

DIRECT TESTIMONY

of

**Mike Ostrander
Accountant**

**Accounting Department
Financial Analysis Division
Illinois Commerce Commission**

**Reconciliation of Revenues Collected under Riders EOA with the Actual
Costs Associated with Energy Efficiency and On-Bill Financing Programs**

**North Shore Gas Company and
The Peoples Gas Light and Coke Company**

Docket No. 14-0640

August 20, 2015

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1 **Witness Identification**

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

3 A. My name is Mike Ostrander. My business address is 527 East Capitol
4 Avenue, Springfield, Illinois 62701.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am an Accountant in the Accounting Department of the Financial
7 Analysis Division of the Illinois Commerce Commission (“ICC” or
8 “Commission”).

9 **Q. Please describe your background and professional affiliation.**

10 A. I received a Bachelor of Business Administration in Accounting from the
11 University of Notre Dame. I am a Certified Public Accountant and a
12 Certified Internal Auditor. I joined the Commission Staff (“Staff”) in March
13 2006. Prior to joining the Commission, I was employed for three years as
14 a Staff Accountant in public accounting, seventeen years in private
15 industry with positions ranging from Accounting Manager to Corporate
16 Officer encompassing all areas of accounting and internal auditing, and
17 three years as Controller of a law firm and software company.

18 **Q. Have you previously testified before this Commission?**

19 A. Yes, I have testified before the Commission on many occasions.

20 **Purpose of Testimony**

21 **Q. What is the purpose of your testimony in this proceeding?**

22 A. The purpose of my testimony is to report the results of my review of North
23 Shore Gas Company's ("North Shore") and The Peoples Gas Light and
24 Coke Company's ("Peoples Gas") (individually, the "Company" and
25 collectively, the "Companies") Energy Efficiency and On-Bill Financing
26 Programs ("Rider EOA") Reconciliation for the period June 1, 2013
27 through May 31, 2014, Program Year 3 ("PY 3"), as calculated by the
28 Companies' witness Edward M. Korenchan, in NS-PGL Ex. 1.0, and the
29 underlying documents that support the calculations.

30 **Q. Are you sponsoring any schedules as part of your direct testimony?**

31 A. Yes. I prepared the following schedules, which show data as of, or for the
32 PY 3 reconciliation period:

33 Schedules 1.01 N and P Rider EOA – Residential Energy Efficiency
34 Reconciliation Adjustment Service Classification No. 1

35 Schedules 1.02 N and P Rider EOA – Residential Energy Efficiency
36 Reconciliation Adjustment Service Classification No. 2

37 Schedule 1.03 N Rider EOA – Commercial and Industrial Energy
38 Efficiency Reconciliation Adjustment Service Classification Nos. 2, 4, 5
39 and 7

40 Schedule 1.03 P Rider EOA – Commercial and Industrial Energy
41 Efficiency Reconciliation Adjustment Service Classification Nos. 2, 4, 5, 7
42 and 8

43 Schedules 1.04 N and P Rider EOA – On-Bill Financing Reconciliation
44 Adjustment Service Classification No. 1

45 Schedule 1.05 P Rider EOA – On-Bill Financing Reconciliation
46 Adjustment Service Classification No. 2

47 **Q. Please explain the N and P suffixes that appear with your schedule**
48 **numbers.**

49 A. These suffixes indicate the Company to which a particular schedule
50 applies. The N suffix identifies a schedule that applies to North Shore,
51 and the P suffix identifies a schedule that applies to Peoples Gas.

52 **Rider EOA Background**

53 **Q. Please describe the reconciliation adjustments, according to the**
54 **terms of Rider EOA.**

55 A. Section E of each Rider EOA requires North Shore and Peoples Gas to
56 file annually no later than August 31, a reconciliation of amounts billed in
57 the previous program year to the actual costs, as well as reconciliation
58 adjustments for any amounts over- or under-collected from customers per
59 the reconciliation. Such reconciliation adjustments would apply to the nine-
60 month reconciliation amortization period beginning September 1 of each
61 year. The review of the reconciliation adjustments for PY 3 is the subject
62 of this proceeding.

