

The Peoples Gas Light and Coke Company

Cost of Capital Summary (1)

| Historical Year Ended December 31, 2007 | | | | | | | |
|--|----------------------|-------------------------|----------------------|--------------------|-----------------------------|-----------------------------|----------|
| Line No. | Class of Capital (A) | Amount (2) (B) | Percent of Total (C) | Percent Cost (D) | Cost Reference (E) | Weighted Cost (F) = (C X D) | Line No. |
| 1 | Long-term Debt (3) | \$ 480,217,000 | 43.14% | 4.74% | D-3 | 2.04% | 1 |
| 2 | Common Equity | <u>632,960,000</u> | 56.86% | 12.00% (4) | | <u>6.82%</u> | 2 |
| 3 | Total Capital | <u>\$ 1,113,177,000</u> | | | | <u>8.87%</u> | 3 |
| Forecasted Year Ending December 31, 2008 (5) | | | | | | | |
| Class of Capital (A) | Amount (2) (B) | Percent of Total (C) | Percent Cost (D) | Cost Reference (E) | Weighted Cost (F) = (C X D) | | |
| 4 | Long-term Debt (3) | \$ 530,148,000 | 43.14% | 5.10% | D-3 | 2.20% | 4 |
| 5 | Common Equity | <u>698,874,000</u> | 56.86% | 12.00% (4) | | <u>6.82%</u> | 5 |
| 6 | Total Capital | <u>\$ 1,229,022,000</u> | | | | <u>9.02%</u> | 6 |
| Forecasted Year Ending December 31, 2009 (6) | | | | | | | |
| Class of Capital (A) | Amount (2) (B) | Percent of Total (C) | Percent Cost (D) | Cost Reference (E) | Weighted Cost (F) = (C X D) | | |
| 7 | Long-term Debt | \$ 580,965,000 | 43.26% | 5.33% | D-3 | 2.31% | 7 |
| 8 | Common Equity | <u>762,147,000</u> | 56.74% | 12.00% (4) | | <u>6.81%</u> | 8 |
| 9 | Total Capital | <u>\$ 1,343,112,000</u> | | | | <u>9.11%</u> | 9 |
| Test Year Ending December 31, 2010 | | | | | | | |
| Class of Capital (A) | Amount (2) (B) | Percent of Total (C) | Percent Cost (D) | Cost Reference (E) | Weighted Cost (F) = (C X D) | | |
| 10 | Long-term Debt | \$ 581,474,000 | 43.20% | 5.96% | D-3 | 2.57% | 10 |
| 11 | Common Equity | <u>764,563,000</u> | 56.80% | 12.00% (4) | | <u>6.82%</u> | 11 |
| 12 | Total Capital | <u>\$ 1,346,037,000</u> | | | | <u>9.39%</u> | 12 |
| Pro Forma Test Year Ending December 31, 2010 (7) | | | | | | | |
| Class of Capital (A) | Amount (2) (B) | Percent of Total (C) | Percent Cost (D) | Cost Reference (E) | Weighted Cost (F) = (C X D) | | |
| 13 | Long-term Debt | \$ - | 44.00% | 5.96% | D-3 | 2.62% | 13 |
| 14 | Common Equity | <u>-</u> | 56.00% | 12.00% (4) | | <u>6.72%</u> | 14 |
| 15 | Total Capital | <u>\$ -</u> | | | | <u>9.34%</u> | 15 |

- Notes: (1) The weights and costs of the components of the capital structure do not differ from total company data.
(2) Long Term Debt balances at year-end current proceeds. Common Equity balances based on year-end balances, excluding Accumulated Other Comprehensive Income.
(3) No redeemable long-term debt due within one year.
(4) Cost of common equity requested in this filing.
(5) Based on six months of actual data and six months of forecasted data.
(6) Based on zero months of actual data and twelve months of forecasted data.
(7) Proposed capital structure requested in this filing.

