15, column D.

124 Q. Please describe the elements of the Statement.

125 A. The Statement includes the following information:

- 126 • Page 1 shows the RA amounts arising from the Rider UEA adjustments  
127 for the 2011 and 2012 reporting years (including any applicable RA  
128 amounts) over the reconciliation period, for each adjustment type and  
129 service classification. These amounts are also included on page 3 of  
130 the statement of the determination of the 2013 reporting year Rider UEA  
131 Adjustments submitted to the Commission by letter dated May 16, 2014  
132 and effective over the twelve-month Effective Period beginning June 1,  
133 2014 and as shown on PGL Ex. 1.2, page 5. The data on page 1, lines  
134 1 through 4, of PGL Ex. 1.1 is a summation of the data on page 2 (for  
135 the 2012 reporting year) and page 3 (for the 2011 reporting year) for the  
136 reconciliation period. The data on page 1, lines 6 through 9, are the  
137 actual amounts that were recorded under Rider UEA for the  
138 reconciliation period. Finally, the data on lines 11 through 14 are the  
139 difference between the amounts expected to be billed on lines 1 through  
140 4 and the amounts that were actually recorded on lines 6 through 9,  
141 resulting in the RA amounts.
- 142 • Page 2 shows the determination of the adjustment amounts for the 2012  
143 reporting year (including prior period RA amounts) that were effective on  
144 June 1, 2013, and expected to be billed through the May 31, 2014  
145 Effective Period. The data is broken down into amounts that are  
146 applicable to this reconciliation period for June 1, 2013 through March

147 31, 2014, on lines 6 through 9, and amounts for April 1 through May 31,  
148 2014, that will be applicable to the next reconciliation period on lines 11  
149 through 14.

150 • Page 3 shows the determination of the adjustment amounts for the 2011  
151 reporting year that were effective on June 1, 2012, and expected to be  
152 billed through May 31, 2013. The data is broken down into amounts that  
153 were included in the last reconciliation for June 1, 2012 through March  
154 31, 2013, on lines 6 through 9, and amounts for April 1 through May 31,  
155 2013, that are included in this reconciliation on lines 11 through 14.

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

158 A. Page 2 provides data applicable to S.C. Nos. 1, 2, 4 and 8 for each  
159 adjustment type for the 2012 reporting year adjustment amount and applicable  
160 prior period RA amounts. The adjustment types are: Incremental Delivery Service  
161 Uncollectible Adjustment (IDUA) and Incremental Gas Supply Service  
162 Uncollectible Adjustment (ISUA).

163 • Lines 1 through 4, Columns A and B, provide the amounts that were  
164 expected to be recovered or refunded for each service classification and  
165 adjustment type under the rider for the 2012 reporting year adjustments  
166 (and applicable RA amounts) for the June 1, 2013 through May 31, 2014  
167 Effective Period.

168 • Lines 6 through 9, Columns A and B, provide the amounts that were  
169 expected to be recovered or refunded for each service classification and

170 adjustment type under the rider for the 2012 reporting year adjustments  
171 and applicable RA for June 1, 2013 through March 31, 2014 that are  
172 included in this reconciliation.

173 • Lines 11 through 14, Columns A and B, provide the amounts that were  
174 expected to be recovered or refunded for each service classification and  
175 adjustment type under the rider for the 2012 reporting year adjustments  
176 and applicable RA for April 1 through May 31, 2014 (the difference  
177 between the amounts recorded on lines 1 through 4 and the amounts  
178 recorded on lines 6 through 9) that will be included in the next  
179 reconciliation.

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

182 A. Page 3 provides the same type of data as I described for page 2, but for  
183 2011 except that the adjustment amounts for the 2011 reporting year to be  
184 recovered / (refunded) in this reconciliation are for amounts from April 1 through  
185 May 31, 2013 as shown on lines 11 through 14. In Docket Nos. 11-0280/11-0281  
186 (cons.), Peoples Gas proposed, and the Commission approved, changes to Rider  
187 UEA to eliminate the ITUA, and that effective June 1, 2013, any Reconciliation  
188 Adjustment amounts pertaining to the ITUA be included in the IDUA. Pursuant to  
189 Section B of Rider UEA, the ITUA adjustment amounts shown on PGL Ex. 1.1,  
190 page 3, lines 11 through 14 of column C were included with the IDUA adjustment  
191 amounts to be recovered/refunded effective June 1, 2014. Amounts related to

192 June 1, 2012 through March 31, 2013 were included in the last reconciliation as  
193 provided for in Rider UEA and shown on lines 6 through 9.

194 Q. What is PGL Ex. 1.4?

195 A. PGL Ex. 1.4 is a report of the 2011 reporting year showing the adjustment  
196 amounts that were filed in May 2012 for the 2011 reporting year. This exhibit was  
197 presented as page 2 of PGL Ex. 1.1 in the last Rider UEA reconciliation filing  
198 (Docket No. 13-0492) and supports the data presented on PGL Ex. 1.1, page 3, in  
199 this proceeding showing that the amounts for June 1, 2012 through March 31,  
200 2013, were included in the last reconciliation.

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

204 A. As shown on PGL Ex. 1.1, Peoples Gas will refund \$5,578.97 to S.C. No. 1  
205 customers through the IDUA adjustment (page 1, line 11, column A). This amount  
206 applies to sales and transportation customers. The ISUA RA amount for S.C. No.  
207 1 sales customers is a recovery of \$61,563.72 (page 1, line 11, column B).

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

210 A. As shown on PGL Ex. 1.1, Peoples Gas will recover \$10,435.27 from S.C.  
211 No. 2 customers through the IDUA adjustment (page 1, line 12, column A). This  
212 amount applies to sales and transportation customers. The ISUA RA amount for  
213 S.C. No. 2 sales customers is a recovery of \$4,514.72 (page 1, line 12, column B).

214 Q. How much will Peoples Gas refund to or recover from S.C. No. 4 customers  
215 over the twelve-month period beginning June 1, 2014?

216 A. As shown on PGL Ex. 1.1, Peoples Gas will recover \$3,063.29 from S.C.  
217 No. 4 customers through the IDUA adjustment (page 1, line 13, column A). This  
218 amount applies to sales and transportation customers. The ISUA RA amount for  
219 S.C. No. 4 sales customers is a refund of \$3,307.54 (page 1, line 13, column B).  
220 However, as the S.C. No. 4 amounts were combined into a single adjustment  
221 applicable to both sales and transportation customers, the IDUA and ISUA RA  
222 amounts result in a combined net refund of \$244.25 (page 1, line 13 column C) to  
223 all S.C. No. 4 customers.

224 Q. Are there any reconciliation amounts for S.C. No. 8 customers over the  
225 twelve-month period beginning June 1, 2014?

226 A. No, as there were no applicable Rider UEA adjustment amounts to be  
227 recovered / (refunded) for S.C. No. 8 customers during the reconciliation period.

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

230 A. Beginning June 1, 2014, the RA components are included with the 2013  
231 reporting year Rider UEA adjustment amounts for each adjustment type and  
232 service classification, resulting in a single adjustment amount for each adjustment  
233 type and service classification (see PGL Ex. 1.2). These are per customer  
234 adjustments that Peoples Gas will bill for the June 1, 2014, through May 31, 2015,  
235 Effective Period. The Rider UEA adjustments are included in the customer charge  
236 on customers' bills.

