

**ICC Docket No. 14-0496**  
**Joint Applicants' Response to**  
**Illinois Attorney General's Data Requests AG 15.01-15.11**  
**Dated: February 6, 2015**

**REQUEST NO. AG 15.06:**

This question is directed to Mr. James Schott. Ref: JA Ex. 18.0, 3:46 through 4:72.

- (a) Would you agree that "appropriate cost recovery" (as you use the term in the cited testimony language) for the AMRP through 2030 is currently not provided under any Illinois law?
- (b) Would you agree that PGL cannot commit to completing the AMRP by 2030 under current Illinois law?
- (c) Would you agree that annual rate impacts of AMRP investment would be lessened by a lengthening of the AMRP completion schedule past 2030?

**RESPONSE:**

- (a) No. Section 9-220.3 of the Public Utilities Act provides a Rider mechanism to recover costs incurred under the AMRP. While this mechanism itself does not provide "appropriate cost recovery," it is a key component in providing appropriate cost recovery through 2023. Appropriate cost recovery can be facilitated by the Rider mechanism, but can also come through rate case filings, which are of course allowed under current Illinois law. What the appropriate cost recovery is in future years remains to be seen, but Mr. Schott cannot categorically say at this time that current Illinois law would not allow for appropriate cost recovery, even beyond 2023.
- (b) No. See the response to subpart (a).
- (c) If the presumption of the question is that the lengthening of the AMRP completion schedule would result in lower near term spending on AMRP and the question is addressing near term rate impacts, then the answer is yes. If the question is over the length of the life of the AMRP, including the useful life of the assets, then the answer is at best uncertain and could potentially be no.

**OFFICIAL FILE**

I.C.C. DOCKET NO. 14-0496  
AG CROSS Exhibit No. 1  
 Witness Mr. Schott  
 Date 2/18/15 Reporter TD

**ICC Docket No. 14-0496**  
**Joint Applicants' Response to**  
**Illinois Attorney General's Data Requests AG 10.01-10.20**  
**Dated: December 23, 2014**

**REQUEST NO. AG 10.07:**

Refer to Mr. Schott rebuttal testimony, JA Ex. 9.0, at 3:42-53, and at 5:87-89. Will the Joint Applicants terminate the AMRP once the Rider QIP mechanism ends in 2023 and before the completion of the program in 2030 if the Rider or a similar recovery mechanism is not in place after 2013? Please explain your answer.

**RESPONSE:**

The Joint Applicants object to this data request on the grounds that it is overbroad and calls for speculation. Notwithstanding the foregoing objections and their General Objections, the Joint Applicants respond to this data request as follows:

As stated in Mr. Schott's rebuttal testimony (JA Exhibit 9.0, at 4:75-77) and Mr. Leverett's rebuttal testimony (JA Exhibit 6.0, at 15:405-409), the Joint Applicants are committed to having Peoples Gas continue and complete the AMRP by 2030 so long as Peoples Gas receives and continues to receive appropriate cost recovery. While Rider QIP or a similar recovery mechanism would provide for such appropriate cost recovery, there are other means through which appropriate cost recovery might be provided (e.g., annual rate cases) depending upon all of the facts and circumstances (e.g. the state of the capital markets) existing at the relevant time.