63 **Staff Reconciliation Schedules**

64 **Q. How did the Companies present the PY 1 Commission Ordered**
65 **Adjustments (“Factor O”) in its PY 3 reconciliation schedules?**

66 A. The Factor O adjustments ordered in Docket No. 12-0602 were included
67 in the Companies’ PY 3 reconciliation schedules. The reconciliation

68 adjustments for PY 3 were filed on August 28, 2014, and became effective
69 for the nine-month period beginning September 1, 2014.

70 **Q. How did North Shore present the PY 2 Factor O adjustments in its**
71 **PY 3 reconciliation schedules?**

72 A. The Factor O adjustments ordered in Docket No. 13-0611 were not
73 included in North Shore's PY 3 reconciliation schedules. The date of the
74 Order in Docket No. 13-0611 was February 25, 2015, which was after the
75 August 28, 2014 date of the PY 3 reconciliation schedules filing.¹ Peoples
76 Gas did not have any Factor O adjustments for the PY 2 reconciliation.

77 **Q. When will North Shore's PY 2 Factor O adjustments be disposed of**
78 **through the reconciliation process?**

79 A. North Shore will include the PY 2 Factor O adjustments in its reconciliation
80 adjustment calculations for the fourth program year ("PY 4"). The
81 reconciliation adjustments for PY 4 will be filed on or before August 31,
82 2015, and became effective for the nine-month period beginning
83 September 1, 2015.²

84 **Q. How did Staff present North Shore's PY 2 Factor O adjustments in**
85 **its PY 3 reconciliation schedules?**

86 A. The PY 2 Factor O adjustments to correct expenses misclassified
87 between North Shore Service Classification No. 1 and No. 2 are included

¹ NS-PGL Response to Staff Data Request JMO 2.01.

² NS-PGL Response to Staff Data Request JMO 2.02.

88 in the column labeled "Adjustment from Prior Order" on Schedule 1.01 N
89 (Residential Energy Efficiency Reconciliation Adjustment Service
90 Classification No. 1) and Schedule 1.02 N (Residential Energy Efficiency
91 Reconciliation Adjustment Service Classification No. 2).

92 **Q. Please explain Staff's adjustments contained in Staff Exhibit 1.0,**
93 **Schedules 1.01 N through 1.04 N.**

94 A. Schedule 1.01 N (Residential Energy Efficiency Reconciliation Adjustment
95 Service Classification No. 1) reflects Staff's proposed adjustment to
96 increase energy efficiency expenses due to the omission of vendor
97 invoices from the reconciliation schedule.³

98 For Schedule 1.02 N (Residential Energy Efficiency Reconciliation
99 Adjustment Service Classification No. 2), Staff proposes no adjustments to
100 North Shore's cumulative (over)/under recovery.

101 Schedule 1.03 N (Commercial and Industrial Energy Efficiency
102 Reconciliation Adjustment Service Classification Nos. 2, 4, 5 and 7)
103 reflects Staff's proposed adjustment to correct revenues omitted from the
104 reconciliation schedule.⁴

105 For Schedule 1.04 N (On-Bill Financing Reconciliation Adjustment Service
106 Classification No. 1) Staff proposes no adjustments to North Shore's
107 cumulative (over)/under recovery.

³ NS-PGL Audit #2014-1004, January 26, 2015.

⁴ NS-PGL Audit #2014-1004, January 26, 2015.

108 The Staff schedules present the reconciliations in an alternative format
109 that is consistent with reconciliation schedules utilized for all Illinois
110 utilities.

111 **Q. Please explain Staff's adjustments contained in Staff Exhibit 1.0,**
112 **Schedules 1.01 P through 1.05 P.**

113 A. Schedule 1.01 P (Residential Energy Efficiency Reconciliation Adjustment
114 Service Classification No. 1) reflects Staff's proposed adjustment to
115 increase energy efficiency expenses due to the omission of vendor
116 invoices from the reconciliation schedule.⁵

117 Schedule 1.02 P (Residential Energy Efficiency Reconciliation Adjustment
118 Service Classification No. 2), reflects Staff's proposed adjustment to
119 increase energy efficiency expenses due to the omission of vendor
120 invoices from the reconciliation schedule.⁶

121 For Schedule 1.03 P (Commercial and Industrial Energy Efficiency
122 Reconciliation Adjustment Service Classification Nos. 2, 4, 5, 7 and 8)
123 Staff proposes no adjustments to the Company's cumulative (over)/under
124 recovery,

125 For Schedule 1.04 P (On-Bill Financing Reconciliation Adjustment Service
126 Classification No. 1) Staff proposes no adjustments to the Company's
127 cumulative (over)/under recovery.