237 Q. Does this conclude your direct testimony?

238 A. Yes, it does.

The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustments  
Under Rider UEA

Schedule of Rates, ILL C.C. No. 28  
Applicable to Service Classification Nos. 1, 2, 4, and 8

Statement of Reconciliation Adjustment for April 1, 2013 through March 31, 2014 Reconciliation Period  
Rider UEA Reconciliation Adjustment (RA) amounts included in May 2013 filing<sup>(1)</sup>

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

<u>Line No.</u>		<u>Delivery</u>	<u>Gas Supply</u>	<u>Total</u>	<u>Notes</u>
		<u>IDUA<sup>(2)</sup></u> <u>[A]</u>	<u>ISUA</u> <u>[B]</u>	<u>[C]</u> <u>[A] + [B]</u>	
1	1	\$ (2,160,825.99)	\$ (2,309,439.61)	\$ (4,470,265.60)	Page 2, Line 6 + page 3, Line 11
2	2	(441,580.69)	(408,155.82)	(849,736.51)	Page 2, Line 7 + page 3, Line 12
3	4	(293.96)	(3,307.54)	(3,601.50)	Page 2, Line 8 + page 3, Line 13
4	8	-	-	-	Page 2, Line 9 + page 3, Line 14
5	Total	\$ (2,602,700.64)	\$ (2,720,902.97)	\$ (5,323,603.61)	

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

		<u>Delivery</u>	<u>Gas Supply</u>	<u>Total</u>
		<u>IDUA</u> <u>[A]</u>	<u>ISUA</u> <u>[B]</u>	<u>[C]</u> <u>[A] + [B]</u>
6	1	\$ (2,155,247.02)	\$ (2,371,003.33)	\$ (4,526,250.35)
7	2	(452,015.96)	(412,670.54)	(864,686.50)
8	4	(3,357.25)	-	(3,357.25)
9	8	-	-	-
10	Total	\$ (2,610,620.23)	\$ (2,783,673.87)	\$ (5,394,294.10)

Reconciliation Adjustment (RA) Amount to be Recovered/(Refunded)

		<u>Delivery</u>	<u>Gas Supply</u>	<u>Total</u>	
		<u>IDUA</u> <u>[A]</u>	<u>ISUA</u> <u>[B]</u>	<u>[C]</u> <u>[A] + [B]</u>	
11	1	\$ (5,578.97)	\$ 61,563.72	\$ 55,984.75	Line 1 - Line 6
12	2	10,435.27	4,514.72	14,949.99	Line 2 - Line 7
13	4	3,063.29	(3,307.54)	(244.25)	Line 3 - Line 8
14	8	-	-	-	Line 4 - Line 9
15	Total	\$ 7,919.59	\$ 62,770.90	\$ 70,690.49	Sum Lines 11-14

Note (1) The RA amounts from this page are included with the filing for the 2013 Reporting year. See PGL Ex. 1.2, page 5.

(2) The IDUA and ITUA amounts will be billed together under the IDUA factor effective June 1, 2013.

The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustments  
Under Rider UEA

Schedule of Rates, ILL C.C. No. 28  
Applicable to Service Classification Nos. 1, 2, 4, and 8

Statement of Reconciliation Adjustment  
Rider UEA Reconciliation for 2012 Adjustments including applicable RA amounts

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

Line No.		Delivery		Gas Supply		Total	Notes
		IDUA [A]		ISUA [B]			
1	1	\$ (2,297,858.07)		\$ (1,783,046.49)		\$ (4,080,904.56)	PGL Ex. 1.3, Page 3, line 1
2	2	(478,876.15)		(345,462.12)		(824,338.27)	PGL Ex. 1.3, Page 3, line 2
3	4	(2,567.19)		(291.00)		(2,858.19)	PGL Ex. 1.3, Page 3, line 3 total only
4	8	-		-		-	PGL Ex. 1.3, Page 3, line 4
5		<u>\$(2,779,301.41)</u>		<u>\$ (2,128,799.61)</u>		<u>\$ (4,908,101.02)</u>	

**2012 Rider UEA Amounts to be recovered / (refunded) June 1, 2013 through March 31, 2014 per amortization schedule**

		Delivery		Gas Supply		Total
		IDUA [A]		ISUA [B]		
6	1	\$ (1,903,490.75)		\$ (1,476,709.05)		\$ (3,380,199.80)
7	2	(397,188.51)		(286,318.19)		(683,506.70)
8	4	(2,389.99)		-		(2,389.99)
9	8	-		-		-
10	Total	<u>\$(2,303,069.25)</u>		<u>\$ (1,763,027.24)</u>		<u>\$ (4,066,096.49)</u>

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

		Delivery		Gas Supply		Total	
		IDUA [A]		ISUA [B]			[C] [A] + [B]
11	1	\$ (394,367.32)		\$ (306,337.44)		\$ (700,704.76)	Line 1 - Line 6
12	2	(81,687.64)		(59,143.93)		(140,831.57)	Line 2 - Line 7
13	4	(177.20)		(291.00)		(468.20)	Line 3 - Line 8
14	8	-		-		-	Line 4 - Line 9
15	Total	<u>\$ (476,232.16)</u>		<u>\$ (365,772.37)</u>		<u>\$ (842,004.53)</u>	Sum Lines 11-14

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

The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustments  
Under Rider UEA

Schedule of Rates, ILL C.C. No. 28  
Applicable to Service Classification Nos. 1, 2, 4, and 8

Statement of Reconciliation Adjustment  
Rider UEA Reconciliation for 2011 Adjustments including applicable RA amounts

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

		<u>Delivery</u> <u>IDUA</u> <u>[A]</u>	<u>Gas Supply</u> <u>ISUA</u> <u>[B]</u>	<u>Transportation</u> <u>ITUA</u> <u>[C]</u>	<u>Total</u> <u>[D]</u> <u>[A] + [B] + [C]</u>	
1	1	\$ (1,483,507.36)	\$ (4,844,523.66)	\$ (16,086.19)	\$ (6,344,117.21)	PGL Ex. 1.4, line 1
2	2	\$ (195,310.99)	\$ (713,406.40)	\$ (66,479.48)	\$ (975,196.87)	PGL Ex. 1.4, line 2
3	4	\$ (2,057.68)	\$ (3,307.54)	\$ (2,012.15)	\$ (7,377.37)	PGL Ex. 1.4, line 3
4		\$ -	\$ -	\$ -	\$ -	PGL Ex. 1.4, line 4
5	Total	\$ (1,680,876.03)	\$ (5,561,237.60)	\$ (84,577.82)	\$ (7,326,691.45)	

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

<u>Line No.</u>	<u>S.C. No.</u>	<u>Delivery</u> <u>IDUA</u> <u>[A]</u>	<u>Gas Supply</u> <u>ISUA</u> <u>[B]</u>	<u>Transportation</u> <u>ITUA</u> <u>[C]</u>	<u>Total</u> <u>[D]</u> <u>[A] + [B] + [C]</u>	<u>Notes</u>
6	1	\$ (1,228,860.80)	\$ (4,011,793.10)	\$ (13,397.51)	\$ (5,254,051.41)	PGL Ex. 1.4, line 6
7	2	(162,067.61)	(591,568.77)	(55,330.68)	(808,967.06)	PGL Ex. 1.4, line 7
8	4	(6,165.86)	-	-	(6,165.86)	PGL Ex. 1.4, line 8
9	8	-	-	-	-	PGL Ex. 1.4, line 9
10	Total	\$ (1,397,094.27)	\$ (4,603,361.87)	\$ (68,728.19)	\$ (6,069,184.33)	Sum lines 6 through 9

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

		<u>Delivery</u> <u>IDUA</u> <u>[A]</u>	<u>Gas Supply</u> <u>ISUA</u> <u>[B]</u>	<u>Transportation</u> <u>ITUA</u> <u>[C]</u>	<u>Total</u> <u>[D]</u> <u>[A] + [B] + [C]</u>	
11	1	\$ (254,646.56)	\$ (832,730.56)	\$ (2,688.68)	\$ (1,090,065.80)	Line 1 - Line 6
12	2	\$ (33,243.38)	\$ (121,837.63)	\$ (11,148.80)	(166,229.81)	Line 2 - Line 7
13	4	\$ 4,108.18	\$ (3,307.54)	\$ (2,012.15)	(1,211.51)	Line 3- Line 8
14	8	\$ -	\$ -	\$ -	\$ -	Line 4 - Line 9
15	Total	\$ (283,781.76)	\$ (957,875.73)	\$ (15,849.63)	\$ (1,257,507.12)	Sum Lines 11-14

