

DIRECT TESTIMONY

Of

MARY H. EVERSON

Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Petition pursuant to Rider UEA of Schedule of Rates for Gas Service to Initiate a
Proceeding to Determine the Accuracy of the Rider UEA Reconciliation
Statement

The Peoples Gas Light and Coke Company

Docket No. 15-0497

January 14, 2016

1 **Witness Identification**

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

3 A. My name is Mary H. Everson. My business address is 527 East Capitol
4 Avenue, Springfield, Illinois 62701.

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

6 A. I have a Bachelor of Science in Accounting from the University of Central
7 Florida. I am a Certified Public Accountant licensed to practice in the State
8 of Illinois. I joined the Staff of the Illinois Commerce Commission in
9 February 1999. Prior to joining Staff, I was employed in industry as a
10 financial analyst and in government as an internal auditor.

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

12 A. Yes, I have before the Commission on several occasions.

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

14 A. The purpose of my testimony is to report the results of my review of The
15 Peoples Gas Light and Coke Company's ("PGL" or the "Company")
16 reconciliation of Rider UEA, Uncollectible Expense Adjustment ("Rider
17 UEA") revenues intended to be recovered through the rider and what was
18 actually recovered during the effective period of the charges, sponsored by
19 Company witness Lynn M. Hosty and David B. Baron. (PGL Ex. 1.0 and
20 PGL Ex. 2.0 respectively)

21 **Q. Are you sponsoring any schedules as part of your testimony, ICC Staff**
22 **Exhibit 1.0?**

23 A. Yes. I prepared Schedule 1.1, which I describe below.

24 **Q. What is your recommendation regarding the Company's proposed**
25 **Annual Reconciliation Adjustments?**

26 A. I recommend the Commission accept the Company's Annual
27 Reconciliation, as reflected on ICC Staff Ex. 1.0, Schedule 1.1.

28 **Q. Please describe Schedule 1.1.**

29 A. Schedule 1.1 is a three-page schedule that presents the reconciliation for
30 uncollectible expenses incurred during the period January 1, 2013 through
31 December 31, 2013 ("Reporting Year") with revenues collected through
32 base rates and Rider UEA for the period April 1, 2014 through May 31, 2015.
33 Schedule 1.1 summarizes the Uncollectible Expense Reconciliation
34 Adjustments ("Factor RA") for the 2013 Reporting Year by each service
35 type.

36 On Schedule 1.1, the over or under collection amounts from the prior
37 reconciliation are reflected on Line 1. Line 2 reflects amounts from 2012
38 intended to be collected in this reconciliation period. Line 3 reflects that the
39 Company did not have an ordered reconciliation factor from a previous
40 reconciliation proceeding. Line 4 is the cumulative over or under collection
41 from prior periods and is the sum of Lines 1, 2 and 3.

42 Line 5 reflects the total uncollectible net write-off amounts for 2013 and Line
43 6 reflects the baseline uncollectible amounts recovered in the Company's
44 base rates for 2013. Line 7 reflects that there were no adjustments for this
45 reconciliation period. Line 8 shows the actual rider charges collected or
46 refunded from April 2014 through May 31, 2015. Line 9 is Line 5 less Line
47 6 plus Line 7 less Line 8 and represents the over or under collection for
48 2013 as of May 31, 2015.

49 The cumulative over/under collection from prior periods on Line 4 is added
50 to the over/under collection from the current period on line 9 to calculate
51 each service type's cumulative over/under collection on line 10.

52 Amounts intended to be recovered or refunded through Rider UEA for 2013
53 in future periods is reflected on Line 11. Line 12 shows each service type's
54 Commission-ordered 2013 reconciliation factor. Line 13 shows each service
55 type's cumulative over or under recovered balance and is the sum of Lines
56 11 and 12.

57 **Q. Do all of your amounts come directly from the Company's exhibits?**

58 A. Yes, for Column B on pages 2 through 3 of my Schedule 1.1; except for
59 totals and subtotals. The source of Column B for each line on pages 2
60 through 3 is noted at the bottom of each schedule. Column C on pages 2
61 through 3 reflects any Staff adjustments, and Column D is the total of

62 Columns B and C. Page 1 of Schedule 1.0 is a summary of pages 2 through
63 3.

64 **Summary of Conclusions and Recommendations**

65 **Q. Please summarize your recommendation.**

66 A. I recommend the Commission accept the reconciliation as reflected on Staff
67 Schedule 1.1. I further recommend that Schedule 1.1 be attached as an
68 appendix to the Commission's Order in this proceeding.