⁵ NS-PGL Audit #2014-1004, January 26, 2015.

⁶ NS-PGL Audit #2014-1004, January 26, 2015.

128 For Schedule 1.05 P (On-Bill Financing Reconciliation Adjustment Service
129 Classification No. 2) Staff proposes no adjustments to the Company's
130 cumulative (over)/under recovery.

131 Similar to the North Shore reconciliation adjustment schedules discussed
132 above the reconciliations are presented in an alternative format.

133 **Summary**

134 **Q. What is your recommendation with regards to the Companies' PY 3**
135 **reconciliation adjustments?**

136 A. I recommend that the Commission adopt the following reconciliation
137 schedules and attach the indicated schedules as an Appendix to the Final
138 Order in these proceedings:

139 Schedules 1.01 N and P Rider EOA – Residential Energy
140 Efficiency Reconciliation Adjustment Service Classification No. 1

141 Schedules 1.02 N and P Rider EOA – Residential Energy
142 Efficiency Reconciliation Adjustment Service Classification No. 2

143 Schedule 1.03 N Rider EOA – Commercial and Industrial
144 Energy Efficiency Reconciliation Adjustment Service Classification
145 Nos. 2, 3 and 4

146 Schedule 1.03 P Rider EOA – Commercial and Industrial
147 Energy Efficiency Reconciliation Adjustment Service Classification
148 Nos. 2, 4, 5, 7 and 8

149 Schedules 1.04 N and P Rider EOA – On-Bill Financing
150 Reconciliation Adjustment Service Classification No. 1

151 Schedule 1.05 P Rider EOA – On-Bill Financing
152 Reconciliation Adjustment Service Classification No. 2

153 I also recommend that the Commission adopt the proposed adjustments
154 reflected in Staff's reconciliation schedules. The following resulting Factor
155 O Ordered adjustments should be reflected in the Companies' first filing
156 following the date of the Order in this docket:

- 157 - North Shore Service Classification No. 1 - collection of \$3,734 as
158 reflected on Schedule 1.01N;
- 159 - North Shore Service Classifications Nos. 2, 4, 5, and 7 - refund of
160 \$62,085 as reflected on Schedule 1.03N;
- 161 - Peoples Gas Service Classification No. 1 - collection of \$20,734 as
162 reflected on Schedule 1.01P;
- 163 - Peoples Gas Service Classification No. 2 - collection of \$423 as
164 reflected on Schedule 1.02P, and be reflected in the Companies' first
165 filing following the date of the Order in this docket.

166

167 **Conclusion**

168 **Q. Does this conclude your prepared direct testimony?**

169 **A. Yes.**

North Shore Gas Company
 Rider EOA - Residential Energy Efficiency Reconciliation Adjustment
 Service Classification No. 1
 For the Period June 1, 2013 through May 31, 2014 (PY 3)