**PEOPLES GAS**  
NATURAL GAS DELIVERY

Peoples Gas  
An Integrys Energy Group Company  
200 East Randolph Street  
Chicago, IL 60601  
www.peoplesgasdelivery.com

May 16, 2014

Advice No. 1506

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

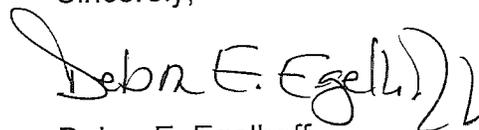
Dear Ms. Rolando:

Attached hereto are The Peoples Gas Light and Coke Company's Rider UEA, Uncollectible Expense Adjustment, Information Sheet No. 6 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  
Manager,  
Gas Regulatory Policy

Attachments  
cc: Thomas G. Aridas

Rider UEA  
Information Sheet No. 6  
(Superceding Information Sheet No. 5)

The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustment  
Under Rider UEA

Schedule of Rates, ILL C.C. No. 28

Applicable to Service Classification Nos. 1, 2, 4, and 8

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

<u>Line No.</u>	<u>S. C. No.</u> [A]	<u>Delivery</u> <u>Service</u>	<u>Gas Supply</u> <u>Service</u>	<u>Sales</u> <u>Customers</u>	<u>Transportation</u> <u>Customers</u>
		<u>IDUA</u> [B]	<u>ISUA</u> [C]	<u>Total Adjustment</u> [D] = [B] + [C]	<u>Total Adjustment</u> [E] = [B]
1	1	\$ (0.29)	\$ (0.25)	\$ (0.54)	\$ (0.29)
2	2	\$ (1.18)	\$ (1.23)	\$ (2.41)	\$ (1.18)
3	4	\$ 122.88	\$ -	\$ 122.88	\$ 122.88
4	8	\$ -	\$ -	\$ -	\$ -

Notes:

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

Submitted By: Thomas G. Aridas  
Director

The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustment  
Under Rider UEA

Schedule of Rates, ILL C.C. No. 28  
Applicable to Service Classification Nos. 1, 2, 4 and 8

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

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

Line No.	S.C. No.	Delivery	Gas Supply	Total	Notes
		IDUA <sup>(1)</sup> [A]	ISUA [B]	[C] [A] + [B]	
1	1	\$ (2,634,554.69)	\$ (2,193,260.21)	\$ (4,827,814.90)	Page 2, line 11 + Page 3, line 11
2	2	(1,141,260.22)	(966,190.41)	(2,107,450.63)	Page 2, line 12 + Page 3, line 12
3	4	229,592.37	8,062.82	237,655.19	Page 2, line 13 + Page 3, line 13
4	8	-	-	-	Page 2, line 14 + Page 3, line 14
5	Total	<u>\$ (3,546,222.54)</u>	<u>\$ (3,151,387.80)</u>	<u>\$ (6,697,610.34)</u>	Sum Lines 1-4

**CUSTS<sub>EP</sub> - Forecasted Customer Billing Periods for Effective Period (EP) June 1, 2014 - May 31, 2015**

	S.C. No.	Total	Sales	Transportation	Notes
		IDUA [A]	IDUA and ISUA [B]	IDUA only [C]	
6	1	9,154,330	8,747,327	407,003	
7	2	969,936	788,349	181,587	
8	4	1,934	24	1,910	
9	8	<u>72</u>	<u>72</u>	<u>-</u>	
10	Total	10,126,272	9,535,772	590,500	Sum Lines 6 - 9

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

	S.C. No.	Delivery	Gas Supply	Total Adjustment		All (IDUA) [E] line 3 col. C / line 8 col. A	Notes For Cols. [A] & [B]
		IDUA [A]	ISUA [B]	Sales Customers [C] [A] + [B]	Transportation Customers [D] [A]		
11	1	\$ (0.29)	\$ (0.25)	\$ (0.54)	\$ (0.29)		Line 1 / Line 6
12	2	\$ (1.18)	\$ (1.23)	\$ (2.41)	\$ (1.18)		Line 2 / Line 7
13	4	\$ 118.71	\$ 335.95	\$ 454.66	\$ 118.71	\$ 122.88	All S.C. No. 4 Customers
14	8	\$ -	\$ -	\$ -	\$ -		Line 4 / Line 9

Notes:

(1) The ITUA RA amount is included in the IDUA amount since the ITUA adjustments are no longer applicable effective with the 2012 filing.

**The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustment  
Under Rider UEA**

**Schedule of Rates, ILL C.C. No. 28  
Applicable to Service Classification Nos. 1, 2, 4 and 8**

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

		<b>2013 Form 21 Actual Net Write-offs</b>			
<b>Line No.</b>	<b>S.C. No.</b>	<b>Delivery Service Net Write-off Amounts</b>	<b>Gas Supply Service Net Write-off Amounts</b>	<b>Total</b>	<b>Notes</b>
		<b>[A]</b>	<b>[B]</b>	<b>[C] [A] + [B]</b>	
1	1	\$ 11,479,439.34	\$ 9,159,610.17	\$ 20,639,049.51	Page 6, Cols. C, D and E, Line 1.
2	2	1,636,425.32	1,264,523.66	2,900,948.98	Page 6, Cols. C, D and E, Line 2.
3	4	231,618.40	11,473.96	243,092.36	Page 6, Cols. C, D and E, Line 3.
4	8	-	-	-	Page 6, Cols. C, D and E, Line 4.
5	Total	<u>\$ 13,347,483.06</u>	<u>\$ 10,435,607.79</u>	<u>\$ 23,783,090.85</u>	Sum Lines 1-4

**Docket Nos. 11-0281 and 12-0512 Weighted Average Baseline**

		<b>Delivery DUR<sub>2013</sub></b>	<b>Gas Supply SUR<sub>2013</sub></b>	<b>Total</b>	
		<b>[A]</b>	<b>[B]</b>	<b>[C] [A] + [B]</b>	
6	1	\$ 14,108,415.06	\$ 11,414,434.10	\$ 25,522,849.16	Page 5, Cols. C, D and E, Line 1.
7	2	2,788,120.81	2,235,228.79	5,023,349.60	Page 5, Cols. C, D and E, Line 2.
8	4	5,089.32	103.60	5,192.92	Page 5, Cols. C, D and E, Line 3.
9	8	-	-	-	Page 5, Cols. C, D and E, Line 4.
10	Total	<u>\$ 16,901,625.19</u>	<u>\$ 13,649,766.49</u>	<u>\$ 30,551,391.68</u>	Sum Lines 6-9

**Difference - 2013 Adjustment**

		<b>Delivery IDUA</b>	<b>Gas Supply ISUA</b>	<b>Total</b>	
		<b>[A]</b>	<b>[B]</b>	<b>[C] [A] + [B]</b>	
11	1	\$ (2,628,975.72)	\$ (2,254,823.93)	\$ (4,883,799.65)	Line 1 - Line 7
12	2	(1,151,695.49)	(970,705.13)	(2,122,400.62)	Line 2 - Line 8
13	4	226,529.08	11,370.36	237,899.44	Line 3 - Line 9
14	8	-	-	-	Line 5 - Line 11
15	Total	<u>\$ (3,554,142.13)</u>	<u>\$ (3,214,158.70)</u>	<u>\$ (6,768,300.83)</u>	Sum Lines 11-14

The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustment  
Under Rider UEA

Schedule of Rates, ILL C.C. No. 28  
Applicable to Service Classification Nos. 1, 2, 4 and 8