The Peoples Gas Light and Coke Company

Cost of Short Term Debt

| Line No. | Month | Balance of Short Term Debt (1) | Balance of Total CWIP | Balance of CWIP Accruing AFUDC | Net Amount Outstanding Calculation 1 | Net Amount Outstanding Calculation 2 | Greater of [D] and [E] Net Outstanding | Short-Term Interest Expense | Bank Commitment Fees | Total Interest Requirements | Average Interest Rate | Cost of Short Term Debt | Line No. |
|----------|---|--------------------------------|-----------------------|--------------------------------|--------------------------------------|--------------------------------------|--|-----------------------------|----------------------|-----------------------------|-----------------------|-------------------------|----------|
| | | [A] | [B] | [C] | [D]=[A]-[A/B*C] | [E]=[A-C] | [F] | [G] | [H] | [I]=[G+H] | [J]=[G/F] | [K]=[I/F] | |
| 1 | <u>Historical Year Ended December 31, 2007</u> | | | | | | | | | | | | |
| 2 | Jan | \$67,800,000 (2) | \$19,568,000 | \$0 | \$67,800,000 | \$67,800,000 | \$67,800,000 | \$329,000 | \$5,000 | \$334,000 | | | 2 |
| 3 | Feb | 69,120,000 (2) | 20,751,000 | 0 | 69,120,000 | 69,120,000 | 69,120,000 | 214,000 | 5,000 | 219,000 | | | 3 |
| 4 | Mar | 27,500,000 (3) | 20,893,000 | 0 | 27,500,000 | 27,500,000 | 27,500,000 | 135,000 | 56,000 | 191,000 | | | 4 |
| 5 | Apr | 0 | 25,495,000 | 0 | 0 | 0 | 0 | 18,000 | 5,000 | 23,000 | | | 5 |
| 6 | May | 7,250,000 (2) | 28,330,000 | 0 | 7,250,000 | 7,250,000 | 7,250,000 | 24,000 | 5,000 | 29,000 | | | 6 |
| 7 | Jun | 30,760,000 (2) | 25,426,000 | 0 | 30,760,000 | 30,760,000 | 30,760,000 | 40,000 | 56,000 | 96,000 | | | 7 |
| 8 | Jul | 64,795,000 (2) | 28,799,000 | 0 | 64,795,000 | 64,795,000 | 64,795,000 | 168,000 | 5,000 | 173,000 | | | 8 |
| 9 | Aug | 107,110,000 (2) | 31,243,000 | 0 | 107,110,000 | 107,110,000 | 107,110,000 | 362,000 | 5,000 | 367,000 | | | 9 |
| 10 | Sep | 122,775,000 (2) | 31,194,000 | 0 | 122,775,000 | 122,775,000 | 122,775,000 | 534,000 | 56,000 | 590,000 | | | 10 |
| 11 | Oct | 135,990,000 (2) | 30,347,000 | 0 | 135,990,000 | 135,990,000 | 135,990,000 | 560,000 | 5,000 | 565,000 | | | 11 |
| 12 | Nov | 150,920,000 (2) | 30,076,000 | 0 | 150,920,000 | 150,920,000 | 150,920,000 | 577,000 | 5,000 | 582,000 | | | 12 |
| 13 | Dec | 187,920,000 (2) | 15,444,000 | 0 | 187,920,000 | 187,920,000 | 187,920,000 | 676,000 | 58,000 | 734,000 | | | 13 |
| 14 | | | | | | | <u>\$80,995,000 (5)</u> | <u>\$3,637,000</u> | <u>\$266,000</u> | <u>\$3,903,000</u> | <u>4.49%</u> | <u>4.82%</u> | 14 |
| 15 | <u>Forecasted Year Ending December 31, 2008 (6)</u> | | | | | | | | | | | | |
| 16 | Jan | \$105,371,000 (2) | \$16,085,000 | \$0 | \$105,371,000 | \$105,371,000 | \$105,371,000 | \$142,000 | \$5,000 | \$147,000 | | | 16 |
| 17 | Feb | 46,625,000 (2) | 16,694,000 | 0 | 46,625,000 | 46,625,000 | 46,625,000 | 260,000 | 5,000 | 265,000 | | | 17 |
| 18 | Mar | 0 | 4,179,000 | 0 | 0 | 0 | 0 | 342,000 | 5,000 | 347,000 | | | 18 |
| 19 | Apr | 12,250,000 (2) | 3,204,000 | 0 | 12,250,000 | 12,250,000 | 12,250,000 | (10,000) | 56,000 | 46,000 | | | 19 |
| 20 | May | 46,005,000 (3) | 4,270,000 | 0 | 46,005,000 | 46,005,000 | 46,005,000 | 22,000 | 5,000 | 27,000 | | | 20 |
| 21 | Jun | 113,865,000 (2) | 5,870,000 | 0 | 113,865,000 | 113,865,000 | 113,865,000 | 117,000 | 56,000 | 173,000 | | | 21 |
| 22 | Jul | 247,840,000 (2) | 3,935,000 | 0 | 247,840,000 | 247,840,000 | 247,840,000 | 327,000 | 0 | 327,000 | | | 22 |
| 23 | Aug | 346,587,000 (2) | 5,500,000 | 0 | 346,587,000 | 346,587,000 | 346,587,000 | 489,000 | 0 | 489,000 | | | 23 |
| 24 | Sep | 360,671,000 (2) | 6,382,000 | 0 | 360,671,000 | 360,671,000 | 360,671,000 | 646,000 | 58,000 | 704,000 | | | 24 |
| 25 | Oct | 394,203,000 (2) | 7,600,000 | 0 | 394,203,000 | 394,203,000 | 394,203,000 | 781,000 | 0 | 781,000 | | | 25 |
| 26 | Nov | 300,700,000 (2) | 7,259,000 | 0 | 300,700,000 | 300,700,000 | 300,700,000 | 752,000 | 0 | 752,000 | | | 26 |
| 27 | Dec | 288,316,000 (2) | 5,663,000 | 0 | 288,316,000 | 288,316,000 | 288,316,000 | 621,000 | 59,000 | 680,000 | | | 27 |
| 28 | | | | | | | <u>\$188,536,000 (5)</u> | <u>\$4,489,000</u> | <u>\$249,000</u> | <u>\$4,738,000</u> | <u>2.38%</u> | <u>2.51%</u> | 28 |
| 29 | <u>Forecasted Year Ending December 31, 2009 (7)</u> | | | | | | | | | | | | |
| 30 | Jan | \$266,731,000 (4) | \$5,735,000 | \$0 | \$266,731,000 | \$266,731,000 | \$266,731,000 | \$720,000 | \$0 | \$720,000 | | | 30 |
| 31 | Feb | 90,895,000 (4) | 5,927,000 | 0 | 90,895,000 | 90,895,000 | 90,895,000 | 430,000 | 0 | 430,000 | | | 31 |
| 32 | Mar | 0 | 6,482,000 | 0 | 0 | 0 | 0 | 90,000 | 58,000 | 148,000 | | | 32 |
| 33 | Apr | 0 | 7,996,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 33 |
| 34 | May | 0 | 9,978,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 34 |
| 35 | Jun | 2,035,000 (4) | 11,363,000 | 0 | 2,035,000 | 2,035,000 | 2,035,000 | 0 | 79,000 | 79,000 | | | 35 |
| 36 | Jul | 1,675,000 (4) | 11,823,000 | 0 | 1,675,000 | 1,675,000 | 1,675,000 | 0 | 0 | 0 | | | 36 |
| 37 | Aug | 0 | 12,045,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 37 |
| 38 | Sep | 2,266,000 (4) | 19,655,000 | 0 | 2,266,000 | 2,266,000 | 2,266,000 | 0 | 58,000 | 58,000 | | | 38 |
| 39 | Oct | 0 | 14,386,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 39 |
| 40 | Nov | 48,176,000 (4) | 13,847,000 | 0 | 48,176,000 | 48,176,000 | 48,176,000 | 159,000 | 0 | 159,000 | | | 40 |
| 41 | Dec | 138,060,000 (4) | 11,404,000 | 0 | 138,060,000 | 138,060,000 | 138,060,000 | 395,000 | 59,000 | 454,000 | | | 41 |
| 42 | | | | | | | <u>\$45,820,000 (5)</u> | <u>\$1,794,000</u> | <u>\$254,000</u> | <u>\$2,048,000</u> | <u>3.92%</u> | <u>4.47%</u> | 42 |
| 43 | <u>Test Year Ending December 31, 2010</u> | | | | | | | | | | | | |
| 44 | Jan | \$154,686,000 (4) | \$11,469,000 | \$0 | \$154,686,000 | \$154,686,000 | \$154,686,000 | \$465,000 | \$0 | \$465,000 | | | 44 |
| 45 | Feb | 18,684,000 (4) | 11,568,000 | 0 | 18,684,000 | 18,684,000 | 18,684,000 | 218,000 | 0 | 218,000 | | | 45 |
| 46 | Mar | 0 | 12,248,000 | 0 | 0 | 0 | 0 | 0 | 58,000 | 58,000 | | | 46 |
| 47 | Apr | 0 | 14,400,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 47 |
| 48 | May | 0 | 16,813,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 48 |
| 49 | Jun | 0 | 21,844,000 | 0 | 0 | 0 | 0 | 0 | 79,000 | 79,000 | | | 49 |
| 50 | Jul | 0 | 25,719,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 50 |
| 51 | Aug | 0 | 25,767,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 51 |
| 52 | Sep | 14,795,000 (4) | 24,194,000 | 0 | 14,795,000 | 14,795,000 | 14,795,000 | 0 | 58,000 | 58,000 | | | 52 |
| 53 | Oct | 42,315,000 (4) | 10,254,000 | 0 | 42,315,000 | 42,315,000 | 42,315,000 | 132,000 | 0 | 132,000 | | | 53 |
| 54 | Nov | 161,090,000 (4) | 7,832,000 | 0 | 161,090,000 | 161,090,000 | 161,090,000 | 550,000 | 0 | 550,000 | | | 54 |
| 55 | Dec | 174,661,000 (4) | 6,190,000 | 0 | 174,661,000 | 174,661,000 | 174,661,000 | 797,000 | 59,000 | 856,000 | | | 55 |
| 56 | | | | | | | <u>\$47,186,000 (5)</u> | <u>\$2,162,000</u> | <u>\$254,000</u> | <u>\$2,416,000</u> | <u>4.58%</u> | <u>5.12%</u> | 56 |

Notes: (1) On average, Historical Year 2007 amounts were outstanding for less than one week.
(2) Commercial Paper Rate fixed at time of borrowing and Inter-Utility Loan Rate based on comparable Commercial Paper Rate.
(3) Inter-Utility Loan Rate based on comparable Commercial Paper Rate.
(4) Commercial Paper Rate fixed at time of borrowing.
(5) 12-month average of month-end balances.
(6) Includes six months of actual data and six months of forecasted data.
(7) Includes zero months of actual data and twelve months of forecasted data.

