

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

North Shore Gas Company)
)
Petition Pursuant to Rider VBA)
of Schedule of Rates for Gas)
Service to Initiate a Proceeding to)
Determine the Accuracy of the)
Rider VBA Reconciliation Statement)

Docket No. 14-0220

OFFICIAL FILE

I.C.C. DOCKET NO. 14-0220

North Shore Exhibit No. *2.0 + 2.1*

REBUTTAL TESTIMONY
OF
KAREN A. TIEDMANN

Witness Tiedmann
Date 9/30/14 Reporter _____

- 1 Q. Please state your name and business address.
- 2 A. Karen A. Tiedmann, 200 East Randolph Street, Chicago, Illinois 60601.
- 3 Q. Are you the same Karen A. Tiedmann who previously submitted testimony
- 4 in this proceeding?
- 5 A. Yes.
- 6 Q. What is the purpose of your rebuttal testimony?
- 7 A. I am responding to the direct testimony of Illinois Commerce Commission
- 8 ("Commission") Staff witness Ms. Dianna Hathhorn and the proposal that North
- 9 Shore Gas Company ("North Shore") revise its reconciliation schedules in its next
- 10 reconciliation proceeding to conform to the format recommended in Staff
- 11 Schedules 1.1 through 1.3.
- 12 Q. Please summarize the conclusions of your rebuttal testimony.
- 13 A. North Shore accepts Ms. Hathhorn's proposal to revise the reconciliation
- 14 statement/schedules with a few modifications. Specifically, North Shore proposes to
- 15 add a section for the calculation of the adjustment rate to be billed as well as

16 proposes certain revisions to terminology reflected in the schedules to mirror
17 terminology outlined in the Rider VBA, Volume Balancing Adjustment, tariff.

18 Q. Are you sponsoring any attachments as part of your rebuttal testimony?

19 A. Yes, I am sponsoring NSG Ex. 2.1 with the following pages:

20 Page 1 - Rider VBA Reconciliation Statement for S.C.¹ No. 1 Heating

21 Page 2 - Rider VBA Reconciliation Statement for S.C. No. 1 Non-Heating

22 Page 3 - Rider VBA Reconciliation Statement for S.C. No. 2

23 Q. Please describe NSG Ex. 2.1.

24 A. NSG Ex. 2.1, pages 1 through 3, presents North Shore's revised versions
25 of Staff's Schedules 1.1, 1.2 and 1.3 as presented by Ms. Hathhorn. I

26 recommend including additional calculations, as shown starting at line 29 of each
27 page of the exhibit, under a section labeled "Determination of Adjustment per

28 Therm" to Staff's schedules. This is consistent with Section B of Rider VBA. In

29 addition, I recommend changes to certain terminology presented on the

30 Schedules to align with terminology defined in Rider VBA. For example, in line 2

31 on each page, rather than "RA to be billed - Prior Year," I am proposing "Rider

32 VBA Adjustment to be billed - Prior Year."

33 Q. Does Ms. Hathhorn agree with the proposed revisions to her Schedules?

34 A. Yes. These revisions were reviewed by Ms. Hathhorn and were deemed
35 acceptable.

36 Q. Please state the conclusion of your rebuttal testimony.

¹ "S.C." is Service Classification. S.C. No. 1 is Small Residential Service and includes rates for heating and non-heating service. S.C. No. 2 is General Service.

37 A. North Shore will make the agreed upon changes as presented in NSG Ex.
38 2.1, pages 1 through 3, to the Reconciliation Statement in future Rider VBA
39 reconciliation filings.

