

ICC DOCKET 06-0540

APPLICANTS – RGS JOINT EXHIBIT NO. 1

Agreement for Resolution of Issues in ICC Docket 06-0540

WPS Resources Corporation, Peoples Energy Corporation, The Peoples Gas Light and Coke Company (“Peoples Gas”) and North Shore Gas Company (“North Shore”) (collectively “Applicants”; Peoples Gas and North Shore are sometimes referred to herein as the “Gas Companies”), and Dominion Retail, Inc., Interstate Gas Supply of Illinois, Inc., US Energy Savings Corporation, MxEnergy Inc. and Direct Energy Services, LLC (collectively “Retail Gas Suppliers” or “RGS”) agree to settle and resolve the issues raised by RGS in ICC Docket 06-0540 as follows:

I. Actions to be taken by the Gas Companies outside their upcoming rate case filings

Within 90 days following issuance of a final order in ICC Docket 06-0540, the Gas Companies will make the following changes to their “Choices For You (TM)” (“CFY”) programs:

1. File tariff changes on 45 days notice to eliminate the requirement for a meter number to enroll a customer in the CFY program.
2. File tariff changes on 45 days notice to specify that only an account number shall be required to enroll a customer in the CFY program.
3. Eliminate the requirement that suppliers send a letter to customer when Peoples Gas or North Shore terminates service to a Rider SVT customer or does not enroll an ineligible customer in the CFY program.
4. File tariff changes on 45 days notice to eliminate the minimum pool size of 50 customers.

II. Actions that the Gas Companies will take in their upcoming rate case filings

In their upcoming rate case filings, which are expected to be made before the end of the first quarter of 2007, the Gas Companies will propose the following changes to the CFY programs:

1. Provision of Rate 1 customer lists (customer name and address) to Rider SVT suppliers on substantially the same terms and conditions that these lists are provided for commercial customers.
2. Billing the Aggregation Balancing Gas Charge (“ABGC”) directly to Rider SVT customers.
3. Recovery of the gas cost-related portion of the Gas Companies’ bad debt through their Gas Charges or another tariff rider and not through base rates.

4. As part of implementation of the rate case orders, improve the Gas Companies' billing systems related to electronic file transfer.

5. Elimination of the PEGAsys (TM) charges.

6. Address the \$10 enrollment charge for the CFY program, either by proposing to eliminate or modify this charge, or by presenting cost justification for continuing the \$10 enrollment charge

III. Issues to be discussed in workshops to be held prior to the Gas Companies' upcoming rate case filings

A. The Gas Companies and RGS agree to meet and discuss the following issues relating to the CFY program in a series of meetings (to which other interested parties will be invited) to be held prior to the filing of the Gas Companies' upcoming rate cases. The meetings are more fully described in III.B below.

1. All items listed in Section II above.

2. Possible PEGAsys (TM) system improvements and the provision of more information about Required Daily Delivery Quantities ("RDDQ").

3. Whether the provision requiring a meter read to have occurred within the previous 120 days in order for a customer to be enrolled in CFY can be eliminated or modified.

4. Whether the tolerance level for the monthly Required Daily Delivery ("RDD") tolerance check can be raised to plus or minus 5%.

5. Whether the requirement in the CFY program limiting eligibility to customers using a maximum 50,000 therms annually can be eliminated or modified.

6. Whether the monthly RDD tolerance check can be eliminated.

7. Whether upstream capacities can be allocated on a pro rata usage basis, or, alternatively, whether the ABGC can be eliminated or the calculation revised, based on review of the services being provided and the upstream assets and capacity being utilized.

8. Whether the cash working capital requirements relating to the Gas Companies' gas in storage inventory can be recovered through a rate mechanism that is paid only by gas sales customers of the Gas Companies.

9. Whether the requirement that a customer returning from CFY to sales service from Peoples Gas or North Shore must remain on sales service for a minimum time before returning to CFY can be eliminated.
 10. Whether, and on what terms, the Gas Companies can, with customer authorization, provide customer payment history to a Rider SVT supplier.
 11. Whether, and on what terms, the Gas Companies can, with customer authorization, provide commercial customer tax identification numbers to a Rider SVT supplier.
 12. Whether wide band parameters can be provided allowing an alternate gas supplier (“AGS”) to use storage to meet conditions caused by variance in the weather, under provisions pursuant to which the AGS decides how much gas to inject or withdraw to/from storage on a given day (within predetermined limits) in addition to the 10% band around RDDQ.
 13. Whether, and on what terms, the Gas Companies can purchase CFY supplier bad debt.
- B. The Gas Companies and RGS will attempt to begin the meetings during the week of January 15, 2007, and to meet regularly over the following weeks. The following other entities will be invited to participate in the meetings: ICC Staff; Illinois Attorney General; Citizens Utility Board; City of Chicago; Cook County State’s Attorney’ Office; and other AGS doing business or known to be interested in doing business on the Gas Companies’ systems.
- C. The commitment stated in this Section III is a commitment to a good faith effort by the Gas Companies and RGS to meet, negotiate and attempt to reach mutually-acceptable resolutions of the issues listed in III.A.2 through III.A.13, and not to a specific outcome of any issue. However, issues on which an agreed resolution can be reached in a timely manner so as to allow submission in the Gas Companies’ upcoming rate cases will be included by the Gas Companies in their rate case filings.

IV. Complete Resolution

This agreement constitutes complete resolution of the issues raised by RGS in ICC Docket 06-0540 for purposes of that docket. Applicants and RGS will jointly submit a proposed draft order (or relevant parts of a draft order), that is acceptable to or not opposed by ICC Staff, to the ICC incorporating the agreements set forth herein.

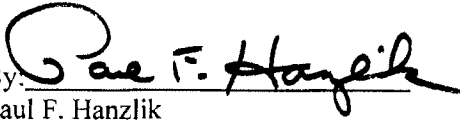
V. ICC Staff Participation in this Agreement

ICC Staff will not be a party to this Agreement. However, ICC Staff will execute this Agreement solely for the purpose of affirming that Staff does not and will not oppose the

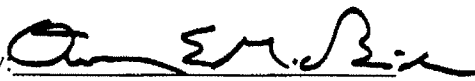
resolution of RGS' issues in ICC Docket 06-0540 as set forth in this Agreement. In addition, Staff remains free to support, oppose or propose modifications to any proposal relating to any of the items listed in this Agreement that is filed by the Gas Companies with the Commission for approval.

Dated: January 10, 2007

WPS RESOURCES CORPORATION

By: 
Paul F. Hanzlik
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Its attorney

PEOPLES ENERGY CORPORATION
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NORTH SHORE GAS COMPANY

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Their attorney

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INTERSTATE GAS SUPPLY OF
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US ENERGY SAVINGS
CORPORATION
MxENERGY INC.
DIRECT ENERGY SERVICES, LLC

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Their attorney

STAFF OF THE
ILLINOIS COMMERCE COMMISSION,
not as a Party but for the Purposes Set Forth
In Section V of the Agreement

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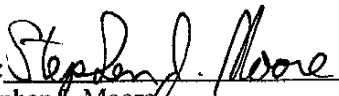
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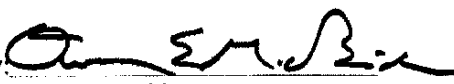
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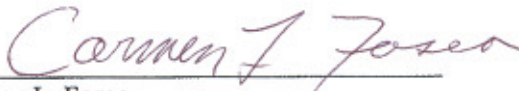
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