The Peoples Gas Light and Coke Company

Embedded Cost of Long-Term Debt

Net Proceeds Method
Test Year Ending December 31, 2010

| Line No. | Debt Issue Type, Coupon Rate [A] | Date Issued [B] | Maturity Date [C] | Date Reacquired [D] | Principal Amount [E] | Face Amount Outstanding [F] | Unamortized Discount or (Premium) [G] | Unamortized Debt Expense (Gain) [H] | Carrying Value [I]=[F-G-H] | Annual Coupon Interest [J]=[A*F] | Annualized Amort. Of Discount or (Premium) [K] | Annualized Amort. Of Debt Expense [L] | Annualized Interest Expense [M]=[J+K+L] | Line No. |
|---|--|--------------------|----------------------|------------------------|-------------------------|--------------------------------|--|--|-------------------------------|-------------------------------------|---|--|--|----------|
| Test Year Ending December 31, 2010 | | | | | | | | | | | | | | |
| 1 | First and Refunding Mortgage Bonds: | | | | | | | | | | | | | 1 |
| 2 | Series HH - 4.75% | (1) 03/01/00 | 03/01/30 | - | \$ 50,000,000 | \$ 50,000,000 | \$ - | \$ 1,372,000 | \$ 48,628,000 | \$ 2,375,000 | \$ - | \$ 72,000 | \$ 2,447,000 | 2 |
| 3 | Series KK - 5 | (1) 02/06/03 | 02/01/33 | - | 50,000,000 | 50,000,000 | 508,000 | 1,454,000 | 48,038,000 | 2,500,000 | 23,000 | 66,000 | 2,589,000 | 3 |
| 4 | Series LL - 3.75 | (1) 02/20/03 | 02/01/33 | - | 50,000,000 | 50,000,000 | - | 786,000 | 49,214,000 | 1,875,000 | - | 116,000 | 1,991,000 | 4 |
| 5 | Series NN-2 - 4.625 | 04/29/03 | 05/01/13 | - | 75,000,000 | 75,000,000 | 14,000 | 353,000 | 74,633,000 | 3,469,000 | 6,000 | 151,000 | 3,626,000 | 5 |
| 6 | Series OO - 7.73 Auction Rate | (1) 10/09/03 | 10/01/37 | - | 51,000,000 | 51,000,000 | - | 910,000 | 50,090,000 | 3,942,000 (2) | - | 34,000 | 3,976,000 | 6 |
| 7 | Series PP - 4.18 Auction Rate | (1) 10/09/03 | 10/01/37 | - | 51,000,000 | 51,000,000 | - | 1,288,000 | 49,712,000 | 2,132,000 (2) | - | 68,000 | 2,200,000 | 7 |
| 8 | Series QQ - 4.875 | (1) 11/25/03 | 11/01/38 | - | 75,000,000 | 75,000,000 | - | 1,581,000 | 73,419,000 | 3,656,000 | - | 57,000 | 3,713,000 | 8 |
| 9 | Series RR - 4.3 | (1) 06/01/05 | 06/01/35 | - | 50,000,000 | 50,000,000 | - | 846,000 | 49,154,000 | 2,150,000 | - | 35,000 | 2,185,000 | 9 |
| 10 | New Issue - 7.15 | (3) 11/01/08 | 11/01/18 | - | 50,000,000 | 50,000,000 | - | 353,000 | 49,647,000 | 3,575,000 | - | 45,000 | 3,620,000 | 10 |
| 11 | New Issue - 7.75 | (4) 10/01/09 | 10/01/19 | - | 50,000,000 | 50,000,000 | - | 394,000 | 49,606,000 | 3,875,000 | - | 45,000 | 3,920,000 | 11 |
| 12 | New Issue - 7.90 | (5) 03/01/10 | 03/01/20 | - | 50,000,000 | 50,000,000 | - | 413,000 | 49,587,000 | 3,950,000 | - | 45,000 | 3,995,000 | 12 |
| 13 | Prepaid ICC Issuance Fee | | | | | | | 150,000 | (150,000) | | | | | 13 |
| 14 | Sub-Total | | | | 602,000,000 | 602,000,000 | 522,000 | 9,900,000 | 591,578,000 | 33,499,000 | 29,000 | 734,000 | 34,262,000 | 14 |
| 15 | Less: Amortization of Losses on Reacquired Bonds | | | | | | | | | | | | | 15 |
| 16 | Series X - 6.875% | (1) 03/01/85 | 02/01/33 | 03/14/03 | \$ - | \$ - | \$ - | \$ 1,280,000 | \$ (1,280,000) | \$ - | \$ - | \$ 58,000 | \$ 58,000 | 16 |
| 17 | Series Y - 7.5 | (1) 03/01/85 | 02/01/33 | 04/03/00 | - | - | - | 581,000 | (581,000) | - | - | 26,000 | 26,000 | 17 |
| 18 | Series Z - 7.5 | (1) 03/01/85 | 03/01/15 | 04/03/00 | - | - | - | 274,000 | (274,000) | - | - | 66,000 | 66,000 | 18 |
| 19 | Series AA - 10.25 | (1) 03/01/85 | 06/01/35 | 08/01/95 | - | - | - | 1,261,000 | (1,261,000) | - | - | 52,000 | 52,000 | 19 |
| 20 | Series BB - 8.1 | (1) 05/01/90 | 10/01/37 | 05/01/00 | - | - | - | 610,000 | (610,000) | - | - | 23,000 | 23,000 | 20 |
| 21 | Series DD - 5.-3/4 | (1) 12/01/93 | 11/01/38 | 12/01/03 | - | - | - | 1,942,000 | (1,942,000) | - | - | 70,000 | 70,000 | 21 |
| 22 | Series EE - Variable Rate | (1) 12/01/93 | 10/01/37 | 10/14/03 | - | - | - | 200,000 | (200,000) | - | - | 7,000 | 7,000 | 22 |
| 23 | Series FF - 6.1 | (1) 06/01/95 | 06/01/35 | 06/02/05 | - | - | - | 1,215,000 | (1,215,000) | - | - | 50,000 | 50,000 | 23 |
| 24 | Series GG - Variable Rate | (1) 03/01/00 | 02/01/33 | 03/27/03 | - | - | - | 1,094,000 | (1,094,000) | - | - | 50,000 | 50,000 | 24 |
| 25 | Series II - Variable Rate | (1) 03/01/00 | 10/01/37 | 11/12/03 | - | - | - | 687,000 | (687,000) | - | - | 26,000 | 26,000 | 25 |
| 26 | Series JJ - Variable Rate | (1) 03/01/00 | 10/01/37 | 10/14/03 | - | - | - | 687,000 | (687,000) | - | - | 26,000 | 26,000 | 26 |
| 27 | Sub-Total | | | | - | - | - | 9,831,000 | (9,831,000) | - | - | 454,000 | 454,000 | 27 |
| 28 | Total | | | | \$ 602,000,000 | \$ 602,000,000 | \$ 522,000 | \$ 19,731,000 | \$ 581,747,000 | \$ 33,499,000 | \$ 29,000 | \$ 1,188,000 | \$ 34,716,000 | 28 |
| 29 | Embedded Cost of Long-Term Debt (M / I) | | | | | | | | | | | | 5.96% (6) | 29 |