Line No.	Description (a)	Per Company (b)	Adjustment from Prior Order (c)	Staff Adjustment (d)	Per Staff (b) + (c) + (d) (e)
<u>(Over)/Under Recovery from Prior Years</u>					
1	PY 2 - Reconciliation Adjustment (RA)	\$ (862,044)	\$ -	\$ -	\$ (862,044)
2	PY 1 - Commission Ordered Adjustment (O) Refunded in PY 3	(37,745)	-	-	(37,745)
3	PY 2 - Commission Ordered Adjustment (O) to be Collected in Future Filing	-	159,155	-	159,155
4	(Over)/Under Recovery from Prior Periods (Sum of Lines 1 - 3)	<u>\$ (899,789)</u>	<u>\$ 159,155</u>	<u>\$ -</u>	<u>\$ (740,634)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	PY 3 - Energy Efficiency Expenses	\$ 3,251,912	\$ -	\$ 3,734	\$ 3,255,646
6	PY 3 - Energy Efficiency Revenues	3,029,789	-	-	3,029,789
7	(Over) /Under Recovery for PY 3 (Line 5 - Line 6)	<u>\$ 222,123</u>	<u>\$ -</u>	<u>\$ 3,734</u>	<u>\$ 225,857</u>
8	Interest	-	-	-	-
9	Cumulative (Over)/Under Recovery (Line 4 + Line 7 + Line 8)	<u>\$ (677,666)</u>	<u>\$ 159,155</u>	<u>\$ 3,734</u>	<u>\$ (514,777)</u>
<u>Disposition of Cumulative (Over)/Under Recovery</u>					
10	PY 2 - Commission Ordered Adjustment (O) to be Collected in PY 4	\$ -	\$ 159,155	\$ -	\$ 159,155
11	PY 3 - RA to be (Refunded) in PY 4	(677,666)	-	-	\$ (677,666)
12	PY 3 - Commission Ordered Adjustment (O) to be Collected in Future Filing (Line 9 - Line 10 - Line 11)	-	-	3,734	\$ 3,734
13	Cumulative (Over)/Under Recovery (Sum of Lines 10 - 12)	<u>\$ (677,666)</u>	<u>\$ 159,155</u>	<u>\$ 3,734</u>	<u>\$ (514,777)</u>

Sources:

- Column (b): NS-PGL Ex. 1.1N, page 2 of 7, Column [D]
- Column (c): Docket No. 13-0611, Order Appendix
- Column (d): NS-PGL Audit #2014-1004, January 26, 2015
- Column (e): Per Staff [Column (b) + Column (c) + Column (d)]

North Shore Gas Company
 Rider EOA - Residential Energy Efficiency Reconciliation Adjustment
 Service Classification No. 2
 For the Period June 1, 2013 through May 31, 2014 (PY 3)

Line No.	Description (a)	Per Company (b)	Adjustment from Prior Order (c)	Staff Adjustment (d)	Per Staff (b) + (c) + (d) (e)
<u>(Over)/Under Recovery from Prior Years</u>					
1	PY 2 - Reconciliation Adjustment (RA)	\$ 33,108	\$ -	\$ -	\$ 33,108
2	PY 1 - Commission Ordered Adjustments (O) [Docket No. 12-0602]	(12,174)	-	-	(12,174)
3	PY 2 - Commission Ordered Adjustment (O) to be (Refunded) in Future Filing	-	(159,155)	-	(159,155)
4	(Over)/Under Recovery from Prior Periods (Sum of Lines 1 - 3)	<u>\$ 20,934</u>	<u>\$ (159,155)</u>	<u>\$ -</u>	<u>\$ (138,221)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	PY 3 - Energy Efficiency Expenses	\$ 255,939	\$ -	\$ -	\$ 255,939
6	PY 3 - Energy Efficiency Revenues	854,913	-	-	854,913
7	(Over) /Under Recovery for PY 3 (Line 5 - Line 6)	<u>\$ (598,974)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (598,974)</u>
8	Interest	-	-	-	-
9	Cumulative (Over)/Under Recovery (Line 4 + Line 7 + Line 8)	<u>\$ (578,040)</u>	<u>\$ (159,155)</u>	<u>\$ -</u>	<u>\$ (737,195)</u>
<u>Disposition of Cumulative (Over)/Under Recovery</u>					
10	PY 2 - Commission Ordered Adjustment (O) to be Collected in PY 4	\$ -	\$ (159,155)	\$ -	\$ (159,155)
11	PY 3 - RA to be (Refunded) in PY 4	(578,040)	-	-	\$ (578,040)
12	PY 3 - Commission Ordered Adjustment (O) to be Collected in Future Filing (Line 9 - Line 10 - Line 11)	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
13	Cumulative (Over)/Under Recovery (Sum of Lines 10 - 12)	<u>\$ (578,040)</u>	<u>\$ (159,155)</u>	<u>\$ -</u>	<u>\$ (737,195)</u>

Sources:

Column (b): NS-PGL Ex. 1.1N, page 2 of 7, Column [D]
 Column (c): Docket No. 13-0611, Order Appendix

North Shore Gas Company
 Rider EOA - Commercial and Industrial Energy Efficiency Reconciliation Adjustment
 Service Classifications Nos. 2, 4, 5 and 7
 For the Period June 1, 2013 through May 31, 2014 (PY 3)