40 Q. Does this conclude your rebuttal testimony?

41 A. Yes, it does.



North Shore Gas Company
Rider VBA Reconciliation Summary-S.C. No. 1 Heating
For the Fiscal Year Period January 1 through December 31, 2013

Line No.	Description (A)	Per Company (B)	Source (C)	Adjustments per Staff (D)	as Adjusted per Staff (Col. (B) + (D)) (E)
1	Carry Over - Prior Year				
2	Rider VBA adjustment to be billed-Prior Year filing	\$ 958,563	(1a)		\$ 958,563
2a	Rider VBA adjustment -actual billings in the Fiscal year	1,118,259	(1b)		1,118,259
2b	Amount to be Recovered (Refunded) through RA	\$ (159,596)	(1)		\$ (159,596)
3	Factor O - Prior Reconciliation	0	(2)		
4	Interest Rate (0 %)		(7)		
4a	Interest Amount		(line 2b+line 3) x line 4		
5	Under / (Over) from prior years	\$ (159,596)	(3)		\$ (159,596)
5a	Allocation to Heating	\$ (159,325)	(3a)		\$ (159,325)
6					
7	Current Year (Fiscal Year)				
8	Rate Case Revenues	\$ 17,384,889	(4)	\$ -	\$ 17,384,889
9	Actual Revenues (Distribution Revenues)	18,945,181	(5)		18,945,181
10					
11	Amount to be Recovered (Refunded)	\$ (1,560,292)	In 8 - In 9		(1,560,292)
12	Percentage of Fixed Costs	100%	(6)		
13					
14					
15					
16	Annual Adjustment Under / (Over) Current Year	\$ (1,560,292)	(8)		\$ (1,560,292)
17					
18					
19	Cumulative (Refundable)/Recoverable Incl. Interest	\$ (1,719,617)	(9)		\$ (1,719,889)
20					
21					
22	Disposition of Cumulative (Over)/Under Recovery				
23					
24	Annual Adjustment	\$ (1,560,292)	line 16		\$ (1,560,292)
25	RA	(159,325)	line 5a		(159,325)
26	Factor O - Current Reconciliation		n/a		
27					
28	Cumulative (Refundable)/Recoverable Incl. Interest	\$ (1,719,617)	line 19		\$ (1,719,617)
29					
30	Determination of Adjustment per Therm				
30	Factor T - Estimated Therms April through December 2014	95,693,710	(10)		
31	RA and Factor O Adjustment per therm	\$ (0.0017)	line 5a / line 30		
32	2013 Adjustment per therm	\$ (0.0163)	line 16 / line 30		
33	Total Adjustment per Therm effective April 1 through December 31, 2014	\$ (0.0180)	line 31 + line 32		
34	Total Adjustment per Therm	(1.80)	c line 33 x 100		

Sources:

- (1) NSG Ex. 1.1, p. 2, Col. (A), line 9; Agrees to Sch. 1.1, line 2 - line 2a
- (1a) NSG Ex. 1.1, p. 2, Col. (A), line 7; Agrees to Docket Nos. 13-0220/13-0221 (cons.), Appendix A, line 28
- (1b) NSG Ex. 1.1, p. 2, Col. (A), line 8
- (2) NSG Ex. 1.1, p. 2, Col. (A), line 10
- (3) NSG Ex. 1.1, p. 2, Col. (A), line 11; Agrees to sum of lines 2b, 3 and 4a
- (3a) NSG Ex. 1.1, p. 2, Col. (A), line 17
- (4) NSG Ex. 1.1, p. 2, Col. (A), line 1
- (5) NSG Ex. 1.1, p. 2, Col. (A), line 2
- (6) NSG Ex. 1.1, p. 2, Col. (A), line 3
- (7) NSG Ex. 1.1, p. 2, footnote (6)
- (8) NSG Ex. 1.1, p. 2, Col. (A), line 4; Agrees to Sch. 1.1, line 11 x line 12
- (9) NSG Ex. 1.1, p. 2, Col. (A), line 18; Agrees to Sch. 1.1, line 5a + line 16
- (10) NSG Ex. 1.1, p. 2, Col. (A), line 5

Notes:

Line 5a is included this year since separate rates for S.C. No. 1 heating and non-heating were implemented in June 2013. This line will not be necessary in future filings. There may be differences due to rounding.