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		Gas Supply		Total	Notes
		IDUA [A]	ISUA [B]	[A] + [B]	[C]		
1	1	\$ (2,160,825.99)	\$ (2,309,439.61)	\$ (4,470,265.60)			
2	2	(441,580.69)	(408,155.82)	(849,736.51)			
3	4	(293.96)	(3,307.54)	(3,601.50)			
4	8	-	-	-			
5	Total	<u>\$ (2,602,700.64)</u>	<u>\$ (2,720,902.97)</u>	<u>\$ (5,323,603.61)</u>			

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

S.C. No.	Delivery		Gas Supply		Total
	IDUA [A]	ISUA [B]	[A] + [B]	[C]	
6	1	\$ (2,155,247.02)	\$ (2,371,003.33)	\$ (4,526,250.35)	
7	2	(452,015.96)	(412,670.54)	(864,686.50)	
8	4	(3,357.25)	-	(3,357.25)	
9	8	-	-	-	
10	Total	<u>\$ (2,610,620.23)</u>	<u>\$ (2,783,673.87)</u>	<u>\$ (5,394,294.10)</u>	

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

S.C. No.	Delivery		Gas Supply		Total	
	IDUA [A]	ISUA [B]	[A] + [B]	[C]		
11	1	\$ (5,578.97)	\$ 61,563.72	\$ 55,984.75		Line 1 - Line 6
12	2	10,435.27	4,514.72	14,949.99		Line 2 - Line 7
13	4	3,063.29	(3,307.54)	(244.25)		Line 3 - Line 8
14	8	-	-	-		Line 4 - Line 9
15	Total	<u>\$ 7,919.59</u>	<u>\$ 62,770.90</u>	<u>\$ 70,690.49</u>		Sum Lines 11-14

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

The Peoples Gas Light and Coke 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	Docket No.	Base Rate Revenues (BRR <sub>2013</sub> )			RAF
			Sales	Transportation	Total	
			[C]	[D]	[E] [C] + [D]	
1	Jan 1 - May 31	11-0281	\$219,225,844.27	\$52,809,295.42	\$272,035,139.69	
2	June	11-0281/12/0512	\$27,587,280.40	\$6,745,521.48	\$34,332,801.88	
3	July 1 - Dec 31	12-0512	\$228,507,496.68	\$58,215,349.38	\$286,722,846.06	
4	Total Year (Actual)		<u>\$475,320,621.35</u>	<u>\$117,770,166.28</u>	<u>\$593,090,787.63</u>	
5	June 1 - June 26 (26 Days)	(1) 11-0281	\$23,908,976.35	\$5,846,118.62	\$29,755,094.97	
6	June 27 - June 30 (4 Days)	(2) 12-0512	\$3,678,304.05	\$899,402.86	\$4,577,706.91	
7	June - Allocated		<u>\$27,587,280.40</u>	<u>\$6,745,521.48</u>	<u>\$34,332,801.88</u>	
8	Jan 1 - June 26 (Line 1 + Line 5)	11-0281	BRR <sub>2013A</sub> \$243,134,820.62	BRR <sub>2013A</sub> \$58,655,414.04	BRR <sub>2013A</sub> \$301,790,234.66	50.88% RAF <sub>2013A</sub> (3)
9	June 27 - Dec 31 (Line 3 + Line 6)	12-0512	BRR <sub>2013B</sub> \$232,185,800.73	BRR <sub>2013B</sub> \$59,114,752.24	BRR <sub>2013B</sub> \$291,300,552.97	49.12% RAF <sub>2013B</sub> (4)
10	Total Year (Line 8 + Line 9)		<u>BRR<sub>2013(A+B)</sub></u> <u>\$475,320,621.35</u>	<u>BRR<sub>2013(A+B)</sub></u> <u>\$117,770,166.28</u>	<u>BRR<sub>2013(A+B)</sub></u> <u>\$593,090,787.63</u>	<u>100.00%</u>

Notes:

(1) Revenues for the period June 1, 2013 - June 26, 2013 based on rates approved in Docket No. 11-0281.  
Revenues for Columns C and D determined as follows: Line 1 / 30 days x 26 days.

(2) Revenues for the period June 27, 2013 - June 30, 2013 based on rates approved in Docket No. 12-0512.  
Revenues for Columns C and D determined as follows: Line 1 / 30 days x 4 days.

(3) RAF<sub>2013A</sub> = Column E, Line 8 / Column E, Line 10.

(4) RAF<sub>2013B</sub> = Column E, Line 9 / Column E, Line 10.

The Peoples Gas Light and Coke 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						
Line No.	S.C. No.	Docket No. 11-0281 Effective January 1 through June 26, 2013 (TUE <sub>2013A</sub> )	Docket No. 12-0512 Effective June 27 through December 31, 2013 (TUE <sub>2013B</sub> )	Effective January 1 through December 31, 2013 (TUE <sub>2013</sub> )	Rider UEA-GC Revenue	Total
		DUR <sub>2013A</sub> Delivery Service <sup>(1)</sup>	DUR <sub>2013B</sub> Delivery Service <sup>(3)</sup>	DUR <sub>2013</sub> Delivery Service Total [C]=[A] x line 6, Col. A) + ([B] x line 7, Col. B)	SUR <sub>2013</sub> Gas Supply <sup>(6)</sup>	
		[A]	[B]		[D]	[E]=[C]+[D]
1	1	\$ 11,398,641	\$ 16,915,282	\$ 14,108,415.06	\$ 11,414,434.10	\$ 25,522,849.16
2	2	2,542,650	3,042,387	2,788,120.81	2,235,228.79	5,023,349.60
3	4	-	10,361	5,089.32	103.60	5,192.92
4	8	-	-	-	-	-
5	Total	<u>\$ 13,941,291</u> <sup>(2)</sup>	<u>\$ 19,968,030</u> <sup>(4)</sup>	<u>\$ 16,901,625.19</u>	<u>\$ 13,649,766.49</u>	<u>\$ 30,551,391.68</u>
6	RAF <sub>2013A</sub>	50.88%				
7	RAF <sub>2013B</sub>		49.12%			

Notes:

- (1) See Compliance Filing Workpaper WP PGL 7.1 in Docket No. 11-0281, 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 PGL 7.1 in Docket No. 12-0512, 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.

**The Peoples Gas Light and Coke Company  
Rider UEA - Uncollectible Expense Adjustment  
Calendar Year 2013 Form 21 Actual Net 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**

<u>Line No.</u>	<u>S.C. No.</u>	<u>Actual Net Write-Off Amounts</u> [A]	<u>Historical Delivery Service % of Revenues (2)</u> [B]	<u>Delivery Service Net Write-off Amounts</u> [C] [A]*[B]	<u>Gas Supply Service Net Write-off Amounts</u> [D] [A]-[C]	<u>Total Net Write-Off Amounts</u> [E] [C] + [D]
1	1	\$ 20,639,049.51	55.62%	\$ 11,479,439.34	\$ 9,159,610.17	\$ 20,639,049.51
2	2	2,900,948.98	56.41%	1,636,425.32	1,264,523.66	2,900,948.98
3	4	243,092.36	95.28%	231,618.40	11,473.96	243,092.36
4	8	-	30.50%	-	-	-
5	Total	<u>\$ 23,783,090.85</u> (1)		<u>\$ 13,347,483.06</u>	<u>\$ 10,435,607.79</u>	<u>\$ 23,783,090.85</u>

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 amounts.

(2) See Page 7, Column F (Delivery Percent by Service Class).

\* There may be differences due to rounding.