Line No.	Description (a)	Per Company (b)	Staff Adjustment (c)	Per Staff (b) +(c) (d)
<u>(Over)/Under Recovery from Prior Years</u>				
1	PY 2 - Reconciliation Adjustment (RA)	\$ (806,844)	\$ -	\$ (806,844)
2	PY 1 - Commission Ordered Adjustments (O) [Docket No. 12-0602]	(37,107)	-	(37,107)
3	(Over)/Under Recovery from Prior Periods (Line 1 + Line 2)	<u>\$ (843,951)</u>	<u>\$ -</u>	<u>\$ (843,951)</u>
<u>Current Year (Over)/Under Recovery</u>				
4	PY 3 - Energy Efficiency Expenses	\$ 2,618,528	\$ -	\$ 2,618,528
5	PY 3 - Energy Efficiency Revenues	2,712,269	62,085	2,774,354
6	(Over) /Under Recovery for PY 3 (Line 4 - Line 5)	<u>\$ (93,740)</u>	<u>\$ (62,085)</u>	<u>\$ (155,825)</u>
7	Interest	-	-	-
8	Cumulative (Over)/Under Recovery (Line 3 + Line 6 + Line 7)	<u>\$ (937,691)</u>	<u>\$ (62,085)</u>	<u>\$ (999,776)</u>
<u>Disposition of Cumulative (Over)/Under Recovery</u>				
9	PY 2 - Commission Ordered Adjustment (O) to be Collected in PY 4	\$ -	\$ -	\$ -
10	PY 3 - RA to be (Refunded) in PY 4	(937,691)	-	\$ (937,691)
11	PY 3 - Commission Ordered Adjustment (O) to be Collected in Future Filing (Line 9 - Line 10 - Line 11)	<u>-</u>	<u>(62,085)</u>	<u>\$ (62,085)</u>
12	Cumulative (Over)/Under Recovery (Line 9 + Line 10 + Line 11)	<u>\$ (937,691)</u>	<u>\$ (62,085)</u>	<u>\$ (999,776)</u>

Sources:

Column (b): NS-PGL Ex. 1.1N, page 4 of 7, Column [D]
 Column (c): NS-PGL Audit #2014-1004, January 26, 2015
 Column (d): Per Staff [Column (b) + Column (c)]

North Shore Gas Company
 Rider EOA - On-Bill Financing Reconciliation Adjustment
 Service Classification No. 1
 For the Period June 1, 2013 through May 31, 2014 (PY 3)

Line No.	Description (a)	Per Company (b)	Staff Adjustment (c)	Per Staff (b) + (c) (d)
<u>(Over)/Under Recovery from Prior Years</u>				
1	PY 2 - Reconciliation Adjustment (RA)	\$ (44,096)	\$ -	\$ (44,096)
2	PY 1 - Commission Ordered Adjustments (O) [Docket No. 12-0602]	-	-	-
3	(Over)/Under Recovery from Prior Periods (Line 1 + Line 2 + Line 3)	\$ (44,096)	\$ -	\$ (44,096)
<u>Current Year (Over)/Under Recovery</u>				
4	PY 3 - Energy Efficiency Expenses	9,974	-	9,974
5	PY 3 - Energy Efficiency Revenues	3,718	-	3,718
6	(Over) /Under Recovery for PY 3 (Line 5 - Line 6)	6,256	-	6,256
7	Interest	-	-	-
8	Cumulative (Over)/Under Recovery (Line 3 + Line 6 + Line 7)	\$ (37,839)	\$ -	\$ (37,839)
<u>Disposition of Cumulative (Over)/Under Recovery</u>				
9	PY 2 - Commission Ordered Adjustment (O) to be Collected in PY 4	\$ -	\$ -	\$ -
10	PY 3 - RA to be (Refunded) in PY 4	(37,839)	-	\$ (37,839)
11	PY 3 - Commission Ordered Adjustment (O) to be Collected in Future Filing (Line 9 - Line 10 - Line 11)	-	-	\$ -
12	Cumulative (Over)/Under Recovery (Line 9 + Line 10 + Line 11)	\$ (37,839)	\$ -	\$ (37,839)

