

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Wisconsin Energy Corporation, Integrys Energy)
Group, Inc., Peoples Energy, LLC, The Peoples Gas)
Light and Coke Company, North Shore Gas Company)
ATC Management, Inc., and American Transmission)
Company, LLC)
) 14-0496
Application pursuant to Section 7-204 of the Public)
Utilities Act for authority to engage in a)
Reorganization, to enter into agreements with)
affiliated interests pursuant to Section 7-101, and for)
such other approvals as may be required under the)
Public Utilities Act to effectuate the Reorganization.)

Surrebuttal Testimony of

THOMAS J. WEBB

Compliance Manager
The Peoples Gas Light and Coke Company

On Behalf of
Integrys Energy Group, Inc.

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1 **I. INTRODUCTION AND BACKGROUND**

2 **A. Identification of Witness**

3 **Q. Please state your name and business address.**

4 A. My name is Thomas J. Webb. My business address is 200 East Randolph Street,
5 Chicago, Illinois 60601.

6 **Q. Are you the same Thomas J. Webb who previously submitted rebuttal testimony in
7 this proceeding?**

8 A. Yes.

9 **B. Purposes of Surrebuttal Testimony**

10 **Q. What are the purposes of your surrebuttal testimony in this proceeding?**

11 A. The purposes of my surrebuttal testimony are to respond to Illinois Commerce
12 Commission (“Commission”) Staff witness Matthew Smith’s rebuttal testimony¹ in
13 which he: (1) elaborates his recommendations concerning The Peoples Gas Light and
14 Coke Company’s (“Peoples Gas”) implementation of a Pipeline Safety Management
15 System (“PSMS”); and (2) discusses the importance of moving gas meters from inside
16 customers’ premises to outside the residences or buildings.

17 **C. Summary of Conclusions**

18 **Q. Please summarize the conclusions of your surrebuttal testimony.**

19 A. The Joint Applicants propose to work with Staff to develop a common understanding of
20 the expectations, scope, and regulatory oversight of a PSMS so it can be implemented
21 under a common understanding and with rate recovery.

¹ ICC Staff Ex. 10.0.

44 **an accessible inside location within ten years. ICC Staff Ex. 10.0, 6:130-133. Does**
45 **this address Peoples Gas' concerns?**

46 A. No. Peoples Gas initiated the AMRP in 2011. Since 2011, for completed AMRP work,
47 approximately 37,000 meters remain inside. Under Mr. Smith's proposal, that would
48 require Peoples Gas to move a minimum of 37,000 meters over the next 10 years (an
49 average annual requirement of 3,700). This figure does not include inside meters located
50 on non-AMRP-related mains.

51 Peoples Gas has the capacity to move approximately 25,000 meters per year as
52 part of AMRP. The additional workload resulting from Mr. Smith's proposal would
53 equate to more than 14% of the total work overload for meter moves over the next 10
54 years. This number is conservative for the following reasons:

- 55 • It is only accounting for meters not moved in the last 4 years.
- 56 • Since these meters were not moved the first time, Peoples Gas expects that
57 this means they will tend to be more difficult to move, or they would have
58 been moved in conjunction with the AMRP work, and, as a result, require
59 more time and planning.

60 This effort would greatly increase cost and potentially delay current AMRP efforts.

61 **Q. Mr. Smith also recommends that all meters associated with AMRP must be moved**
62 **as part of AMRP and no later than 2030. ICC Staff Ex. 10.0, 6:125-129. Please**
63 **comment.**

64 A. As discussed in my rebuttal testimony, the Joint Applicants share Mr. Smith's desire to
65 move all meters outside or to an accessible indoor location. As stated previously, Peoples
66 Gas can move approximately 25,000 meters a year. This number will drop if

67 extraordinary efforts are required to move meters that cannot reasonably be relocated to
68 another location, whether that is inside or out. Not only will this increase the cost of
69 AMRP, but it could also negatively affect the schedule. However, the Joint Applicants
70 agree that the decision process for leaving meters inside, or not centrally located, needs to
71 be based on a common set of expectations that are uniformly applied. Therefore, within
72 six months of closing of the acquisition, the Joint Applicants will develop a new process
73 for Staff review, with standard criteria and approvals, describing when Peoples Gas will
74 allow a meter to stay inside or in a de-centralized location. Peoples Gas will implement
75 the new process and, as part of its discussions with Staff, work on developing and
76 implementing refinements to the process.

77 **Q. Does this conclude your surrebuttal testimony?**

78 A. Yes.