**The Peoples Gas Light and Coke Company  
Historical Delivery and Supply Allocation**

Line No.	Service Classification	2011	2012	2013	3 Year Average	% of Total Net Revenues
	[A]	[B]	[C]	[D]	[E]=[B]+[C]+[D]	[F]
<b>SC 1</b>						
1	Total Net Revenue	\$ 659,582,159.35	\$ 567,466,085.95	\$ 745,768,399.55	\$ 657,605,548.28	
2	Total Retail Gas Charge Revenues	335,650,013.13	217,963,410.71	321,938,024.82	291,850,482.89	44.3808%
3	Delivery	323,932,146.22	349,502,675.24	423,830,374.73	365,755,065.40	55.6192%
<b>SC 2</b>						
4	Total Net Revenue	310,227,997.30	272,117,504.17	368,162,108.90	316,835,870.12	
5	Total Retail Gas Charge Revenues	160,832,937.08	103,706,110.12	149,797,220.65	138,112,089.28	43.5911%
6	Delivery	149,395,060.22	168,411,394.05	218,364,888.25	178,723,780.84	56.4089%
<b>SC 4</b>						
7	Total Net Revenue	25,657,914.02	26,614,681.54	35,609,875.27	29,294,156.94	
8	Total Retail Gas Charge Revenues	543,898.93	1,428,130.57	2,172,912.87	1,381,647.46	4.7165%
9	Delivery	25,114,015.09	25,186,550.97	33,436,962.40	27,912,509.49	95.2835%
<b>SC 8</b>						
10	Total Net Revenue	72,351.68	424,257.44	863,168.04	453,259.05	
11	Total Retail Gas Charge Revenues	55,310.99	295,844.70	593,849.04	315,001.58	69.4970%
12	Delivery	17,040.69	128,412.74	269,319.00	138,257.48	30.5030%
<b>Other</b>						
13	Total Net Revenue	8,848,870.55	5,410,880.90	8,245,033.25	7,501,594.90	
14	Total Retail Gas Charge Revenues	-	-	-	-	0.0000%
15	Delivery	8,848,870.55	5,410,880.90	8,245,033.25	7,501,594.90	100.0000%
<b>Total</b>						
16	Total Net Revenue (1)	\$ 1,004,389,292.90	\$ 872,033,410.00	\$ 1,158,648,585.01	\$ 1,011,690,429.30	
17	Total Retail Gas Charge Revenues	\$ 497,082,160.13	\$ 323,393,496.10	\$ 474,502,007.38	\$ 431,659,221.20	42.6671%
18	Delivery	\$ 507,307,132.77	\$ 548,639,913.90	\$ 684,146,577.63	\$ 580,031,208.10	57.3329%

Note:

(1) 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.

PEOPLES GAS<sub>SM</sub>  
NATURAL GAS DELIVERY

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

May 16, 2013

Advice No. 1473

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

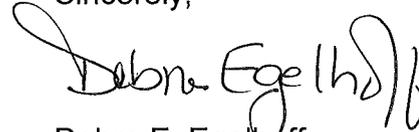
Dear Ms. Rolando:

Attached hereto are The Peoples Gas Light and Coke 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)

The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustment  
Under Rider UEA

Schedule of Rates, ILL C.C. No. 28

Applicable to Service Classification Nos. 1, 2, 4, and 8

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

Line No.	S. C. No. [A]	Delivery Service	Gas Supply Service	Sales Customers	Transportation Customers
		IDUA	ISUA	Total Adjustment	Total Adjustment
		[B]	[C]	[D] = [B] + [C]	[E] = [B]
1	1	\$ (0.25)	\$ (0.21)	\$ (0.46)	\$ (0.25)
2	2	\$ (0.50)	\$ (0.44)	\$ (0.94)	\$ (0.50)
3	4	\$ (1.39)	\$ -	\$ (1.39)	\$ (1.39)
4	8	\$ -	\$ -	\$ -	\$ -

Notes:

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

Submitted By: Thomas G. Aridas  
Director

The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustment  
Under Rider UEA

Schedule of Rates, ILL C.C. No. 28  
Applicable to Service Classification Nos. 1, 2, 4 and 8

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

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

Line No.	S.C. No.	Delivery	Gas Supply	Total	Notes
		IDUA <sup>(1)</sup> [A]	ISUA [B]	[C] [A] + [B]	
1	1	\$ (2,297,858.07)	\$ (1,783,046.49)	\$ (4,080,904.56)	Page 2, line 13 + Page 3, line 11
2	2	(478,876.15)	(345,462.12)	\$ (824,338.27)	Page 2, line 14 + Page 3, line 12
3	4	(2,567.19)	(291.00)	\$ (2,858.19)	Page 2, line 15 + Page 3, line 13
4	8	-	-	\$ -	Page 2, line 17 + Page 3, line 14
5	Total	<u>\$ (2,779,301.41)</u>	<u>\$ (2,128,799.61)</u>	<u>\$ (4,908,101.02)</u>	Sum Lines 1-4

CUSTS<sub>EP</sub> - Forecasted Customer Billing Periods for Effective Period (EP) June 1, 2013 - May 31, 2014

	S.C. No.	Total	Sales	Transportation	
		IDUA [A]	IDUA and ISUA [B]	IDUA only [C]	
6	1	9,066,566	8,612,836	453,730	
7	2	963,316	783,148	180,168	
8	4	2,051	24	2,027	
9	8	<u>60</u>	<u>36</u>	<u>24</u>	
10	Total	10,031,993	9,396,044	635,949	Sum Lines 6 - 9

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

	S.C. No.	Delivery	Gas Supply	Total Adjustment		All (IDUA) [E] line 3 col. C / line 8 col. A	Notes For Cols. [A] & [B]
		IDUA [A]	ISUA [B]	Sales Customers [C] [A] + [B]	Transportation Customers [D] [A]		
11	1	\$ (0.25)	\$ (0.21)	\$ (0.46)	\$ (0.25)		Line 1 / Line 6
12	2	\$ (0.50)	\$ (0.44)	\$ (0.94)	\$ (0.50)		Line 2 / Line 7
13	4	\$ (1.25)	\$ (12.13)	\$ (13.38)	\$ (1.25)	\$ (1.39)	All S.C. No. 4 Customers
14	8	\$ -	\$ -	\$ -	\$ -		Line 4 / Line 9

Notes:

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

The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustment  
Under Rider UEA

Schedule of Rates, ILL C.C. No. 28  
Applicable to Service Classification Nos. 1, 2, 4 and 8

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

2012 Form 21 Account 904					
Line No.	S.C. No.	Delivery	Gas Supply	Total	Notes
		904DUR <sub>2012</sub>	904SUR <sub>2012</sub>	[C]	
		[A]	[B]	[A] + [B]	
1	1	\$ 9,091,728.28	\$ 5,661,779.72	\$ 14,753,508.00	Page 7, Cols. G, H, and I, Line 1.
2	2	\$ 1,997,089.61	1,219,570.39	3,216,660.00	Page 7, Cols. G, H, and I, Line 2.
3	4	\$ -	-	-	Page 7, Cols. G, H, and I, Line 3.
4	5/7	\$ -	-	-	Page 7, Cols. G, H, and I, Line 4.
5	8	\$ -	-	-	Page 7, Cols. G, H, and I, Line 5.
6	Total	<u>\$ 11,088,817.89</u>	<u>\$ 6,881,350.11</u>	<u>\$ 17,970,168.00</u>	Sum Lines 1-5

Docket Nos. 09-0167 and 11-0281 Weighted Average Baseline					
		Delivery	Gas Supply	Total	
		DUR <sub>2012</sub>	SUR <sub>2012</sub>	[C]	
		[A]	[B]	[A] + [B]	
7	1	\$ 11,370,813.00	\$ 7,515,838.00	\$ 18,886,651.00	Page 6, Cols. B, C and D, Line 13.
8	2	\$ 2,477,939.00	\$ 1,576,723.00	4,054,662.00	Page 6, Cols. B, C and D, Line 14.
9	4	\$ 1,951.00	\$ 291.00	2,242.00	Page 6, Cols. B, C and D, Line 15.
10	5/7	\$ -	\$ -	-	Page 6, Cols. B, C and D, Line 16.
11	8	\$ -	\$ -	-	Page 6, Cols. B, C and D, Line 17.
12	Total	<u>\$ 13,850,703.00</u>	<u>\$ 9,092,852.00</u>	<u>\$ 22,943,555.00</u>	Sum Lines 7-11