Sources:

Column (b): NS-PGL Ex. 1.1N, page 2 of 7, Column [D]
 Column (d): Per Staff [Column (b) + Column (c)]

The Peoples Gas Light and Coke Company
 Rider EOA - Residential Energy Efficiency Reconciliation Adjustment
 Service Classification No. 1
 For the Period June 1, 2013 through May 31, 2014 (PY 3)

Line No.	Description (a)	Per Company (b)	Staff Adjustment (c)	Per Staff (b) + (c) (d)
<u>(Over)/Under Recovery from Prior Years</u>				
1	PY 2 - Reconciliation Adjustment (RA)	\$ (2,639,605)	\$ -	\$ (2,639,605)
2	PY 1 - Commission Ordered Adjustments (O) to be (Refunded) in PY 3	(161,044)	-	(161,044)
3	(Over)/Under Recovery from Prior Periods (Line 1 + Line 2)	\$ (2,800,649)	\$ -	\$ (2,800,649)
<u>Current Year (Over)/Under Recovery</u>				
4	PY 3 - Energy Efficiency Expenses	\$ 6,695,521	\$ 20,734	\$ 6,716,255
5	PY 3 - Energy Efficiency Revenues	7,451,686	-	7,451,686
6	(Over) /Under Recovery for PY 3 (Line 4 - Line 5)	\$ (756,165)	\$ 20,734	\$ (735,431)
7	Interest	-	-	-
8	Cumulative (Over)/Under Recovery (Line 3 + Line 6 + Line 7)	\$ (3,556,814)	\$ 20,734	\$ (3,536,081)
<u>Disposition of Cumulative (Over)/Under Recovery</u>				
9	PY 2 - Commission Ordered Adjustment (O) to be Collected in PY 4	\$ -	\$ -	\$ -
10	PY 3 - RA to be (Refunded) in PY 4	(3,556,814)	-	\$ (3,556,814)
11	PY 3 - Commission Ordered Adjustment (O) to be Collected in Future Filing (Line 9 - Line 10 - Line 11)	-	20,734	\$ 20,734
12	Cumulative (Over)/Under Recovery (Line 9 + Line 10 + Line 11)	\$ (3,556,814)	\$ 20,734	\$ (3,536,081)

Sources:

Column (b): NS-PGL Ex. 1.1P, page 2 of 7, Column [D]
 Column (c): NS-PGL Audit #2014-1004, January 26, 2015
 Column (d): Per Staff [Column (b) + Column (c)]

The Peoples Gas Light and Coke Company
 Rider EOA - Residential Energy Efficiency Reconciliation Adjustment
 Service Classification No. 2
 For the Period June 1, 2013 through May 31, 2014 (PY 3)

Line No.	Description (a)	Per Company (b)	Staff Adjustment (c)	Per Staff (b) + (c) (d)
<u>(Over)/Under Recovery from Prior Years</u>				
1	PY 2 - Reconciliation Adjustment (RA)	\$ 1,956,190	\$ -	\$ 1,956,190
2	PY 1 - Commission Ordered Adjustments (O) to be (Refunded) in PY 3	(95,765)	-	(95,765)
3	(Over)/Under Recovery from Prior Periods (Line 1 + Line 2)	\$ 1,860,425	\$ -	\$ 1,860,425
<u>Current Year (Over)/Under Recovery</u>				
4	PY 3 - Energy Efficiency Expenses	\$ 10,030,618	\$ 423	\$ 10,031,041
5	PY 3 - Energy Efficiency Revenues	7,776,486	-	7,776,486
6	(Over) /Under Recovery for PY 3 (Line 4 - Line 5)	\$ 2,254,131	\$ 423	\$ 2,254,555
7	Interest	-	-	-
8	Cumulative (Over)/Under Recovery (Line 3 + Line 6 + Line 7)	\$ 4,114,556	\$ 423	\$ 4,114,980
<u>Disposition of Cumulative (Over)/Under Recovery</u>				
9	PY 2 - Commission Ordered Adjustment (O) to be Collected in PY 4	\$ -	\$ -	\$ -
10	PY 3 - RA to be (Refunded) in PY 4	4,114,556	-	\$ 4,114,556
11	PY 3 - Commission Ordered Adjustment (O) to be Collected in Future Filing (Line 9 - Line 10 - Line 11)	-	423	\$ 423
12	Cumulative (Over)/Under Recovery (Line 9 + Line 10 + Line 11)	\$ 4,114,556	\$ 423	\$ 4,114,980

