

ICC DOCKET: 14-0224/225 (cons.)

AG Cross Exhibit: 8

ICC Docket No. 14-0225

**The Peoples Gas Light and Coke Company's Response to
Staff Data Requests DLH 35.01-35.03**

Dated: September 15, 2014

REQUEST NO. DLH 35.01:

(IBS ICE Cost Savings) Please reconcile the statement in the Companies response to AG DR 11.08, that no Integrys Customer Experience ("Project ICE") savings are reflected in the test year, with the response to AG DR 2.13 in Docket No. 14-0496, stating that the forecast years "was reduced by the estimated amount of net benefits of the project."

RESPONSE:

The forecasted key financial parameters in Exhibit 4.1 and referenced in response to AG DR 2.13 in Docket No. 14-0496 were derived from the Companies' 2013 Long Term Financial plans prepared in spring 2013. The assumptions used in the preparation of these plans were based on budget data created in the summer/fall of 2012. After that time, the in-service date of the project shifted. Based on the revised estimated in-service date, there will be no net savings from the ICE project in 2015. This revised estimate is incorporated in the 2015 test year presented in Docket Nos. 14-0224/0225(cons.) and the response to data request AG DR 11.08.

ICC DOCKET: 14-0224/225 (cons.)

AG Cross Exhibit: _____

ICC Docket No. 14-0496

Joint Applicants' Response to

Illinois Attorney General's Second Set of Data Requests AG 2.01-2.13

Dated: September 8, 2014

REQUEST NO. AG 2.13:

Referring to JA Ex. 4.1 *CONFIDENTIAL*, Page 4, please provide a complete explanation of what the statement "Impact begins in 2015, credits indicate pre-tax reduction in O&M" with regard to the ICE project means. The response should specify what the referenced credits represent and describe why the credits "indicate pre-tax reduction in O&M."

RESPONSE:

The ICE 2016 project estimated net benefits beginning in 2015. The initial O&M estimate in the forecast years was reduced by the estimated amount of net benefit of the project. The net benefit (a credit to expense, i.e. pre-tax reduction in O&M) was derived from forecasted system savings greater than forecasted system costs.