Difference - 2012 Adjustment					
		Delivery	Gas Supply	Total	
		IDUA	ISUA	[C]	
		[A]	[B]	[A] + [B]	
13	1	\$ (2,279,084.72)	\$ (1,854,058.28)	\$ (4,133,143.00)	Line 1 - Line 7
14	2	(480,849.39)	(357,152.61)	\$ (838,002.00)	Line 2 - Line 8
15	4	(1,951.00)	(291.00)	\$ (2,242.00)	Line 3 - Line 9
16	5/7	-	-	\$ -	Line 4 - Line 10
17	8	-	-	\$ -	Line 5 - Line 11
18	Total	<u>\$ (2,761,885.11)</u>	<u>\$ (2,211,501.89)</u>	<u>\$ (4,973,387.00)</u>	Sum Lines 13-17

The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustment  
Under Rider UEA

Schedule of Rates, ILL C.C. No. 28  
Applicable to Service Classification Nos. 1, 2, 4 and 8

Statement of Reconciliation Adjustment

Rider UEA Reconciliation for 2010 and 2011

<u>2010 and 2011 Rider UEA Amounts to be recovered / (refunded) April 1, 2012 through March 31, 2013</u>						Notes
Line No.	S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]	
1	1	\$ (1,358,490.64)	\$ (4,833,045.94)	\$ (15,234.05)	\$ (6,206,770.62)	
2	2	\$ (176,485.11)	\$ (715,814.97)	\$ (66,871.64)	(959,171.73)	
3	4	\$ (8,610.01)	\$ -	\$ -	(8,610.01)	
4	8	-	-	-	-	
5	Total	\$ (1,543,585.76)	\$ (5,548,860.91)	\$ (82,105.69)	\$ (7,174,552.36)	

<u>Actual Amounts Recorded for 2010 and 2011 Rider UEA Adjustment - April 1, 2012 through March 31, 2013</u>					
S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]	
6	1	\$ (1,339,806.55)	\$ (4,904,057.73)	\$ (15,144.78)	\$ (6,259,009.06)
7	2	\$ (178,032.79)	\$ (727,505.46)	\$ (67,297.21)	(972,835.46)
8	4	\$ (7,993.82)	\$ -	\$ -	(7,993.82)
9	8	-	-	-	-
10	Total	\$ (1,525,833.16)	\$ (5,631,563.19)	\$ (82,441.99)	\$ (7,239,838.34)

<u>Reconciliation Adjustment (RA) Amount to be recovered / (refunded)</u>						
S.C. No.	Delivery IDUA [A]	Gas Supply ISUA [B]	Transportation ITUA [C]	Total [D] [A] + [B] + [C]		
11	1	\$ (18,684.09)	\$ 71,011.79	\$ (89.27)	\$ 52,238.44	Line 1 - Line 6
12	2	1,547.68	11,690.49	425.57	13,663.73	Line 2 - Line 7
13	4	(616.19)	-	-	(616.19)	Line 3 - Line 8
14	8	-	-	-	-	Line 4 - Line 9
15	Total	\$ (17,752.60)	\$ 82,702.28	\$ 336.30	\$ 65,285.98	Sum Lines 11-14

The Peoples Gas Light and Coke 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 2012 [A]	Docket No. [B]	Base Rate Revenues (BRR <sub>2012</sub> )			RAF [F]
			Sales [C]	Transportation [D]	Total [E] [C] + [D]	
1	Jan 1 - Jan 31 (Actual)	09-0167 / 11-0281	\$48,491,763.00	\$13,049,100.00	\$61,540,863.00	
2	Feb 1 - Dec 31 (Forecast)	11-0281	\$359,928,180.00	\$87,816,231.00	\$447,744,411.00	
3	Total Year (Actual)		<u>\$408,419,943.00</u>	<u>\$100,865,331.00</u>	<u>\$509,285,274.00</u>	
4	Jan 1 - Jan 20 (20 Days)	(1)	\$31,285,008.39	\$8,418,774.19	\$39,703,782.58	
5	Jan 21 - Jan 31 (11 Days)	(2)	\$17,206,754.61	\$4,630,325.81	\$21,837,080.42	
6	Jan - Allocated		<u>\$48,491,763.00</u>	<u>\$13,049,100.00</u>	<u>\$61,540,863.00</u>	
7	Jan 1 - Jan 20 (Line 4)	09-0167	BRR <sub>2012A</sub> \$31,285,008.39	BRR <sub>2012A</sub> \$8,418,774.19	BRR <sub>2012A</sub> \$39,703,782.58	7.80% RAF <sub>2012A</sub> (3)
8	Jan 21 - Dec 31 (Line 2 + Line 5)	11-0281	BRR <sub>2012B</sub> \$377,134,934.61	BRR <sub>2012B</sub> \$92,446,556.81	BRR <sub>2012B</sub> \$469,581,491.42	92.20% RAF <sub>2012B</sub> (4)
9	Total Year (Line 7 + Line 8)		<u>BRR<sub>2012(A+B)</sub> \$408,419,943.00</u>	<u>BRR<sub>2012(A+B)</sub> \$100,865,331.00</u>	<u>BRR<sub>2012(A+B)</sub> \$509,285,274.00</u>	<u>100.00%</u>

Notes:

- (1) Revenues for the period January 1, 2012 - January 20, 2012 based on rates approved in Docket No. 09-0167. 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. 11-0281. Revenues for Columns C and D determined as follows: Line 1 / 31 days x 11 days.
- (3) RAF<sub>2012A</sub> = Column E, Line 7 / Column E, Line 9.
- (4) RAF<sub>2012B</sub> = Column E, Line 8 / Column E, Line 9.

The Peoples Gas Light and Coke Company  
Rider UEA - Uncollectible Expense Adjustment

Percentage of Uncollectible Accounts Expense By Service Classification  
Docket No. 09-0167 and Docket No. 11-0281  
Determination of PUA - Calendar 2012

Line No.	S.C. No.	Embedded Cost of Service Study Docket No. 09-0167 Effective Jan. 1 - Jan. 20, 2012 <sup>(1)</sup>	Embedded Cost of Service Study Docket No. 11-0281 Effective Jan. 21 - Dec. 31, 2012 <sup>(2)</sup>	Weighted Average ECOSS Allocation
		PUAF <sub>2012A</sub> [A]	PUAF <sub>2012B</sub> [B]	PUAF <sub>2012</sub> [C] [A] X [C] line 7 + [B] X [C] line 8
1	1	86.633%	81.762%	82.10%
2	2	13.270%	18.238%	17.90%
3	4	0.096%	0.000%	0.00%
4	5/7	0.000%	0.000%	0.00%
5	8	0.000%	0.000%	0.00%
6	Total	<u>100.000%</u>	<u>100.000%</u>	<u>100.00%</u>
7			Docket No. 09-0167 RAF <sub>2012A</sub>	7.80% (3)
8			Docket No. 11-0281 RAF <sub>2012B</sub>	<u>92.20%</u> (3)
9				100.00%

Notes

- (1) See Compliance Filing Workpaper WP PRD 7.1 in Docket No. 09-0167, column B.
- (2) See Compliance Filing Workpaper WP PGL 7.1 in Docket No. 11-0281, column B.
- (3) See Page 4, Column F.