North Shore Gas Company
Rider VBA Reconciliation Summary-S.C. No. 1 Non-Heating
For the Fiscal Year Period January 1 through December 31, 2013

Line No.	Description (A)	Per Company (B)	Source (C)	Adjustments per Staff (D)	as Adjusted per Staff (Col. (B) + (D)) (E)
1	Carry Over - Prior Year				
2	Rider VBA adjustment to be billed-Prior Year filing	\$ 958,663	(1a)		\$ 958,663
2a	Rider VBA adjustment -actual billings in the Fiscal year	1,118,259	(1b)		1,118,259
2b	Amount to be Recovered (Refunded) through RA	\$ (159,596)	(1)		\$ (159,596)
3	Factor O - Prior Reconciliation	0	(2)		
4	Interest (0 %)	-	(7)		
4a	Interest Amount	-	(line 2b+line 3) x line 4		
5	Under / (Over) from prior years	\$ (159,596)	(3)		\$ (159,596)
5a	Allocation to Non-Heating	\$ (272)	(3a)		\$ (272)
6					
7	Current Year (Fiscal Year)				
8	Rate Case Revenues	\$ 52,819	(4)	\$ -	\$ 52,819
9	Actual Revenues (Distribution Revenues)	54,881	(5)	-	54,881
10					
11	Amount to be Recovered (Refunded)	\$ (2,062)	In 8 - In 9	-	(2,062)
12	Percentage of Fixed Costs	100%	(6)		
13					
14					
15					
16	Annual Adjustment Under / (Over) Current Year	\$ (2,062)	(8)	-	\$ (2,062)
17					
18					
19	Cumulative (Refundable)/Recoverable Incl. Interest	\$ (2,333)	(9)	-	\$ (161,659)
20					
21					
22	Disposition of Cumulative (Over)/Under Recovery				
23					
24	Annual Adjustment	\$ (2,062)	line 16		\$ (2,062)
25	RA	(272)	line 5a		(272)
26	Factor O - Current Reconciliation	-	n/a		-
27					
28	Cumulative (Refundable)/Recoverable Incl. Interest	\$ (2,333)	line 19	-	\$ (2,333)
29					
30	Determination of Adjustment per Therm Factor T - Estimated Therms April through December 2014	163,100	(10)		
31	RA and Factor O Adjustment per therm	\$ (0.0017)	line 5a / line 30		
32	2013 Adjustment per therm	\$ (0.0126)	line 16 / line 30		
33	Total Adjustment per Therm effective April 1 through December 31, 2014	\$ (0.0143)	line 31 + line 32		
34	Total Adjustment per Therm	(1.43) ¢	line 33 x 100		

Sources:

- (1) NSG Ex. 1.1, p. 2, Col. (B), line 9; Agrees to Sch. 1.2, line 2 - line 2a
- (1a) NSG Ex. 1.1, p. 2, Col. (B), line 7; Agrees to Docket Nos. 13-0220/13-0221 (cons.), Appendix A, line 28
- (1b) NSG Ex. 1.1, p. 2, Col. (B), line 8
- (2) NSG Ex. 1.1, p. 2, Col. (B), line 10
- (3) NSG Ex. 1.1, p. 2, Col. (B), line 11; Agrees to sum of lines 2b, 3 and 4a
- (3a) NSG Ex. 1.1, p. 2, Col. (B), line 17
- (4) NSG Ex. 1.1, p. 2, Col. (B), line 1
- (5) NSG Ex. 1.1, p. 2, Col. (B), line 2
- (6) NSG Ex. 1.1, p. 2, Col. (B), line 3
- (7) NSG Ex. 1.1, p. 2, footnote (6)
- (8) NSG Ex. 1.1, p. 2, Col. (B), line 4; Agrees to Sch. 1.2, line 11 x line 12
- (9) NSG Ex. 1.1, p. 2, Col. (B), line 18; Agrees to Sch. 1.2, line 5a + line 16
- (10) NSG Ex. 1.1, p. 2, Col. (B), line 5

Notes:

Line 5a is included this year since separate rates for S.C. No. 1 heating and non-heating were implemented in June 2013. This line will not be necessary in future filings.
There may be differences due to rounding.