Notes: (1) Tax-exempt bonds.
(2) Based on forecasted auction rate in effect at December 31, 2010.
(3) Assumed new taxable issuance at 7.15% coupon rate and \$450,000 of issuance costs.
(4) Assumed new taxable issuance at 7.75% coupon rate and \$450,000 of issuance costs.
(5) Assumed new taxable issuance at 7.90% coupon rate and \$450,000 of issuance costs.
(6) Proposed embedded cost of debt requested in this filing.

The Peoples Gas Light and Coke Company

Embedded Cost of Long-Term Debt

Net Proceeds Method
Forecasted Year Ending December 31, 2009 (5)

| Line No. | Debt Issue Type, Coupon Rate [A] | Date Issued [B] | Maturity Date [C] | Date Reacquired [D] | Principal Amount [E] | Face Amount Outstanding [F] | Unamortized Discount or (Premium) [G] | Unamortized Debt Expense (Gain) [H] | Carrying Value [I]=[F-G-H] | Annual Coupon Interest [J]=[A*F] | Annualized Amort. Of Discount or (Premium) [K] | Annualized Amort. Of Debt Expense [L] | Annualized Interest Expense [M]=[J+K+L] | Line No. |
|---|--|--------------------|----------------------|------------------------|-------------------------|--------------------------------|--|--|-------------------------------|-------------------------------------|---|--|--|----------|
| Forecasted Year Ending December 31, 2009 | | | | | | | | | | | | | | |
| 1 | First and Refunding Mortgage Bonds: | | | | | | | | | | | | | 1 |
| 2 | Series HH - 4.75% | (1) | 03/01/00 | 03/01/30 | \$ 50,000,000 | \$ 50,000,000 | \$ - | \$ 1,444,000 | \$ 48,556,000 | \$ 2,375,000 | \$ - | \$ 72,000 | \$ 2,447,000 | 2 |
| 3 | Series KK - 5 | (1) | 02/06/03 | 02/01/33 | 50,000,000 | 50,000,000 | 531,000 | 1,520,000 | 47,949,000 | 2,500,000 | 23,000 | 66,000 | 2,589,000 | 3 |
| 4 | Series LL - 3.75 | (1) | 02/20/03 | 02/01/33 | 50,000,000 | 50,000,000 | - | 902,000 | 49,098,000 | 1,875,000 | - | 116,000 | 1,991,000 | 4 |
| 5 | Series MM-2 - 4 | | 02/27/03 | 03/01/10 | 50,000,000 | 50,000,000 | 8,000 | 14,000 | 49,978,000 | 2,000,000 | 49,000 | 85,000 | 2,134,000 | 5 |
| 6 | Series NN-2 - 4.625 | | 04/29/03 | 05/01/13 | 75,000,000 | 75,000,000 | 20,000 | 505,000 | 74,475,000 | 3,469,000 | 6,000 | 151,000 | 3,626,000 | 6 |
| 7 | Series OO - 5.06 Auction Rate | (1) | 10/09/03 | 10/01/37 | 51,000,000 | 51,000,000 | - | 944,000 | 50,056,000 | 2,581,000 (2) | - | 34,000 | 2,615,000 | 7 |
| 8 | Series PP - 3.04 Auction Rate | (1) | 10/09/03 | 10/01/37 | 51,000,000 | 51,000,000 | - | 1,355,000 | 49,645,000 | 1,550,000 (2) | - | 68,000 | 1,618,000 | 8 |
| 9 | Series QQ - 4.875 | (1) | 11/25/03 | 11/01/38 | 75,000,000 | 75,000,000 | - | 1,638,000 | 73,362,000 | 3,656,000 | - | 57,000 | 3,713,000 | 9 |
| 10 | Series RR - 4.3 | (1) | 06/01/05 | 06/01/35 | 50,000,000 | 50,000,000 | - | 881,000 | 49,119,000 | 2,150,000 | - | 35,000 | 2,185,000 | 10 |
| 11 | New Issue - 7.15 | (3) | 11/01/08 | 11/01/18 | 50,000,000 | 50,000,000 | - | 398,000 | 49,602,000 | 3,575,000 | - | 45,000 | 3,620,000 | 11 |
| 12 | New Issue - 7.75 | (4) | 10/01/09 | 10/01/19 | 50,000,000 | 50,000,000 | - | 439,000 | 49,561,000 | 3,875,000 | 78,000 | 45,000 | 3,998,000 | 12 |
| 13 | Prepaid ICC Issuance Fee | | | | | | | 150,000 | (150,000) | | | | | 13 |
| 14 | Sub-Total | | | | 602,000,000 | 602,000,000 | 559,000 | 10,190,000 | 591,251,000 | 29,606,000 | 156,000 | 774,000 | 30,536,000 | 14 |
| 15 | Less: Amortization of Losses on Reacquired Bonds | | | | | | | | | | | | | 15 |
| 16 | Series X - 6.875% | (1) | 03/01/85 | 02/01/33 | \$ - | \$ - | \$ - | \$ 1,338,000 | \$ (1,338,000) | \$ - | \$ - | \$ 58,000 | \$ 58,000 | 16 |
| 17 | Series Y - 7.5 | (1) | 03/01/85 | 02/01/33 | - | - | - | 607,000 | (607,000) | - | - | 26,000 | 26,000 | 17 |
| 18 | Series Z - 7.5 | (1) | 03/01/85 | 03/01/15 | - | - | - | 340,000 | (340,000) | - | - | 66,000 | 66,000 | 18 |
| 19 | Series AA - 10.25 | (1) | 03/01/85 | 06/01/35 | - | - | - | 1,313,000 | (1,313,000) | - | - | 52,000 | 52,000 | 19 |
| 20 | Series BB - 8.1 | (1) | 05/01/90 | 10/01/37 | - | - | - | 633,000 | (633,000) | - | - | 23,000 | 23,000 | 20 |
| 21 | Series DD - 5-.3/4 | (1) | 12/01/93 | 11/01/38 | - | - | - | 2,012,000 | (2,012,000) | - | - | 70,000 | 70,000 | 21 |
| 22 | Series EE - Variable Rate | (1) | 12/01/93 | 10/01/37 | - | - | - | 208,000 | (208,000) | - | - | 7,000 | 7,000 | 22 |
| 23 | Series FF - 6.1 | (1) | 06/01/95 | 06/01/35 | - | - | - | 1,265,000 | (1,265,000) | - | - | 50,000 | 50,000 | 23 |
| 24 | Series GG - Variable Rate | (1) | 03/01/00 | 02/01/33 | - | - | - | 1,144,000 | (1,144,000) | - | - | 50,000 | 50,000 | 24 |
| 25 | Series II - Variable Rate | (1) | 03/01/00 | 10/01/37 | - | - | - | 713,000 | (713,000) | - | - | 26,000 | 26,000 | 25 |
| 26 | Series JJ - Variable Rate | (1) | 03/01/00 | 10/01/37 | - | - | - | 713,000 | (713,000) | - | - | 26,000 | 26,000 | 26 |
| 27 | Sub-Total | | | | - | - | - | 10,286,000 | (10,286,000) | - | - | 454,000 | 454,000 | 27 |
| 28 | Total | | | | \$ 602,000,000 | \$ 602,000,000 | \$ 559,000 | \$ 20,476,000 | \$ 580,965,000 | \$ 29,606,000 | \$ 156,000 | \$ 1,228,000 | \$ 30,990,000 | 28 |
| 29 | Embedded Cost of Long-Term Debt (M / I) | | | | | | | | | | | | 5.33% | 29 |