The Peoples Gas Light and Coke Company  
Rider UEA - Uncollectible Expense Adjustment

Determination of Factor UF and Baseline Uncollectible Accounts Expense Amounts  
Reflected in Base Rates for 2012 based on Docket Nos. 09-0167 and 11-0281

Line No.	S.C. No.	Baseline Uncollectible Account Expense (TUE <sub>2012A</sub> ) <sup>(2)</sup> Docket No. 09-0167 Effective January 1 through January 20, 2012			
		RAF <sub>2012A</sub> [A]	DUR <sub>2012A</sub> Delivery [B]	SUR <sub>2012A</sub> Gas Supply [C]	Total [D] [B] + [C]
		7.80% <sup>(1)</sup>			
1	1		\$ 11,041,875	\$ 14,875,487	\$ 25,917,363
2	2		\$ 1,713,018	\$ 2,256,990	\$ 3,970,008
3	4		\$ 25,013	\$ 3,737	\$ 28,750
4	5/7		\$ -	\$ -	\$ -
5	8		\$ -	\$ -	\$ -
6	Total		<u>\$ 12,779,907</u>	<u>\$ 17,136,214</u>	<u>\$ 29,916,121</u> <sup>(3)</sup>

Line No.	S.C. No.	Baseline Uncollectible Account Expense (TUE <sub>2012B</sub> ) Docket No. 11-0281 Effective January 21 through December 31, 2012			
		RAF <sub>2012B</sub> [A]	DUR <sub>2012B</sub> Delivery Service <sup>(4)</sup> [B]	SUR <sub>2012B</sub> Gas Supply <sup>(5)</sup> [C]	Total [D] [B] + [C]
		92.20% <sup>(1)</sup>			
7	1		\$ 11,398,641	6,355,550	\$ 17,754,191
8	2		\$ 2,542,650	1,400,678	\$ 3,943,328
9	4		\$ -	-	\$ -
10	5/7		\$ -	-	\$ -
11	8		\$ -	-	\$ -
12	Total		<u>\$ 13,941,291</u> <sup>(6)</sup>	<u>7,756,228.00</u>	<u>\$ 21,697,519</u>

Line No.	S.C. No.	Baseline Uncollectible Account Expense (TUE <sub>2012</sub> ) Effective January 1 through December 31, 2012			
		[A]	DUR <sub>2012</sub> Delivery Service [B]  (DUR <sub>2012A</sub> × RAF <sub>2012A</sub> ) + (DUR <sub>2012B</sub> × RAF <sub>2012B</sub> )	SUR <sub>2012</sub> Gas Supply [C]  (SUR <sub>2012A</sub> × RAF <sub>2012A</sub> ) + SUR <sub>2012B</sub>	Total [D] [B] + [C]
13	1		\$ 11,370,813	\$ 7,515,838	\$ 18,886,651
14	2		\$ 2,477,939	\$ 1,576,723	\$ 4,054,662
15	4		\$ 1,951	\$ 291	\$ 2,242
16	5/7		\$ -	\$ -	\$ -
17	8		\$ -	\$ -	\$ -
18	Total (Sum Lines 13 through 17)		<u>\$ 13,850,703</u>	<u>\$ 9,092,852</u>	<u>\$ 22,943,555</u>

Notes: (1) See Page 4, Column F.  
(2) See Compliance Filing Workpaper WP PRD 7.1 in Docket No. 09-0167, 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 PGL 7.1 in Docket No. 11-0281, 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.

The Peoples Gas Light and Coke Company  
Calendar Year 2012 Form 21 Revenues and Actual Account 904 Uncollectible Accounts Expense  
By Service Classification

Line No.	S.C. No.	Form 21 Actual Revenues By Service Classification Jan. 1 - Dec. 31, 2012			Form 21 Account 904 Allocation Jan. 1 - Dec. 31, 2012			904ATUE <sub>2012</sub> Actual Account 904 Uncollectible Expense [A] Line 7 x [B]	
		PUAF <sub>2012</sub> Percentage Uncoll. Account Expense (2) [B]	BDR <sub>2012</sub> Delivery Service Revenues [C]	SRR <sub>2012</sub> Gas Supply Service Revenues [D]	Total (TR <sub>2012</sub> ) [E] [C] + [D]	UF <sub>2012</sub> [F] [A] / [E]	904DUR <sub>2012</sub> Delivery Service Uncollectible Costs [G] [C] x [F]		904SUR <sub>2012</sub> Gas Supply Service Uncollectible Costs [H] [D] x [F]
1	1	82.10%	\$ 350,007,278	\$ 217,963,411	\$ 567,970,689	2.59758%	\$ 9,091,728.28	\$ 5,661,779.72	\$ 14,753,508.00
2	2	17.90%	\$ 169,822,420	103,706,110	\$ 273,528,530	1.17599%	\$ 1,997,089.61	\$ 1,219,570.39	\$ 3,216,660.00
3	4	0.00%	\$ 25,601,611	1,428,131	\$ 27,029,742	0.00000%	\$ -	\$ -	\$ -
4	5/7	0.00%	\$ 3,079,952	-	\$ 3,079,952	0.00000%	\$ -	\$ -	\$ -
5	8	0.00%	\$ 128,652	295,845	\$ 424,497	0.00000%	\$ -	\$ -	\$ -
6	Total	100.00%	\$ 548,639,913	\$ 323,393,497	\$ 872,033,410 (3)	2.06072%	\$ 11,088,817.89	\$ 6,881,350.11	\$ 17,970,168.00
7	Form 21								

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.

The Peoples Gas Light and Coke Company  
Uncollectible Expense Adjustments  
Under Rider UEA

Schedule of Rates, ILL C.C. No. 28  
Applicable to Service Classification Nos. 1, 2, 4, and 8

Statement of Reconciliation Adjustment  
Rider UEA Reconciliation for 2011 Reporting Year Adjustment including applicable RA

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

		<u>Delivery</u>	<u>Gas Supply</u>	<u>Transportation</u>	<u>Total</u>	
		<u>IDUA</u>	<u>ISUA</u>	<u>ITUA</u>	<u>[A] + [B] + [C]</u>	
		<u>[A]</u>	<u>[B]</u>	<u>[C]</u>	<u>[D]</u>	
1	1	\$ (1,483,507.36)	\$ (4,844,523.66)	\$ (16,086.19)	\$ (6,344,117.21)	PGL Ex. 1.3, p. 3, line 1
2	2	\$ (195,310.99)	\$ (713,406.40)	\$ (66,479.48)	\$ (975,196.87)	PGL Ex. 1.3, p. 3, line 2
3	4	\$ (2,057.68)	\$ (3,307.54)	\$ (2,012.15)	\$ (7,377.37)	PGL Ex. 1.3, p. 3, line 3, total
4		\$ -	\$ -	\$ -	\$ -	PGL Ex. 1.3, p. 3, line 4
5	Total	\$ (1,680,876.03)	\$ (5,561,237.60)	\$ (84,577.82)	\$ (7,326,691.45)	PGL Ex. 1.3, p. 3, line 5

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

<u>Line No.</u>	<u>S.C. No.</u>	<u>Delivery</u>	<u>Gas Supply</u>	<u>Transportation</u>	<u>Total</u>	<u>Notes</u>
		<u>IDUA</u>	<u>ISUA</u>	<u>ITUA</u>	<u>[A] + [B] + [C]</u>	
		<u>[A]</u>	<u>[B]</u>	<u>[C]</u>	<u>[D]</u>	
6	1	\$ (1,228,860.80)	\$ (4,011,793.10)	\$ (13,397.51)	\$ (5,254,051.41)	
7	2	(162,067.61)	(591,568.77)	(55,330.68)	(808,967.06)	
8	4	(6,165.86)	-	-	(6,165.86)	
9	8	-	-	-	-	
10	Total	\$ (1,397,094.27)	\$ (4,603,361.87)	\$ (68,728.19)	\$ (6,069,184.33)	Sum lines 6 through 9

