

DIRECT TESTIMONY

of

DANIEL G. KAHLE

Accounting Department  
Financial Analysis Division  
Illinois Commerce Commission

Petition Seeking Authority to Enter  
Into a Lease of Office Space in which  
An Affiliated Interest Exists

Consumers Gas Company

Docket No. 16-0406

September 2, 2016

1 **Witness Identification**

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

3 A. My name is Daniel G. Kahle. 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 employed as an Accountant in the Accounting Department of the  
7 Financial Analysis Division of the Illinois Commerce Commission  
8 ("Commission").

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

10 A. I have a Bachelor of Science degree in Accountancy from the University  
11 of Illinois. I am a Certified Public Accountant, licensed to practice in the  
12 State of Illinois. My prior accounting experience includes seventeen years  
13 as an internal auditor for the State of Illinois, including four years as Chief  
14 Auditor at the Department of Commerce and Economic Opportunity  
15 ("DCEO"), five years as an Accounting Office Manager at DCEO, as well  
16 as a period of time employed as an Assurance Services Manager in a  
17 public accounting firm. I joined the Staff of the Illinois Commerce  
18 Commission ("Staff") in April, 2006.

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

20 A. Yes, I have testified on various regulatory accounting issues on several  
21 occasions before the Commission.

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

23 A. The purpose of my testimony is to report the results of my review of the  
24 Company's Petition for the approval of a lease for office space with an  
25 affiliated interest and to make a recommendation on the approval of the  
26 lease, based upon the results of my review.

27 **Review**

28 **Q. What steps did you take in your review?**

29 A. I reviewed the Company's filing and compared the proposed lease  
30 agreement with the lease agreement currently in effect that was approved  
31 by the Commission in Docket No. 13-0482. The proposed lease  
32 agreement (Company's Exhibit GR-2) is for a term of three years  
33 beginning October 1, 2016, and ending at midnight on September 30,  
34 2019. In all other aspects, the two lease agreements are identical. I also  
35 compared the monthly payments required by the lease to that of other  
36 rental properties, as described below, and noted no material disparities.

37 **Q. Does the new lease agreement call for an increase in monthly rent?**

38 A. No. The Company states that the monthly rent provided for in the  
39 proposed lease, \$950.00, is identical to that approved in Docket 13-0482.

40 **Q. How does the monthly rent of \$950.00 compare with the current**  
41 **market for similar office space in the Evansville, Indiana area?**

42 A. In comparison to the Company's Exhibit GR-3, the monthly rent in the  
43 proposed lease agreement compares favorably with other rental  
44 properties in the area.

45 **Q. What is your recommendation regarding Consumers petition?**

46 A. I find no reason to object to the proposed lease agreement and  
47 recommend that the Commission give Consumers authority to execute the  
48 lease.

49 **Conclusion**

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

51 A. Yes, it does.