

The Peoples Gas Light and Coke Company

SUMMARY OF STANDARD INFORMATION REQUIREMENTS

Utility Name: The Peoples Gas Light and Coke Gas Company

Segment of Operations Requesting Change in Rates: Natural Gas (Delivery)

Tariff Filing Date: February 13, 2009

Test Year Type: Future
Test Year: 12 Months Ending December 31, 2010

Utility Representative: James F. Schott
Utility Address: 130 East Randolph Drive
Chicago, IL 60601
Telephone Number: (312) 240-4000
E-Mail Address: JFSchott@integrysgroup.com

Alternate Utility Official: Thomas Aridas
Utility Address: 130 East Randolph Drive
Chicago, Illinois 60601
Telephone Number: (312) 240-4000
E-Mail Address: TGAridas@integrysgroup.com

Name of Company Attorney: John P. Ratnaswamy
Foley & Lardner LLP
Address: 321 North Clark Street
Chicago, Illinois 60610
Telephone Number: (312) 832-4500
E-Mail Address: JRatnaswamy@foley.com

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Increase Requested:

Dollars (\$):

\$161.92 million, exclusive of add-on revenue taxes

Percentage (%):

35.04% of expected 2010 revenues, exclusive of add-on revenue taxes, before rate relief.

Schedules Not Provided:

See pages 3 through 5.

Workpapers Not Provided:

See page 5.

General Information Requirements
Not Provided:

See pages 6 through 7.

The Peoples Gas Light and Coke Company

SUMMARY OF STANDARD INFORMATION REQUIREMENTS

SCHEDULES NOT PROVIDED

(Note: Part 285 Schedules for Electric and Telecommunication Not Applicable to this Filing).

| <u>Schedule No.</u> | <u>Schedule Description</u> | <u>Reason</u> |
|---------------------|--|--|
| A-5 | Jurisdictional Allocation Summary | This is not applicable to the Company. |
| B-3 | Comparative Balance Sheet for Prior Three Years and the Test Year | The required information is included on Schedule G-16. |
| B-4 | Summary of Adjustments to Plant in Service | The Company anticipates no adjustments to Plant in Service during the test year. |
| B-5.1 | Gains and Losses on Sales of Property(exceeding 1% of total gross plant in service). | The Company has not sold real estate property since the last rate case with a book value exceeding 1% of total gross plant in service. |
| B-5.2 | Property Merged or Acquired from Other Utilities | The Company has neither merged, nor acquired property in excess of \$100,000 from other utilities since the last rate case. |
| B-5.3 | Leased Property Included in Rate Base | The Company has not included any capitalized leases in rate base. |
| B-7.2 | Allowance for Funds Used During Construction | The Company does not anticipate recording AFUDC during the period involved. |
| B-10 | Deferred Charges | The Company has not included any deferred charge items in rate base. |
| B-11 | Property Held for Future Use | The Company does not have any property being Held for Future Use. |
| B-12 | Analysis of Activity in Property Held for Future Use | The Company does not have any property included in rate base being Held for Future Use. |

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SCHEDULES NOT PROVIDED

| <u>Schedule No.</u> | <u>Schedule Description</u> | <u>Reason</u> |
|---------------------|---|--|
| C-9 | Civic, Political and Related Activities | The Company did not incur costs related to such activities. |
| C-11.4 | Reconciliation of Estimated Overhead and Clearing costs | The Company does not have a reconciliation of estimated overhead and clearing costs. |
| C-22 | Cost Savings Programs | The Company is not requesting recovery of initial costs of cost savings programs in excess of \$1,000,000 or .1% of operations and maintenance expenses in the year preceding the initiation of the program. |
| C-24 | Legal Expenses and Reserves | There are no reserves for outstanding lawsuits, claims, etc. included in rate base. The Company has included a reduction to rate base of \$8,307,000 for injuries and damages under Schedules B-1 and B-1.4 |
| C-31 | Competitive Services | The Company does not provide any competitive services as that term is defined in 220 ILCS 5/16-102. |
| D-4 | Embedded Cost of Preferred Stock | The Company anticipates no preferred stock outstanding during the period involved. |
| D-5 | Unrecovered Common Equity Issuance Costs | The Company is not requesting compensation for unrecovered common equity issuance costs. |
| D-9 | Financial Statements (Income Statement) | The required information is included on Schedule G-15. |
| D-10 | Financial Statements (Balance Sheet) | The required information is included on Schedule G-16. |

