

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

The Peoples Gas Light)
and Coke 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. 14-0221

REBUTTAL TESTIMONY
OF
KAREN A. TIEDMANN

OFFICIAL FILE

I.C.C. DOCKET NO. 14-0221
PGL Exhibit No. 2.0+2

Witness Tiedman
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 Hathorn and the proposal that
9 Peoples Gas revise its reconciliation schedules in its next reconciliation
10 proceeding to conform to the format recommended in Staff Schedules 1.1
11 through 1.3.

12 Q. Please summarize the conclusions of your rebuttal testimony.

13 A. Peoples Gas accepts Ms. Hathorn's proposal to revise the reconciliation
14 statement/schedules with a few modifications. Specifically, Peoples Gas proposes

15 to 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 PGL 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 PGL Ex. 2.1.

24 A. PGL Ex. 2.1, pages 1 through 3, presents Peoples Gas' 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.

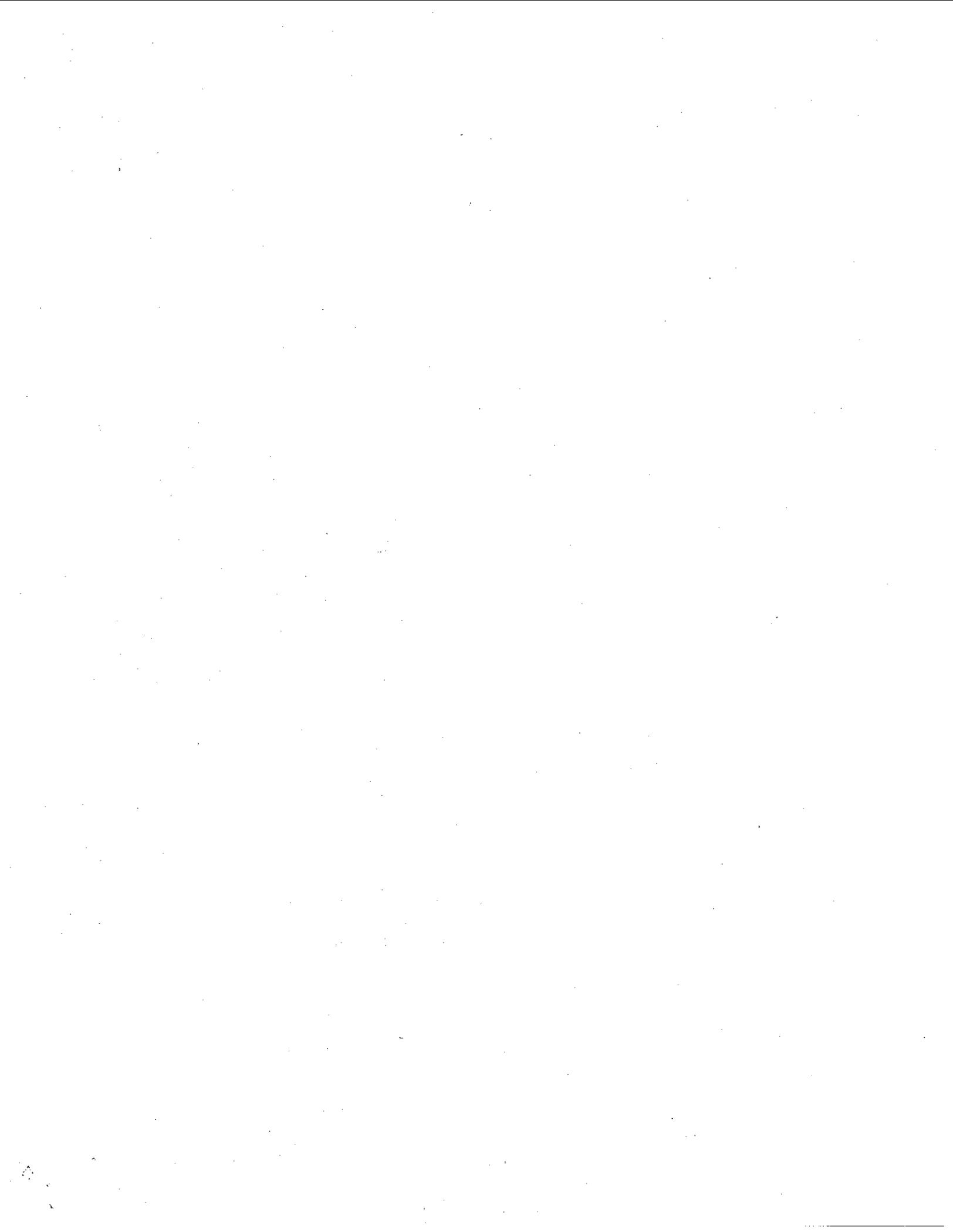
36 Q. Please state the conclusion of your rebuttal testimony.