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

70 A. Yes.

The Peoples Gas Light and Coke Company
Rider UEA Reconciliation Summary
For the Uncollectible Expenses Incurred
From January 1, 2013 through December 31, 2013

Line No.	Description (A)	Delivery (B)	Supply (C)	Total (D)
<u>Balances to be Collected / (Refunded) from Prior Years</u>				
1	2012 Reconciliation Adjustment (Over)/Under Recovery (Docket No. 14-0530)	\$ 4,612	\$ 66,078	\$ 70,690
2	2012 Rider UEA (Refund)/Collection to be refunded/collected April & May 2014 (Docket No. 14-0530)	(476,523)	(365,481)	(842,004)
3	Ordered Reconciliation Factor (Docket No. 14-0530)	-	-	-
4	Cumulative (Over)/Under Recovery from Prior Years (Sum of Lines 1-3)	<u>\$ (471,911)</u>	<u>\$ (299,403)</u>	<u>\$ (771,314)</u>
<u>Current Year (Over)/Under Recovery</u>				
5	2013 Recoverable Uncollectible Expense	\$ 13,347,483	\$ 10,435,608	\$ 23,783,091
6	2013 Uncollectible Expense in Base Rates	16,901,625	13,649,766	30,551,392
7	Adjustments	-	-	-
8	Actual Rider UEA Collection/(Refund) April 2014 through May 2015	(4,062,548)	(3,399,865)	(7,462,413)
9	(Over)/Under Recovery from Reconciliation Period (Line 5 - Line 6 + Line 7 - Line 8)	508,405	185,706	694,112
10	Cumulative (Over)/Under Recovery (Line 4 + Line 9)	<u>\$ 36,494</u>	<u>\$ (113,697)</u>	<u>\$ (77,202)</u>
<u>Disposition of Prior Years R and O Components</u>				
11	Reconciliation Adjustment (RA) Amount to be Recovered / (Refunded)	47,865	(125,067)	(77,202)
12	2013 Reconciliation Factor to be Collected / (Refunded) (Line 10-11)	(11,370)	11,370	-
13	Cumulative (Over)/Under Recovery (Line 11+12)	<u>\$ 36,495</u>	<u>\$ (113,697)</u>	<u>\$ (77,202)</u>

Column B: Page 2 of 3

Column C: Page 3 of 3

Column D: Columns B + C

The Peoples Gas Light and Coke Company
Rider UEA Reconciliation-Delivery
For the Uncollectible Expenses Incurred
From January 1, 2013 through December 31, 2013

Line No.	Description (A)	Per Company (B)	Adjustment (C)	Per Staff (D)
<u>Balances to be Collected / (Refunded) from Prior Years</u>				
1	2012 Reconciliation Adjustment (Over)/Under Recovery (Docket No. 14-0530)	\$ 4,612	\$ -	\$ 4,612
2	2012 Rider UEA (Refund)/Collection to be refunded/collected April & May	(476,523)	-	(476,523)
3	2014 (Docket No. 14-0530)	-	-	-
4	Ordered Reconciliation Factor (Docket No. 14-0530)	-	-	-
4	Cumulative (Over)/Under Recovery from Prior Years (Sum of Lines 1-3)	<u>\$ (471,911)</u>	<u>\$ -</u>	<u>\$ (471,911)</u>
<u>Current Year (Over)/Under Recovery</u>				
5	2013 Recoverable Uncollectible Expense	\$ 13,347,483	\$ -	\$ 13,347,483
6	2013 Uncollectible Expense in Base Rates	16,901,625	-	16,901,625
7	Adjustments	-	-	-
8	¹ Actual Rider UEA Collection/(Refund) April 2014 through May 2015	(4,062,548)	-	(4,062,548)
9	(Over)/Under Recovery from Reconciliation Period (Line 5 - Line 6 + Line 7 - Line 8)	<u>\$ 508,405</u>	<u>\$ -</u>	<u>\$ 508,405</u>
10	Cumulative (Over)/Under Recovery (Line 4 + Line 9)	<u>\$ 36,494</u>	<u>\$ -</u>	<u>\$ 36,494</u>
<u>Disposition of Prior Years RA and O Components</u>				
11	Reconciliation Adjustment (RA) Amount to be Recovered / (Refunded)	47,865	-	47,865
12	2013 Reconciliation Factor to be Collected / (Refunded) (Line 10-11-12)	(11,370)	-	(11,370)
13	Cumulative (Over)/Under Recovery (Line 11+12)	<u>\$ 36,494</u>	<u>\$ -</u>	<u>\$ 36,494</u>