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SCHEDULES NOT PROVIDED

| <u>Schedule No.</u> | <u>Schedule Description</u> | <u>Reason</u> |
|---------------------|---|--|
| D-11 | Financial Statements (Cash Flow) | The required information is included on Schedule G-17. |
| D-12 | Financial Statements (Statement of Retained Earnings) | The required information is included on Schedule G-18. |

WORKPAPERS NOT PROVIDED

| <u>Schedule No.</u> | <u>Schedule Description</u> | <u>Reason</u> |
|---------------------|-----------------------------|--|
| G-10 | Budgeted Payroll Expense | The data required under Section 285.7055 (c)(2) and (c)(3) is not available by month for actual years 2005-2007. |

The Peoples Gas Light and Coke Company

SUMMARY OF STANDARD INFORMATION REQUIREMENTS

GENERAL INFORMATION REQUIREMENTS NOT PROVIDED

Section 285.305 General Information Requirements Applicable for All Utilities

Required: (b) Docket number for the most recent rate order from each regulatory entity other than this Commission, having jurisdiction over the utility, for each type of regulated service offered by the utility.

Submitted: None, the Company is only subject to state jurisdiction in Illinois.

Required: (h) A list of all private letter rulings received from the Internal Revenue Service ("IRS") since the utility's last rate filing before the Commission.

Submitted: None, the Company has not received any private letter rulings since its last rate case, Docket #07-0242.

Required: (i) A list of any reports or studies prepared for the utility by outside professional consultants or analysts during the last three years with a cost the lesser of .1% of the total utility annual revenues or \$500,000. The list shall include the report/study date, consultant name, subject of the report/study, cost of the report/study, and accounts charged.

Submitted: None, the Company has not engaged any outside professional consultants or analysts during the last three years that meet the required threshold amount.

Required: (l) Quarterly reports to shareholders issued subsequent to the last annual report to shareholders of utility and any parent company.

Submitted: None, the Company did not issue any quarterly reports subsequent to the last annual report to shareholders.

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SUMMARY OF STANDARD INFORMATION REQUIREMENTS

Section 285.315 General Information Requirements Applicable for Gas Utilities

Required: (b) Most recent FERC Form 2.

Submitted: None. The Company is not required to file FERC Form 2.

Section 285.410 Productivity Data

Productivity data as required by Section 285.410 will be available to the Commission Staff in our offices along with other information as required by Section 285.150.

The Peoples Gas Light and Coke Company

OVERALL FINANCIAL SUMMARY

| Line No. | Description [A] | Reference to Supporting Schedule [B] | Test Year Ending December 31, 2010 [C] | Line No. |
|-------------|--|---|--|-------------|
| 1 | Original Cost Rate Base | B-1 | <u>\$1,396,058,000</u> | 1 |
| 2 | Operating Income as Adjusted Under | | | 2 |
| 3 | Present Rates | C-1 | <u>\$35,305,000</u> | 3 |
| 4 | Rate of Return on Original Cost Rate | | | 4 |
| 5 | Base Under Present Rates [Line 3 ÷ Line 1] | | <u>2.53%</u> | 5 |
| 6 | Cost of Capital | D-1 | <u>9.34%</u> | 6 |
| 7 | Proposed Operating Income | C-1 | <u>\$130,392,000</u> | 7 |
| 8 | Operating Income Deficiency | | | 8 |
| 9 | [Line 7 - Line 3] | C-1 | <u>\$95,087,000</u> | 9 |
| 10 | Gross Revenue Conversion Factor | A-2.1 | <u>1.702867</u> | 10 |
| 11 | Revenue Increase | C-1 | <u>\$161,920,000</u> | 11 |
| 12 | Total Revenue Increase (Line 13 + Additional | | | 12 |
| 13 | Charges for Revenue Taxes) | | See Note | 13 |
| | <u>Breakdown of Revenue Increase</u> | | | |
| 14 | Increase in Retail and Transportation Sales | | \$158,867,000 | 14 |
| 15 | Increase in Other Operating Revenues - | | | 15 |
| 16 | Service Activation | 563,000 | | 16 |
| 17 | Service Reconnection | 144,000 | | 17 |
| 18 | Rider VBA Related Revenues | 955,000 | | 18 |
| 19 | Late Payment Revenues | 1,018,000 | | 19 |
| 20 | Accounting Charges | <u>373,000</u> | <u>3,053,000</u> | 20 |
| 21 | Revenue Increase | | <u>\$161,920,000</u> | 21 |

Note: Effective Calendar 2008, Company records add-on taxes and charges directly to receivables and liabilities when customers are billed. See Schedule C-25 for further details