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

		<u>Delivery</u>	<u>Gas Supply</u>	<u>Transportation</u>	<u>Total</u>	
		<u>IDUA</u>	<u>ISUA</u>	<u>ITUA</u>	<u>[A] + [B] + [C]</u>	
		<u>[A]</u>	<u>[B]</u>	<u>[C]</u>	<u>[D]</u>	
11	1	\$ (254,646.56)	\$ (832,730.56)	\$ (2,688.68)	\$ (1,090,065.80)	Line 1 - Line 6
12	2	\$ (33,243.38)	\$ (121,837.63)	\$ (11,148.80)	(166,229.81)	Line 2 - Line 7
13	4	\$ 4,108.18	\$ (3,307.54)	\$ (2,012.15)	(1,211.51)	Line 3- Line 8
14	8	\$ -	\$ -	\$ -	\$ -	Line 4 - Line 9
15	Total	\$ (283,781.76)	\$ (957,875.73)	\$ (15,849.63)	\$ (1,257,507.12)	Sum Lines 11-14

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

The Peoples Gas Light and	)	
Coke 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

1 Q. Please state your name and business address.

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

3 Q. By whom are you employed?

4 A. Integrys Business Support, LLC (“IBS”).

5 Q. What position do you hold with IBS?

6 A. I am Manager, Business Solutions Center.

7 Q. What are your responsibilities in that position?

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

15 Q. Please summarize your educational background and experience.

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

28 Q. What is the purpose of your direct testimony?

29 A. I describe how Peoples Gas pursues minimization of and collection of  
30 uncollectibles.

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

35 A. Yes. Peoples Gas' customer information system identifies and tracks  
36 outstanding receivables by placing these receivables into proper "aging buckets."

37 The aging buckets are for the following number of days past due: 30, 60, 90, 120  
38 and 150 days.

39 Q. Another activity identified in the statute is contacting the customer in an  
40 effort to obtain payment. Does Peoples Gas engage in this activity?

41 A. Yes. Peoples Gas uses several methods. These include:

- 42 • Bill Messages – These messages remind customers that the company  
43 reports payment history to major credit bureaus and it is to the customers'  
44 benefit to make timely payments. Peoples Gas also offers auto-  
45 enrollment to payment and budget plans through bill messages.
- 46 • Auto-Dialer Messages – These are reminder messages informing  
47 customers, as applicable, that a payment is due, past-due, or  
48 disconnection is imminent. The messages also remind customers of the  
49 availability of payment plans and heating assistance.
- 50 • Letters - Letters remind customers that payment is due and that Peoples  
51 Gas reports payment history to credit bureaus.
- 52 • Disconnect Notices - Consistent with Commission requirements, Peoples  
53 Gas mails these notices separate from a bill.
- 54 • Field Notifications - These notifications take the form of field posting or  
55 visit for disconnection.
- 56 • Collection Talk-Off - This means that company agents remind customers  
57 calling the call center that their bill is past due and offer to take a payment.

- 58       • Out-Bound Live Agent Calls - Peoples Gas uses outbound calls on a  
59       limited basis to remind customers of the information described above for  
60       auto-dialer messages.
- 61       • Post Cards - Mailed seasonally, post cards to customers in arrears remind  
62       them of company-sponsored events and Low Income Home Energy  
63       Assistance Program (“LIHEAP”) availability.
- 64   Q.    Another activity identified in the statute is providing delinquent customers  
65   with information about possible options, including payment plans and assistance  
66   programs. Does Peoples Gas engage in this activity?
- 67   A.    Yes. Peoples Gas provides customers with information about payment  
68   plans, both those required by the Commission’s rules and others that are  
69   available. Specifically,
- 70       • STA - This refers to short-term payment plans offered to all customers in  
71       arrears in compliance with the Commission’s rules (83 Illinois  
72       Administrative Code (“Ill. Admin. Code”) Section 280.110, Deferred  
73       Payment Agreements).
- 74       • STAr\* - This refers to alternative short-term payment plans that provide  
75       options to customers no longer eligible for reinstated plans when they  
76       agree to have payments automatically debited from a credit card or  
77       checking account.
- 78       • Share the Warmth - The Share the Warmth program, administered by a  
79       third party, provides matching grants of up to \$200 to eligible customers.  
80       Share the Warmth is seasonal and funds are donated by customers and

- 81 Peoples Gas employees who want to help others. Peoples Gas  
82 contributes to this fund annually.
- 83 • MPO - The Minimum Payment Option is in effect from April through  
84 September each year, and it allows disconnection eligible customers to  
85 avoid service interruption by paying a percentage of the arrears indicated  
86 on the disconnect notice.
  - 87 • Medical Certificates - This alternative is available to certain customers in  
88 arrears to restore or maintain service in compliance with the Commission's  
89 rules (83 Ill. Admin. Code Section 280.130(j)).
  - 90 • Reconnection of former residential utility customers for the heating season  
91 is administered in compliance with the Commission's rules (83 Ill. Admin.  
92 Code Section 280.138).
  - 93 • LIHEAP - LIHEAP, administered by a third party, is available to certain low  
94 income customers.
- 95 Q. Another activity identified in the statute is serving disconnection notices.  
96 Does Peoples Gas engage in this activity?
- 97 A. Yes. Peoples Gas serves notices in compliance with the Commission's  
98 rules (83 Ill. Admin. Code Part 280). Specifically, it mails disconnection notices  
99 to all customers deemed eligible for disconnection the day after the regular bill,  
100 including the arrearage amount in addition to the current amount, is mailed.  
101 These notices include all arrears customers must pay to avoid a service  
102 interruption and the MPO amount. Ten days from the mailed date if no payment  
103 has been offered, a disconnect for non-payment ("DNP") service order is

104 automatically initiated. Any DNP service order that is not completed by the next  
105 bill cycle is canceled and the notification process begins again. When accounts  
106 for master metered buildings are DNP eligible, Peoples Gas follows the same  
107 disconnection notice procedure and, in addition, physically posts notification to  
108 tenants of the property that the service is in danger of being disconnected for  
109 nonpayment. The posting describes remedies tenants may pursue to maintain  
110 service. This notice expires ten days after date of posting and a DNP service  
111 order is automatically initiated.

112 Q. Another activity identified in the statute is implementing disconnections  
113 based on the level of uncollectibles. Does Peoples Gas engage in this activity?

114 A. Yes. Peoples Gas implements disconnections based upon write-off risk.  
115 The disconnection amounts vary by rate classification.

116 Q. Another activity identified in the statute is pursuing collection activities  
117 based on the level of uncollectibles. Does Peoples Gas engage in this activity?

118 A. Yes. The collection schedules incorporated in Peoples Gas' customer  
119 information system drive all collection activities from bill messages to disconnect  
120 orders based upon predetermined variables. These variables include:

- 121 • Amount of account receivable
- 122 • Age of account receivable
- 123 • Time of year
- 124 • Last payment date
- 125 • Last payment amount
- 126 • Payment type

- 127 • Payment plan eligibility
- 128 • Budget payment plan eligibility
- 129 • Type of premises
- 130 • Meter location
- 131 • Customer term
- 132 • DNP eligibility
- 133 Q. Does Peoples Gas take actions other than those described above?
- 134 A. Yes. These include:
- 135 • using auto-dialer technology to encourage customers to apply for LIHEAP
- 136 when funding is available. Combined, Peoples Gas and North Shore
- 137 generally make up to 300,000 LIHEAP reminder calls annually;
- 138 • sponsoring community events in the neighborhoods where customers can
- 139 learn about energy conservation, receive conservation kits and apply for
- 140 LIHEAP in one location;
- 141 • billing and collecting deposits to offset the impact of uncollectibles;
- 142 • subscribing to the Utility Data Exchange database, which helps locate
- 143 customers in other utility service territories that may have forgotten to pay
- 144 their final bill;
- 145 • employing three primary collection agencies to collect final receivables
- 146 before they are written off, and five additional agencies that will continue
- 147 to pursue the debt post write off; and
- 148 • initiating replevin actions to retrieve its meter.
- 149 Q. Does this conclude your direct testimony?

150 A. Yes, it does.

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

The Peoples Gas Light	)	
and Coke 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	)	

**ATTACHMENT B**

Municipality Served by The Peoples Gas Light and Coke Company

Chicago, Illinois