¹ (Refunds)/Collections include 2 months of 2012 Rider UEA (Line 2) and 12 months of 2013 Rider UEA

Column (B):

- Line : 1 Docket No. 14-0530, Appendix A, p.1, Col. (B), Line 12
2 Docket No. 14-0530, Appendix A, p.1, Col. (B), Line 11
3 N/A
4 Sum of Lines 1 through 3
5 PGL Ex. 1.2, p. 4, Col. A, Line 5
6 PGL Ex. 1.1, p. 4, Col. A, Line 10
7 N/A
8 PGL Ex. 1.1, p. 2, Line 12
9 Line 5-Line 6+Line 7-Line 8
10 Line 4 + Line 9
11 PGL Ex. 1.1, p. 1, Col. (A), Line 6
12 Line 10-Line 11
13 Line 10

The Peoples Gas Light and Coke Company
Rider UEA Reconciliation-Supply
For the Uncollectible Expenses Incurred
From January 1, 2013 through December 31, 2013

Line No.	Description (A)	Per Company (B)	Adjustment (C)	Per Staff (D)
<u>Balances to be Collected / (Refunded) from Prior Years</u>				
1	2012 Reconciliation Adjustment (Over)/Under Recovery (Docket No. 14-0530)	\$ 66,078	\$ -	\$ 66,078
2	2012 Rider UEA (Refund)/Collection to be refunded/collected April & May			
3	2014 (Docket No. 14-0530)	(365,481)	-	(365,481)
4	Ordered Reconciliation Factor (Docket No. 14-0530)	-	-	-
4	Cumulative (Over)/Under Recovery from Prior Years (Sum of Lines 1-3)	\$ (299,403)	\$ -	\$ (299,403)
<u>Current Year (Over)/Under Recovery</u>				
5	2013 Recoverable Uncollectible Expense	\$ 10,435,608	\$ -	\$ 10,435,608
6	2013 Uncollectible Expense in Base Rates	13,649,766	-	13,649,766
7	Adjustments	-	-	-
8	Actual Rider UEA Collection/(Refund) April 2014 through May 2015	(3,399,865)	-	(3,399,865)
9	(Over)/Under Recovery from Reconciliation Period (Line 5 - Line 6 + Line 7 - Line 8)	\$ 185,706	\$ -	\$ 185,706
10	Cumulative (Over)/Under Recovery (Line 4 + Line 9)	\$ (113,697)	\$ -	\$ (113,697)
<u>Disposition of Prior Years R and O Components</u>				
11	Reconciliation Adjustment (RA) Amount to be Recovered / (Refunded)	(125,067)	-	(125,067)
12	2013 Reconciliation Factor to be Collected / (Refunded) (Line 10-11)	11,370	-	11,370
13	Cumulative (Over)/Under Recovery (Line 11+12)	\$ (113,697)	\$ -	\$ (113,697)

Column (B):

- Line : 1 Docket No. 14-0530, Appendix A, p.1, Col. (B), Line 12
2 Docket No. 14-0530, Appendix A, p.1, Col. (B), Line 11
3 N/A
4 Sum of Lines 1 through 3
5 PGL Ex. 1.2, p. 4, Col. A, Line 5
6 PGL Ex. 1.1, p. 4, Col. A, Line 10
7 N/A
8 PGL Ex. 1.1, p. 2, Line 12
9 Line 5-Line 6+Line 7-Line 8
10 Line 4 + Line 9
11 PGL Ex. 1.1, p. 1, Col. (B), Line 6
12 Line 10-Line 11
13 Line 10