Notes: (1) Tax-exempt bonds.
(2) Based on forecasted auction rate in effect at December 31, 2009.
(3) Assumed new taxable issuance at 7.15% coupon rate and \$450,000 of issuance costs.
(4) Assumed new taxable issuance at 7.75% coupon rate and \$450,000 of issuance costs.
(5) Based on zero months of actual data and twelve months of forecasted data.

The Peoples Gas Light and Coke Company

Embedded Cost of Long-Term Debt

Net Proceeds Method

Forecasted Year Ending December 31, 2008 (4)

| Line No. | Debt Issue Type, Coupon Rate [A] | Date Issued [B] | Maturity Date [C] | Date Reacquired [D] | Principal Amount [E] | Face Amount Outstanding [F] | Unamortized Discount or (Premium) [G] | Unamortized Debt Expense (Gain) [H] | Carrying Value [I]=[F-G-H] | Annual Coupon Interest [J]=[A*F] | Annualized Amort. Of Discount or (Premium) [K] | Annualized Amort. Of Debt Expense [L] | Annualized Interest Expense [M]=[J+K+L] | Line No. |
|---|--|--------------------|----------------------|------------------------|-------------------------|--------------------------------|--|--|-------------------------------|-------------------------------------|---|--|--|----------|
| Forecasted Year Ending December 31, 2008 | | | | | | | | | | | | | | |
| 1 | First and Refunding Mortgage Bonds: | | | | | | | | | | | | | |
| 2 | Series HH - 4.75% | (1) 03/01/00 | 03/01/30 | - | \$ 50,000,000 | \$ 50,000,000 | \$ - | \$ 1,515,000 | \$ 48,485,000 | \$ 2,375,000 | \$ - | \$ 72,000 | \$ 2,447,000 | 2 |
| 3 | Series KK - 5 | (1) 02/06/03 | 02/01/33 | - | 50,000,000 | 50,000,000 | 554,000 | 1,586,000 | 47,860,000 | 2,500,000 | 23,000 | 66,000 | 2,589,000 | 3 |
| 4 | Series LL - 3.75 | (1) 02/20/03 | 02/01/33 | - | 50,000,000 | 50,000,000 | - | 1,018,000 | 48,982,000 | 1,875,000 | - | 116,000 | 1,991,000 | 4 |
| 5 | Series MM-2 - 4 | 02/27/03 | 03/01/10 | - | 50,000,000 | 50,000,000 | 57,000 | 99,000 | 49,844,000 | 2,000,000 | 49,000 | 85,000 | 2,134,000 | 5 |
| 6 | Series NN-2 - 4.625 | 04/29/03 | 05/01/13 | - | 75,000,000 | 75,000,000 | 26,000 | 656,000 | 74,318,000 | 3,469,000 | 6,000 | 151,000 | 3,626,000 | 6 |
| 7 | Series OO - 4.85 Auction Rate | (1) 10/09/03 | 10/01/37 | - | 51,000,000 | 51,000,000 | - | 978,000 | 50,022,000 | 2,474,000 (2) | - | 34,000 | 2,508,000 | 7 |
| 8 | Series PP - 3.38 Auction Rate | (1) 10/09/03 | 10/01/37 | - | 51,000,000 | 51,000,000 | - | 1,423,000 | 49,577,000 | 1,724,000 (2) | - | 68,000 | 1,792,000 | 8 |
| 9 | Series QQ - 4.875 | (1) 11/25/03 | 11/01/38 | - | 75,000,000 | 75,000,000 | - | 1,695,000 | 73,305,000 | 3,656,000 | - | 57,000 | 3,713,000 | 9 |
| 10 | Series RR - 4.3 | (1) 06/01/05 | 06/01/35 | - | 50,000,000 | 50,000,000 | - | 915,000 | 49,085,000 | 2,150,000 | - | 35,000 | 2,185,000 | 10 |
| 11 | New Issue - 7.15 | (3) 11/01/08 | 11/01/18 | - | 50,000,000 | 50,000,000 | - | 443,000 | 49,557,000 | 3,575,000 | - | 45,000 | 3,620,000 | 11 |
| 12 | Prepaid ICC Issuance Fee | | | | | | | 150,000 | (150,000) | | | | | 12 |
| 13 | Sub-Total | | | | 552,000,000 | 552,000,000 | 637,000 | 10,478,000 | 540,885,000 | 25,798,000 | 78,000 | 729,000 | 26,605,000 | 13 |
| 14 | Less: Amortization of Losses on Reacquired Bonds | | | | | | | | | | | | | |
| 15 | Series X - 6.875% | (1) 03/01/85 | 02/01/33 | 03/14/03 | \$ - | \$ - | \$ - | \$ 1,396,000 | \$ (1,396,000) | \$ - | \$ - | \$ 58,000 | \$ 58,000 | 15 |
| 16 | Series Y - 7.5 | (1) 03/01/85 | 02/01/33 | 04/03/00 | - | - | - | 633,000 | (633,000) | - | - | 26,000 | 26,000 | 16 |
| 17 | Series Z - 7.5 | (1) 03/01/85 | 03/01/15 | 04/03/00 | - | - | - | 406,000 | (406,000) | - | - | 66,000 | 66,000 | 17 |
| 18 | Series AA - 10.25 | (1) 03/01/85 | 06/01/35 | 08/01/95 | - | - | - | 1,365,000 | (1,365,000) | - | - | 52,000 | 52,000 | 18 |
| 19 | Series BB - 8.1 | (1) 05/01/90 | 10/01/37 | 05/01/00 | - | - | - | 655,000 | (655,000) | - | - | 23,000 | 23,000 | 19 |
| 20 | Series DD - 5.3/4 | (1) 12/01/93 | 11/01/38 | 12/01/03 | - | - | - | 2,082,000 | (2,082,000) | - | - | 70,000 | 70,000 | 20 |
| 21 | Series EE - Variable Rate | (1) 12/01/93 | 10/01/37 | 10/14/03 | - | - | - | 215,000 | (215,000) | - | - | 7,000 | 7,000 | 21 |
| 22 | Series FF - 6.1 | (1) 06/01/95 | 06/01/35 | 06/02/05 | - | - | - | 1,314,000 | (1,314,000) | - | - | 50,000 | 50,000 | 22 |
| 23 | Series GG - Variable Rate | (1) 03/01/00 | 02/01/33 | 03/27/03 | - | - | - | 1,193,000 | (1,193,000) | - | - | 50,000 | 50,000 | 23 |
| 24 | Series II - Variable Rate | (1) 03/01/00 | 10/01/37 | 11/12/03 | - | - | - | 739,000 | (739,000) | - | - | 26,000 | 26,000 | 24 |
| 25 | Series JJ - Variable Rate | (1) 03/01/00 | 10/01/37 | 10/14/03 | - | - | - | 739,000 | (739,000) | - | - | 26,000 | 26,000 | 25 |
| 26 | Sub-Total | | | | - | - | - | 10,737,000 | (10,737,000) | - | - | 454,000 | 454,000 | 26 |
| 27 | Total | | | | \$ 552,000,000 | \$ 552,000,000 | \$ 637,000 | \$ 21,215,000 | \$ 530,148,000 | \$ 25,798,000 | \$ 78,000 | \$ 1,183,000 | \$ 27,059,000 | 27 |
| 28 | Embedded Cost of Long-Term Debt (M / I) | | | | | | | | | | | | 5.10% | 28 |