The Peoples Gas Light and Coke Company

Computation of Jurisdictional Gross Revenue
Conversion Factor -Revenues Subject to
the Provision for Uncollectible Accounts
for Test Year Ended December 31, 2010

| Line No. | Description [A] | Calculation [B] | Line No. |
|-------------|---|------------------------|-------------|
| 1 | Total Operating Revenues Before Add-on Revenue Taxes | 1.000000 | 1 |
| 2 | Less: Provision for Uncollectible Accounts | <u>0.025400</u> | 2 |
| 3 | Taxable Income for State Income Tax Purposes | 0.974600 | 3 |
| 4 | Less: State Income Taxes @ 7.30% | <u>0.071146</u> | 4 |
| 5 | Taxable Income for Federal Income Tax Purposes | 0.903454 | 5 |
| 6 | Less: Federal Income Tax @ 35.00% | <u>0.316209</u> | 6 |
| 7 | Operating Income | <u><u>0.587245</u></u> | 7 |
| 8 | Gross Revenue Conversion Factor - Revenues Subject to The | | 8 |
| 9 | Provision for Uncollectible Accounts (Line 1 / Line 7) | <u><u>1.702867</u></u> | 9 |

The Peoples Gas Light and Coke Company
Comparison of Present and Proposed Rates
Test Year ending December 31, 2010

| Line No. | Service Classification | | Average Number of Customers (1) | Therms (1) | Revenue at Present Rates (2) | Revenue at Proposed Rates (2) | Difference In Revenue (2) | Percentage Change | Line No. |
|----------|---------------------------------|---------------|---------------------------------|---------------|------------------------------|-------------------------------|---------------------------|--------------------|----------|
| | Present Rate | Proposed Rate | | | | | | | |
| | [A] | [B] | [C] | [D] | [E] | [F] | [G] (G = F - E) | [H] (H = G / E) | |
| 1 | SALES | | | | | | | | |
| 2 | S. C. 1 | S. C. 1 | 708,993 | 654,413,000 | \$ 1,033,306,000 | \$ 1,129,779,000 | \$ 96,473,000 | 9% | 1 |
| 3 | S. C. 2 | S. C. 2 | 66,892 | 330,713,000 | 471,463,000 | 489,737,000 | 18,274,000 | 4% | 2 |
| 4 | S. C. 2 | S. C. 4 | 7 | 5,628,000 | 7,016,000 | 7,551,000 | 535,000 | 8% | 3 |
| 5 | S. C. 4 | S. C. 4 | - | - | - | - | - | 0% | 4 |
| 6 | S. C. 5 | S. C. 5 | - | - | - | - | - | 0% | 5 |
| 7 | S. C. 6 | S. C. 2 | 31 | 21,000 | 74,000 | 76,000 | 2,000 | 3% | 6 |
| 8 | S. C. 7 | S. C. 7 | - | - | - | - | - | 0% | 7 |
| 9 | S. C. 8 | S. C. 8 | 4 | 145,000 | 187,000 | 192,000 | 5,000 | 3% | 8 |
| 10 | Total Sales | | 775,927 | 990,920,000 | \$ 1,512,046,000 | \$ 1,627,335,000 | \$ 115,289,000 | 8% | 9 |
| 11 | TRANSPORTATION | | | | | | | | |
| 12 | S. C. 1 | S. C. 1 | 61,090 | 68,241,000 | \$ 25,919,000 | \$ 34,503,000 | \$ 8,584,000 | 33% | 10 |
| 13 | S. C. 2 | S. C. 2 | 16,894 | 359,716,000 | 72,407,000 | 94,444,000 | 22,037,000 | 30% | 11 |
| 14 | S. C. 2 | S. C. 4 | 113 | 100,652,000 | 13,043,000 | 19,444,000 | 6,401,000 | 49% | 12 |
| 15 | S. C. 4 | S. C. 4 | 73 | 164,236,000 | 12,249,000 | 18,794,000 | 6,545,000 | 53% | 13 |
| 16 | S. C. 5 | S. C. 5 | - | - | - | - | - | 0% | 14 |
| 17 | S. C. 6 | S. C. 2 | 4 | 71,000 | 8,000 | 18,000 | 10,000 | 125% | 15 |
| 18 | S. C. 7 | S. C. 7 | 3 | 40,754,000 | 2,285,000 | 2,285,000 | - | 0% | 16 |
| 19 | S. C. 8 | S. C. 8 | - | - | - | - | - | 0% | 17 |
| 20 | Total Transportation | | 78,177 | 733,670,000 | \$ 125,911,000 | \$ 169,488,000 | \$ 43,577,000 | 35% | 18 |
| 21 | SALES AND TRANSPORTATION | | | | | | | | |
| 22 | S. C. 1 | S. C. 1 | 770,083 | 722,654,000 | \$ 1,059,225,000 | \$ 1,164,282,000 | \$ 105,057,000 | 10% | 19 |
| 23 | S. C. 2 | S. C. 2 | 83,786 | 690,429,000 | 543,870,000 | 584,181,000 | 40,311,000 | 7% | 20 |
| 24 | S. C. 2 | S. C. 4 | 120 | 106,280,000 | 20,059,000 | 26,995,000 | 6,936,000 | 35% | 21 |
| 25 | S. C. 4 | S. C. 4 | 73 | 164,236,000 | 12,249,000 | 18,794,000 | 6,545,000 | 53% | 22 |
| 26 | S. C. 5 | S. C. 5 | - | - | - | - | - | 0% | 23 |
| 27 | S. C. 6 | S. C. 2 | 35 | 92,000 | 82,000 | 94,000 | 12,000 | 15% | 24 |
| 28 | S. C. 7 | S. C. 7 | 3 | 40,754,000 | 2,285,000 | 2,285,000 | - | 0% | 25 |
| 29 | S. C. 8 | S. C. 8 | 4 | 145,000 | 187,000 | 192,000 | 5,000 | 3% | 26 |
| 30 | Total Sales and Transportation | | 854,104 | 1,724,590,000 | \$ 1,637,957,000 | \$ 1,796,823,000 | \$ 158,866,000 | 10% | 27 |