Sources:
 Column (b): NS-PGL Ex. 1.1P, page 3 of 7, Column [D]
 Column (c): NS-PGL Audit #2014-1004, January 26, 2015
 Column (d): Per Staff [Column (b) + Column (c)]

The Peoples Gas Light and Coke Company
 Rider EOA - Commercial and Industrial Energy Efficiency Reconciliation Adjustment
 Service Classifications Nos. 2, 4, 5, 7 and 8
 For the Period June 1, 2013 through May 31, 2014 (PY 3)

Line No.	Description (a)	Per Company (b)	Staff Adjustment (c)	Per Staff (b) + (c) (d)
<u>(Over)/Under Recovery from Prior Years</u>				
1	PY 2 - Reconciliation Adjustment (RA)	\$ (997,889)	\$ -	\$ (997,889)
2	PY 1 - Commission Ordered Adjustments (O) to be (Refunded) in PY 3	(172,052)	-	(172,052)
3	(Over)/Under Recovery from Prior Periods (Line 1 + Line 2)	\$ (1,169,941)	\$ -	\$ (1,169,941)
<u>Current Year (Over)/Under Recovery</u>				
4	PY 3 - Energy Efficiency Expenses	\$ 11,917,160	\$ -	\$ 11,917,160
5	PY 3 - Energy Efficiency Revenues	28,692,294	-	28,692,294
6	(Over) /Under Recovery for PY 3 (Line 4 - Line 5)	\$ (16,775,133)	\$ -	\$ (16,775,133)
7	Interest	-	-	-
8	Cumulative (Over)/Under Recovery (Line 3 + Line 6 + Line 7)	\$ (17,945,074)	\$ -	\$ (17,945,074)
<u>Disposition of Cumulative (Over)/Under Recovery</u>				
9	PY 2 - Commission Ordered Adjustment (O) to be Collected in PY 4	\$ -	\$ -	\$ -
10	PY 3 - RA to be (Refunded) in PY 4	(17,945,074)	-	\$(17,945,074)
11	PY 3 - Commission Ordered Adjustment (O) to be Collected in Future Filing (Line 9 - Line 10 - Line 11)	-	-	\$ -
12	Cumulative (Over)/Under Recovery (Line 90 + Line 10 + Line 11)	\$ (17,945,074)	\$ -	\$ (17,945,074)

Sources:

Column (b): NS-PGL Ex. 1.1P, page 4 of 7, Column [D]
 Column (d): Per Staff [Column (b) + Column (c)]

The Peoples Gas Light and Coke Company
 Rider EOA - On-Bill Financing Reconciliation Adjustment
 Service Classification No. 1
 For the Period June 1, 2013 through May 31, 2014 (PY 3)

Line No.	Description (a)	Per Company (b)	Staff Adjustment (c)	Per Staff (b) + (c) (d)
<u>(Over)/Under Recovery from Prior Years</u>				
1	PY 2 - Reconciliation Adjustment (RA)	\$ (277,004)	\$ -	\$ (277,004)
2	PY 1 - Commission Ordered Adjustments (O) to be Collected in PY 3	3,807	-	3,807
3	(Over)/Under Recovery from Prior Periods (Line 1 + Line 2)	\$ (273,197)	\$ -	\$ (273,197)
<u>Current Year (Over)/Under Recovery</u>				
4	PY 3 - Energy Efficiency Expenses	\$ 22,721	\$ -	\$ 22,721
5	PY 3 - Energy Efficiency Revenues	14,870	-	14,870
6	(Over)/Under Recovery for PY 3 (Line 4 - Line 5)	\$ 7,851	\$ -	\$ 7,851
7	Interest	-	-	-
8	Cumulative (Over)/Under Recovery (Line 3 + Line 6 + Line 7)	\$ (265,346)	\$ -	\$ (265,346)
<u>Disposition of Cumulative (Over)/Under Recovery</u>				
9	PY 2 - Commission Ordered Adjustment (O) to be Collected in PY 4	\$ -	\$ -	\$ -
10	PY 3 - RA to be (Refunded) in PY 4	(265,346)	-	\$ (265,346)
11	PY 3 - Commission Ordered Adjustment (O) to be Collected in Future Filing (Line 9 - Line 10 - Line 11)	-	-	\$ -
12	Cumulative (Over)/Under Recovery (Line 9 + Line 10 + Line 11)	\$ (265,346)	\$ -	\$ (265,346)