Notes: (1) Tax-exempt bonds.
(2) Based on forecasted auction rate in effect at 12/31/08.
(3) Assumed new taxable issuance at 7.15% coupon rate and \$450,000 of issuance costs.
(4) Based on six months of actual data and six months of forecasted data.

The Peoples Gas Light and Coke Company

Embedded Cost of Long-Term Debt

Net Proceeds Method
Historical Year Ended December 31, 2007

| Line No. | Debt Issue Type, Coupon Rate [A] | Date Issued [B] | Maturity Date [C] | Date Reacquired [D] | Principal Amount [E] | Face Amount Outstanding [F] | Unamortized Discount or (Premium) [G] | Unamortized Debt Expense (Gain) [H] | Carrying Value [I]=[F-G-H] | Annual Coupon Interest [J]=[A*F] | Annualized Amort. Of Discount or (Premium) (3) [K] | Annualized Amort. Of Debt Expense (3) [L] | Annualized Interest Expense [M]=[J+K+L] | Line No. |
|--|--|--------------------|----------------------|------------------------|-------------------------|--------------------------------|--|--|-------------------------------|-------------------------------------|---|--|--|----------|
| Historical Year Ended December 31, 2007 | | | | | | | | | | | | | | |
| 1 | First and Refunding Mortgage Bonds: | | | | | | | | | | | | | |
| 2 | Series HH - 4.75% | (1) 03/01/00 | 03/01/30 | - | \$ 50,000,000 | \$ 50,000,000 | \$ - | \$ 1,587,000 | \$ 48,413,000 | \$ 2,375,000 | \$ - | \$ 72,000 | \$ 2,447,000 | 2 |
| 3 | Series KK - 5 | (1) 02/06/03 | 02/01/33 | - | 50,000,000 | 50,000,000 | 577,000 | 1,651,000 | 47,772,000 | 2,500,000 | 23,000 | 66,000 | 2,589,000 | 3 |
| 4 | Series LL - 3.05 | (1) 02/20/03 | 02/01/33 | - | 50,000,000 | 50,000,000 | - | 789,000 | 49,211,000 | 1,525,000 | - | 31,000 | 1,556,000 | 4 |
| 5 | Series MM-2 - 4 | 02/27/03 | 03/01/10 | - | 50,000,000 | 50,000,000 | 106,000 | 184,000 | 49,710,000 | 2,000,000 | 49,000 | 85,000 | 2,134,000 | 5 |
| 6 | Series NN-2 - 4.625 | 04/29/03 | 05/01/13 | - | 75,000,000 | 75,000,000 | 32,000 | 808,000 | 74,160,000 | 3,469,000 | 6,000 | 151,000 | 3,626,000 | 6 |
| 7 | Series OO - 3.91 Auction Rate | (1) 10/09/03 | 10/01/37 | - | 51,000,000 | 51,000,000 | - | 1,012,000 | 49,988,000 | 1,994,000 (2) | - | 34,000 | 2,028,000 | 7 |
| 8 | Series PP - 3.92 Auction Rate | (1) 10/09/03 | 10/01/37 | - | 51,000,000 | 51,000,000 | - | 997,000 | 50,003,000 | 1,999,000 (2) | - | 34,000 | 2,033,000 | 8 |
| 9 | Series QQ - 4.875 | (1) 11/25/03 | 11/01/38 | - | 75,000,000 | 75,000,000 | - | 1,752,000 | 73,248,000 | 3,656,000 | - | 57,000 | 3,713,000 | 9 |
| 10 | Series RR - 4.3 | (1) 06/01/05 | 06/01/35 | - | 50,000,000 | 50,000,000 | - | 950,000 | 49,050,000 | 2,150,000 | - | 35,000 | 2,185,000 | 10 |
| 11 | Prepaid ICC Issuance Fee | | | | | | | 150,000 | (150,000) | | | | | 11 |
| 12 | Sub-Total | | | | 502,000,000 | 502,000,000 | 715,000 | 9,880,000 | 491,405,000 | 21,668,000 | 78,000 | 565,000 | 22,311,000 | 12 |
| 13 | Less: Amortization of Losses on Reacquired Bonds | | | | | | | | | | | | | |
| 14 | Series X - 6.875% | (1) 03/01/85 | 02/01/33 | 03/14/03 | \$ - | \$ - | \$ - | \$ 1,454,000 | \$ (1,454,000) | \$ - | \$ - | \$ 58,000 | \$ 58,000 | 14 |
| 15 | Series Y - 7.5 | (1) 03/01/85 | 02/01/33 | 04/03/00 | - | - | - | 660,000 | (660,000) | - | - | 26,000 | 26,000 | 15 |
| 16 | Series Z - 7.5 | (1) 03/01/85 | 03/01/15 | 04/03/00 | - | - | - | 472,000 | (472,000) | - | - | 66,000 | 66,000 | 16 |
| 17 | Series AA - 10.25 | (1) 03/01/85 | 06/01/35 | 08/01/95 | - | - | - | 1,416,000 | (1,416,000) | - | - | 52,000 | 52,000 | 17 |
| 18 | Series BB - 8.1 | (1) 05/01/90 | 10/01/37 | 05/01/00 | - | - | - | 678,000 | (678,000) | - | - | 23,000 | 23,000 | 18 |
| 19 | Series DD - 5-3/4 | (1) 12/01/93 | 11/01/38 | 12/01/03 | - | - | - | 2,151,000 | (2,151,000) | - | - | 70,000 | 70,000 | 19 |
| 20 | Series EE - Variable Rate | (1) 12/01/93 | 10/01/37 | 10/14/03 | - | - | - | 222,000 | (222,000) | - | - | 7,000 | 7,000 | 20 |
| 21 | Series FF - 6.1 | (1) 06/01/95 | 06/01/35 | 06/02/05 | - | - | - | 1,364,000 | (1,364,000) | - | - | 50,000 | 50,000 | 21 |
| 22 | Series GG - Variable Rate | (1) 03/01/00 | 02/01/33 | 03/27/03 | - | - | - | 1,243,000 | (1,243,000) | - | - | 50,000 | 50,000 | 22 |
| 23 | Series II - Variable Rate | (1) 03/01/00 | 10/01/37 | 11/12/03 | - | - | - | 764,000 | (764,000) | - | - | 26,000 | 26,000 | 23 |
| 24 | Series JJ - Variable Rate | (1) 03/01/00 | 10/01/37 | 10/14/03 | - | - | - | 764,000 | (764,000) | - | - | 26,000 | 26,000 | 24 |
| 25 | Sub-Total | | | | - | - | - | 11,188,000 | (11,188,000) | - | - | 454,000 | 454,000 | 25 |
| 26 | Total | | | | \$ 502,000,000 | \$ 502,000,000 | \$ 715,000 | \$ 21,068,000 | \$ 480,217,000 | \$ 21,668,000 | \$ 78,000 | \$ 1,019,000 | \$ 22,765,000 | 26 |
| 27 | Embedded Cost of Long-Term Debt (M / I) | | | | | | | | | | | | 4.74% | 27 |