Notes:

- (1) Excludes Company Use of 56 customers and 7,348,000 annual therms.
- (2) Excludes Add-on Revenue Taxes and Additional State Charges under Rider 1.

* There may be differences due to rounding.

The Peoples Gas Light and Coke Company

COMPARISON TO PRIOR RATE ORDER (1)

| Line No. | Description [A] | Test Year Ending December 31, 2010 (2) [B] | Test Year Ending September 30, 2006 (3) [D] | Line No. |
|-------------|---|---|--|-------------|
| 1 | Original Cost Rate Base | <u>\$1,396,058,000</u> | <u>\$1,212,274,000</u> | 1 |
| 2 | Operating Income as Adjusted Under | | | 2 |
| 3 | Present Rates | <u>\$35,305,000</u> | <u>\$52,266,000</u> | 3 |
| 4 | Rate of Return on Original Cost Rate | | | 4 |
| 5 | Base Under Present Rates [Line 3 ÷ Line 1] | <u>2.53%</u> | <u>4.31%</u> | 5 |
| 6 | Cost of Capital | <u>9.34%</u> | <u>7.76%</u> | 6 |
| 7 | Proposed Operating Income | <u>\$130,392,000</u> | <u>\$94,073,000</u> | 7 |
| 8 | Operating Income Deficiency | | | 8 |
| 9 | [Line 7 - Line 3] | <u>\$95,087,000</u> | <u>\$41,807,000</u> | 9 |
| 10 | Gross Revenue Conversion Factor | <u>1.702867</u> | <u>1.702867</u> | 10 |
| 11 | Total Revenue Increase Proposed | | | 11 |
| 12 | [Line 9 x Line 10] | <u>\$161,920,000</u> | <u>\$71,191,000</u> | 12 |
| 13 | Total Revenue Increase (Line 13 + Additional | | | 13 |
| 14 | Charges for Revenue Taxes) | (4) | Not Available | 14 |
| 15 | Revenue Increase Proposed - Retail Sales and | | | 15 |
| 16 | Transportation | \$158,867,000 | \$69,682,000 | 16 |
| 17 | Add: Total Additional Operating Revenue from | | | 17 |
| 18 | Increase in Service Activation Fees, Service Reconnection | | | 18 |
| 19 | Charges, Rider VBA, Late Payment Charges , Accounting | | | 19 |
| 20 | Charges and 'NSF' Check Charges | 3,053,000 | 1,509,000 | 20 |
| 21 | Total Revenue Increase | <u>\$161,920,000</u> | <u>\$71,191,000</u> | 21 |

- Notes:
- (1) Refer to James F. Schott 's Direct Testimony for explanation of changes from prior rate order that necessitated a filing for a change in tariffed rates.
 - (2) Reporting change to a calendar year basis was made pursuant to the Order of Illinois Commerce Commission entered on February 7, 2007 in Docket #06-0540.
 - (3) As ordered by the Illinois Commerce Commission's Order in Docket #07-0241/07-0242 Consolidated.
 - (4) Effective Calendar 2008, Company records add-on taxes and charges directly to receivables and liabilities when customers are billed. See Schedule C-25 for further details