North Shore Gas Company
Rider VBA Reconciliation Summary-S. C. No. 2
For the Fiscal Year Period January 1 through December 31, 2013

Line No.	Description (A)	Per Company (B)	Source (C)	Adjustments per Staff (D)	as Adjusted per Staff (Col. (B) + (D)) (E)
1	<u>Carry Over - Prior Year</u>				
2	Rider VBA adjustment to be billed-Prior Year filing	\$ 724,598	(1a)		\$ 724,598
2a	Rider VBA adjustment -actual billings in the Fiscal year	880,474	(1b)		880,474
2b	Amount to be Recovered (Refunded) through RA	\$ (155,875)	(1)		\$ (155,875)
3	Factor O - Prior Reconciliation	0	(2)		-
4	Interest (0 %)		(7)		-
4a	Interest Amount		(line 2b+line 3) x line 4		-
5	Under / (Over) from prior years	\$ (155,875)	(3)		\$ (155,875)
6					
7	<u>Current Year (Fiscal Year)</u>				
8	Rate Case Revenues	\$ 5,894,953	(4)	\$ -	\$ 5,894,953
9	Actual Revenues (Distribution Revenues)	6,465,269	(5)	-	6,465,269
10					
11	Amount to be Recovered (Refunded)	\$ (570,316)	In 8 - In 9		(570,316)
12	Percentage of Fixed Costs	100%	(6)		
13					
14					
15					
16	Annual Adjustment Under / (Over) Current Year	\$ (570,316)	(8)		\$ (570,316)
17					
18					
19	Cumulative (Refundable)/Recoverable Incl. Interest	\$ (726,191)	(9)		\$ (726,191)
20					
21					
22	<u>Disposition of Cumulative (Over)/Under Recovery</u>				
23					
24	Annual Adjustment	\$ (570,316)	line 16		\$ (570,316)
25	RA	(155,875)	line 2		(155,875)
26	Factor O - Current Reconciliation	-	n/a		-
27					
28	Cumulative (Refundable)/Recoverable Incl. Interest	\$ (726,191)	line 19		\$ (726,191)
29	<u>Determination of Adjustment per Therm</u>				
30	Factor T - Estimated Therms April through December 2014	47,844,614	(10)		
31	RA and Factor O Adjustment per therm	\$ (0.0033)	line 5a / line 30		
32	2013 Adjustment per therm	\$ (0.0119)	line 16 / line 30		
33	Total Adjustment per Therm effective April 1 through December 31, 2014	\$ (0.0152)	line 31 + line 32		
34	Total Adjustment per Therm	(1.52)	line 33 x 100		

Sources:

- (1) NSG Ex. 1.1, p. 2, Col. (C), line 9; Agrees to Sch. 1.3, line 2 - line 2a
- (1a) NSG Ex. 1.1, p. 2, Col. (C), line 7; Agrees to Docket Nos. 13-0220/13-0221 (cons.), Appendix A, line 28
- (1b) NSG Ex. 1.1, p. 2, Col. (C), line 8
- (2) NSG Ex. 1.1, p. 2, Col. (C), line 10
- (3) NSG Ex. 1.1, p. 2, Col. (C), line 11; Agrees to sum of lines 2b, 3 and 4a
- (4) NSG Ex. 1.1, p. 2, Col. (C), line 1
- (5) NSG Ex. 1.1, p. 2, Col. (C), line 2
- (6) NSG Ex. 1.1, p. 2, Col. (C), line 3
- (7) NSG Ex. 1.1, p. 2, footnote (6)
- (8) NSG Ex. 1.1, p. 2, Col. (C), line 4; Agrees to Sch. 1.3, line 11 x line 12
- (9) NSG Ex. 1.1, p. 2, Col. (C), line 18; Agrees to Sch. 1.3, line 5 + line 16
- (10) NSG Ex. 1.1, p. 2, Col. (C), line 5

Notes:

There may be differences due to rounding.