Notes: (1) Tax-exempt bonds.
(2) Based on auction rate in effect as of December 31, 2007.
(3) All annualized amounts were created using the 12/31/07 amortization amounts multiplied by 12 months.

The Peoples Gas Light and Coke Company

Cost of Common Equity Workpapers

| Line No. | Description | Work paper Reference |
|----------|--|----------------------|
| 1 | <p>Annual Reports and 10Ks</p> <p>AGL Resources, Inc. 2007 Annual Report available at: http://www.aglr.com/about/docs/AGL_AR_2007/AGL_2007.pdf</p> <p>Atmos Energy Corporation 10K for the period ending September 30, 2007 available at: http://www.investquest.com/iq/a/ato/fin/10k/atok07.pdf</p> <p>The Laclede Group 2007 Annual Report available at: http://www.snl.com/Cache/5370831.PDF?D=&o=PDF&iid=4002506&osid=9&Y=&T=&fid=5370831</p> <p>New Jersey Resources Corporation 10K for the period ending September 30, 2007 available at: http://njr360.client.shareholder.com/sec.cfm?DocType=Annual&Year=</p> <p>NICOR Inc. 2007 Annual Report available at: http://library.corporate-ir.net/library/85/851/85155/items/283484/NICOR07.pdf</p> <p>Northwest Natural Gas 2007 Annual Report available at: http://www.snl.com/irweblinkx/doc.aspx?IID=4057132&DID=7609942</p> <p>Piedmont Natural Gas Company, Inc. 10K for the period ending October 31, 2007 available at: http://ccbn.10kwizard.com/cgi/convert/pdf/PIEDMONTNATURAL10K.pdf?ipage=5358195&num=2&pdf=1&xml=1&cik=78460&odef=8&rid=12&quest=1&xbri=0&dn=2&dn=3</p> <p>South Jersey Industries 2007 Annual Report available at: http://www.sjindustries.com/108/ar/sji2007ar.pdf</p> <p>WGL Holdings, Inc. 2007 Annual Report available at: http://files.shareholder.com/downloads/WGL-II/544218838x0x158399/9BF83AFD-D005-45D3-B1C6-52F268F2F435/WGL2007AR.pdf</p> | None |
| 2 | Work Papers Supporting Exhibit PRM-1.2 | WPD-6 (1) |
| 3 | Work Papers Supporting Exhibit PRM-1.3 | WPD-6 (2) |
| 4 | Work Papers Supporting Exhibit PRM-1.4 | WPD-6 (3) |
| 5 | Work Papers Supporting Exhibit PRM-1.5 | WPD-6 (4) |
| 6 | Work Papers Supporting Exhibit PRM-1.6 | WPD-6 (5) |
| 7 | Work Papers Supporting Exhibit PRM-1.7 | WPD-6 (6) |
| 8 | Work Papers Supporting Exhibit PRM-1.9 | WPD-6 (7) |
| 9 | Gas Group Market Capitalization | WPD-6 (8) |
| 10 | Earnings Estimates source documents | WPD-6 (9) |
| 11 | Comparable Earnings source documents | WPD-6 (10) |