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. Peoples Gas will make the agreed upon changes as presented in PGL 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.



The Peoples Gas Light and Coke 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	\$ 9,995,239	(1a)		\$ 9,995,239
2a	Rider VBA adjustment -actual billings in the Fiscal Year	11,489,024	(1b)		11,489,024
2b	Amount to be Recovered (Refunded) through RA	\$ (1,493,785)	(1)		\$ (1,493,785)
3	Factor O - Prior Reconciliation	0	(2)		-
4	Interest Rate (0 %)	0%	(7)		-
4a	Interest Amount		(line 2b+line 3) x line 4		
5	Under / (Over) from prior years	\$ (1,493,785)	(3)		\$ (1,493,785)
5a	Allocation to Non-Heating	\$ (25,534)	(3a)		\$ (25,534)
6					
7	Current Year (Fiscal Year)				
8	Rate Case Revenues	\$ 2,988,842	(4)	\$ -	\$ 2,988,842
9	Actual Revenues (Distribution Revenues)	3,161,528	(5)		3,161,528
10					
11	Amount to be Recovered (Refunded)	\$ (172,685)	ln 8 - ln 9		(172,685)
12	Percentage of Fixed Costs	100%	(6)		
13					
14					
15					
16	Annual Adjustment Under / (Over) Current Year	\$ (172,685)	(8)		\$ (172,685)
17					
18					
19	Cumulative (Refundable)/Recoverable Incl. Interest	\$ (198,219)	(9)		\$ (1,666,470)
20					
21					
22	Disposition of Cumulative (Over)/Under Recovery				
23					
24	Annual Adjustment	\$ (172,685)	line 16		\$ (172,685)
25	RA	(25,534)	line 5a		(25,534)
26	Factor O - Current Reconciliation		n/a		-
27					
28	Cumulative (Refundable)/Recoverable Incl. Interest	\$ (198,219)	line 19		\$ (198,219)
29					
29	Determination of Adjustment per Therm				
30	Factor T - Estimated Therms April through December 2014	6,091,600	(10)		
31	RA and Factor O Adjustment per therm	\$ (0.0042)	line 5a / line 30		
32	2013 Adjustment per therm	\$ (0.0283)	line 16 / line 30		
33	Total Adjustment per Therm effective April 1 through December 31, 2014	\$ (0.0325)	line 31 + line 32		
34	Total Adjustment per Therm	(3.25)	line 33 x 100		

Sources:

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

The Peoples Gas Light and Coke 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	<u>Carry Over - Prior Year</u>				
2	Rider VBA adjustment to be billed-Prior Year filing	\$ 9,995,239	(1a)		\$ 9,995,239
2a	Rider VBA adjustment -actual billings in the Fiscal Year	11,489,024	(1b)		11,489,024
2b	Amount to be Recovered (Refunded) through RA	\$ (1,493,785)	(1)		\$ (1,493,785)
3	Factor O - Prior Reconciliation	0	(2)		-
4	Interest Rate (0 %)	0%	(7)		-
4a	Interest Amount		(line 2b+line 3) x line 4		
5	Under / (Over) from prior years	\$ (1,493,785)	(3)		\$ (1,493,785)
5a	Allocation to Heating	\$ (1,468,251)	(3a)		\$ (1,468,251)
6					
7	<u>Current Year (Fiscal Year)</u>				
8	Rate Case Revenues	\$ 121,922,721	(4)	\$ -	\$ 121,922,721
9	Actual Revenues (Distribution Revenues)	134,215,287	(5)	-	134,215,287
10					
11	Amount to be Recovered (Refunded)	\$ (12,292,566)	In 8 - In 9	-	(12,292,566)
12	Percentage of Fixed Costs	100%	(6)		
13					
14					
15					
16	Annual Adjustment Under / (Over) Current Year	\$ (12,292,566)	(8)	-	\$ (12,292,566)
17					
18					
19	Cumulative (Refundable)/Recoverable Incl. Interest	\$ (13,760,817)	(9)	-	\$ (13,760,817)
20					
21					
22	<u>Disposition of Cumulative (Over)/Under Recovery</u>				
23					
24	Annual Adjustment	\$ (12,292,566)	line 16		\$ (12,292,566)
25	RA	(1,468,251)	line 5a		(1,468,251)
26	Factor O - Current Reconciliation	-	n/a		-
27					
28	Cumulative (Refundable)/Recoverable Incl. Interest	\$ (13,760,817)	line 19	-	\$ (13,760,817)
29	<u>Determination of Adjustment per Therm</u>				
30	Factor T - Estimated Therms April through December 2014	350,283,740	(10)		
31	RA and Factor O Adjustment per therm	\$ (0.0042)	line 5a / line 30		
32	2013 Adjustment per therm	\$ (0.0351)	line 16 / line 30		
33	Total Adjustment per Therm effective April 1 through December 31, 2014	\$ (0.0393)	line 31 + line 32		
34	Total Adjustment per Therm	(3.93)	line 33 x 100		

Sources:

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

The Peoples Gas Light and Coke 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	\$ 4,972,040	(1a)		\$ 4,972,040
2a	Rider VBA adjustment -actual billings in the Fiscal Year	5,759,242	(1b)		5,759,242
2b	Amount to be Recovered (Refunded) through RA	<u>\$ (787,202)</u>	(1)		<u>\$ (787,202)</u>
3	Factor O - Prior Reconciliation	0	(2)		-
4	Interest Rate (0 %)	0%	(7)		-
4a	Interest Amount	-	(line 2b+line 3) x line 4		-
5	Under / (Over) from prior years	<u>\$ (787,202)</u>	(3)		<u>\$ (787,202)</u>
6					
7	<u>Current Year (Fiscal Year)</u>				
8	Rate Case Revenues	\$ 77,568,314	(4)	\$ -	\$ 77,568,314
9	Actual Revenues (Distribution Revenues)	85,152,642	(5)	-	85,152,642
10					
11	Amount to be Recovered (Refunded)	<u>\$ (7,584,329)</u>	In 8 - In 9	-	<u>(7,584,329)</u>
12	Percentage of Fixed Costs	100%	(6)		
13					
14					
15					
16	Annual Adjustment Under / (Over) Current Year	<u>\$ (7,584,329)</u>	(8)	-	<u>\$ (7,584,329)</u>
17					
18					
19	Cumulative (Refundable)/Recoverable Incl. Interest	<u>\$ (8,371,530)</u>	(9)	-	<u>\$ (8,371,530)</u>
20					
21					
22	<u>Disposition of Cumulative (Over)/Under Recovery</u>				
23					
24	Annual Adjustment	\$ (7,584,329)	line 16		\$ (7,584,329)
25	RA	(787,202)	line 2		(787,202)
26	Factor O - Current Reconciliation	-	n/a		-
27					
28	Cumulative (Refundable)/Recoverable Incl. Interest	<u>\$ (8,371,530)</u>	line 19	-	<u>\$ (8,371,530)</u>
29	<u>Determination of Adjustment per Therm</u>				
30	Factor T - Estimated Therms April through December 2014	360,798,724	(10)		
31	RA and Factor O Adjustment per therm	\$ (0.0022)	line 5a / line 30		
32	2013 Adjustment per therm	<u>\$ (0.0210)</u>	line 16 / line 30		
33	Total Adjustment per Therm effective April 1 through December 31, 2014	\$ (0.0232)	line 31 + line 32		
34	Total Adjustment per Therm	(2.32) c	line 33 x 100		

Sources:

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

Notes:

There may be differences due to rounding