Sources:
 Column (b): NS-PGL Ex. 1.1P, page 2 of 7, Column [D]
 Column (d): Per Staff [Column (b) + Column (c)]

The Peoples Gas Light and Coke Company
 Rider EOA - On-Bill Financing Reconciliation Adjustment
 Service Classification No. 2
 For the Period June 1, 2013 through May 31, 2014 (PY 3)

Line No.	Description (a)	Per Company (b)	Staff Adjustment (c)	Per Staff (b) + (c) (d)
<u>(Over)/Under Recovery from Prior Years</u>				
1	PY 2 - Reconciliation Adjustment (RA)	\$ 9,480	\$ -	\$ 9,480
2	PY 1 - Commission Ordered Adjustments (O) to be (Refunded) in PY 3	(3,807)	-	(3,807)
3	(Over)/Under Recovery from Prior Periods (Line 1 + Line 2)	\$ 5,673	\$ -	\$ 5,673
<u>Current Year (Over)/Under Recovery</u>				
4	PY 3 - Energy Efficiency Expenses	\$ 464	\$ -	\$ 464
5	PY 3 - Energy Efficiency Revenues	-	-	-
6	(Over)/Under Recovery for PY 3 (Line 4 - Line 5)	\$ 464	\$ -	\$ 464
7	Interest	-	-	-
8	Cumulative (Over)/Under Recovery (Line 3 + Line 6 + Line 7)	\$ 6,137	\$ -	\$ 6,137
<u>Disposition of Cumulative (Over)/Under Recovery</u>				
9	PY 2 - Commission Ordered Adjustment (O) to be Collected in PY 4	\$ -	\$ -	\$ -
10	PY 3 - RA to be (Refunded) in PY 4	6,137	-	\$ 6,137
11	PY 3 - Commission Ordered Adjustment (O) to be Collected in Future Filing (Line 9 - Line 10 - Line 11)	-	-	\$ -
12	Cumulative (Over)/Under Recovery (Line 9 + Line 10 + Line 11)	\$ 6,137	\$ -	\$ 6,137

Sources:

Column (b): NS-PGL Ex. 1.1P, page 3 of 7, Column [D]
 Column (d): Per Staff [Column (b) + Column (c)]

State of Illinois)
)
County of Sangamon)

AFFIDAVIT OF MIKE OSTRANDER

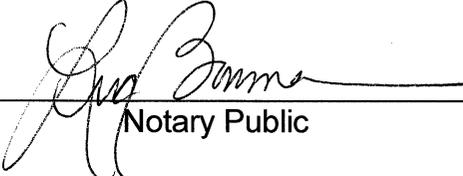
I, Mike Ostrander, being first duly sworn upon oath, depose and state as follows:

1. My name is Mike Ostrander. My business address is 527 E. Capitol Avenue, Springfield, Illinois 62701. I am employed by the Illinois Commerce Commission ("Commission") as an Accountant in the Accounting Department of the Financial Analysis Division.
2. On today's date, my direct testimony was filed in this proceeding via the Commission's e-Docket system ("Direct Testimony"). My Direct Testimony was prepared by me or under my direction and control, is marked for identification as ICC Staff Exhibit 1.0, and consists of a cover page, Table of Contents, 8 pages of questions and answers and Schedules 1.01 N through 1.04 N and Schedules 1.01 P through 1.05 P.
3. If asked under oath or affirmation the questions posed in my Direct Testimony, I would provide the same answers contained therein.
4. The answers contained in my Direct Testimony are true and accurate to the best of my knowledge and belief.

Further affiant sayeth naught.

Mike Ostrander
Mike Ostrander
Illinois Commerce Commission

Subscribed and sworn to before me
this 20th day of August, 2015.



Notary Public