The Peoples Gas Light and Coke Company

Comparative Financial Data
(000s) except per share data

| Line | Description [A] | Source [B] | Test Year | Forecasted Year | Current Year | Historical Year Ended | | | | |
|------|--|---------------------------------|-----------------------------|---------------------------------|---------------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|
| | | | Ending 12/31/2010 [C] | Ending 12/31/2009 (1) [D] | Ending 12/31/2008 (2) [E] | 12/31/2007 [F] | 12/31/2006 [G] | 12/31/2005 [H] | 12/31/2004 [I] | 12/31/2003 [J] |
| 1 | <u>Funds from Operations</u> | | | | | | | | | |
| 2 | Net Income | FERC - Income Statement | \$ 2,416 | \$ 23,273 | \$ 43,837 | \$ (13,748) | \$ 7,705 | \$ 7,809 | \$ 39,346 | \$ 76,185 |
| 3 | Depreciation and Amortization | SEC Annual Report - Cash Flow | 76,004 | 66,578 | 61,707 | 62,838 | 57,550 | 54,600 | 62,329 | 60,529 |
| 4 | Deferred Income Tax and Investment Tax Credits - Net | SEC Annual Report - Cash Flow | 756 | (7,263) | 27,554 | (15,072) | (24,374) | (21,483) | 9,615 | (6,509) |
| 5 | AFUDC | N/A | - | - | - | - | - | - | - | - |
| 6 | Other Internal Sources: | | | | | | | | | |
| 7 | Pension Funding (Greater) Less Than Expensed | SEC Annual Report - Cash Flow | 24,539 | 1,914 | 10,517 | 28,000 | (5,995) | (9,004) | 10,874 | 30,703 |
| 8 | Other Adjustments | SEC Annual Report - Cash Flow | 13,724 | 12,902 | (8,988) | (10,018) | (3,664) | 15,996 | (11,515) | (16,579) |
| 9 | Total Funds from Operations | Line 2 + 3 + 4 - 5 + 7 + 8 | \$ 117,439 | \$ 97,404 | \$ 134,627 | \$ 52,000 | \$ 31,222 | \$ 47,918 | \$ 110,649 | \$ 144,329 |
| 10 | <u>Capital Structure</u> | | | | | | | | | |
| 11 | Short-term Debt | FERC - Balance Sheet [231, 233] | \$ 174,662 | \$ 138,061 | \$ 288,318 | \$ 187,436 | \$ 80,404 | \$ 119,864 | \$ 114,911 | \$ 165,887 |
| 12 | Long-term Debt | FERC - Balance Sheet [221, 226] | 601,478 | 601,441 | 551,363 | 501,286 | 501,208 | 501,130 | 501,052 | 450,974 |
| 13 | Preferred Stock | N/A | - | - | - | - | - | - | - | - |
| 14 | Common Equity: | | | | | | | | | |
| 15 | Common Equity Excluding AOCI | N/A | 764,563 | 762,147 | 698,874 | 632,960 | 651,019 | 602,314 | 640,104 | 652,523 |
| 16 | Accumulated Other Comprehensive Income | FERC - Balance Sheet [219] | (1,067) | (1,110) | (1,147) | (435) | (1,202) | (21,805) | (19,265) | (21,041) |
| 17 | Common Equity Including AOCI | FERC - Balance Sheet | \$ 763,496 | \$ 761,037 | \$ 697,727 | \$ 632,525 | \$ 649,817 | \$ 580,509 | \$ 620,839 | \$ 631,482 |
| 18 | Total Capital Including AOCI | Line 11 + 12 + 13 + 17 | \$ 1,539,636 | \$ 1,500,539 | \$ 1,537,408 | \$ 1,321,247 | \$ 1,231,429 | \$ 1,201,503 | \$ 1,236,802 | \$ 1,248,343 |
| 19 | Total Capital Excluding AOCI | Line 11 + 12 + 13 + 15 | \$ 1,540,703 | \$ 1,501,649 | \$ 1,538,555 | \$ 1,321,682 | \$ 1,232,631 | \$ 1,223,308 | \$ 1,256,067 | \$ 1,269,384 |
| 20 | <u>Capital Structure Ratios - Including AOCI</u> | | | | | | | | | |
| 21 | Short-term Debt Ratio | Line 11 / Line 18 | 11.34% | 9.20% | 18.75% | 14.19% | 6.53% | 9.98% | 9.29% | 13.29% |
| 22 | Long-term Debt Ratio | Line 12 / Line 18 | 39.07% | 40.08% | 35.86% | 37.94% | 40.70% | 41.71% | 40.51% | 36.13% |
| 23 | Preferred Stock Ratio | Line 13 / Line 18 | - | - | - | - | - | - | - | - |
| 24 | Common Equity Ratio | Line 17 / Line 18 | 49.59% | 50.72% | 45.38% | 47.87% | 52.77% | 48.32% | 50.20% | 50.59% |
| 25 | <u>Capital Structure Ratios - Excluding AOCI</u> | | | | | | | | | |
| 26 | Short-term Debt Ratio | Line 11 / Line 19 | 11.34% | 9.19% | 18.74% | 14.18% | 6.52% | 9.80% | 9.15% | 13.07% |
| 27 | Long-term Debt Ratio | Line 12 / Line 19 | 39.04% | 40.05% | 35.84% | 37.93% | 40.66% | 40.97% | 39.89% | 35.53% |
| 28 | Preferred Stock Ratio | Line 13 / Line 19 | - | - | - | - | - | - | - | - |
| 29 | Common Equity Ratio | Line 15 / Line 19 | 49.62% | 50.75% | 45.42% | 47.89% | 52.82% | 49.24% | 50.96% | 51.40% |
| 30 | <u>Capital Structure Ratios - Excluding Short Term Debt and AOCI</u> | | | | | | | | | |
| 31 | Long-term Debt Ratio | Line 12 / (Line 19 - Line 11) | 44.03% | 44.11% | 44.10% | 44.20% | 43.50% | 45.42% | 43.91% | 40.87% |
| 32 | Preferred Stock Ratio | Line 13 / (Line 19 - Line 11) | - | - | - | - | - | - | - | - |
| 33 | Common Equity Ratio | Line 15 / (Line 19 - Line 11) | 55.97% | 55.89% | 55.90% | 55.80% | 56.50% | 54.58% | 56.09% | 59.13% |

Note: (1) Includes zero months actual data and twelve months of forecast data.

(2) Includes six months of actual data and six months of forecasted data.

The Peoples Gas Light and Coke Company

Comparative Financial Data
(000s) except per share data

| Line | Description | Historical Source | Test Year | Forecasted Year | Current Year | Historical Year Ended | | | | |
|------|--|---|----------------------|--------------------------|--------------------------|-----------------------|--------------|--------------|--------------|--------------|
| | | | Ending 12/31/2010 | Ending 12/31/2009 (1) | Ending 12/31/2008 (2) | 12/31/2007 | 12/31/2006 | 12/31/2005 | 12/31/2004 | 12/31/2003 |
| | [A] | [B] | [C] | [D] | [E] | [F] | [G] | [H] | [I] | [J] |
| 34 | <u>Cost of Capital</u> | | | | | | | | | |
| 35 | Embedded Cost of Long-term Debt | Sch. D-3, State Reg. Quarterly Filings | 5.96% | 5.33% | 5.10% | 4.74% | 4.63% | 4.56% | 4.43% | 4.22% |
| 36 | Embedded Cost of Preferred Stock | N/A | - | - | - | - | - | - | - | - |
| 37 | <u>Earnings Ratios</u> | | | | | | | | | |
| 38 | Operating Income | FERC - Income Statement | \$ 40,505 | \$ 52,383 | \$ 73,060 | \$ 18,071 | \$ 33,358 | \$ 29,213 | \$ 58,424 | \$ 96,832 |
| 39 | Earnings Available for Common Equity (EACE) | Line 2 - Line 61 | \$ 2,416 | \$ 23,273 | \$ 43,837 | \$ (13,748) | \$ 7,705 | \$ 7,809 | \$ 39,346 | \$ 76,185 |
| 40 | Net Original Cost Rate Base | Sch. B-1, State Reg. Quarterly Filings | \$ 1,448,962 | \$ 1,346,598 | \$ 1,321,369 (3) | \$ 1,339,131 | \$ 1,214,612 | \$ 1,141,034 | \$ 1,101,432 | \$ 1,103,743 |
| 41 | AFUDC as a percentage of EACE | Line 5 / Line 39 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 42 | Return on Net Original Cost Rate Base | Line 38 / Line 40 | 2.80% | 3.89% | 5.53% | 1.35% | 2.75% | 2.56% | 5.30% | 8.77% |
| 43 | Return on Average Common Equity Including AOCI | Line 39 / 2-Yr. Avg. Line 17 | 0.32% | 3.19% | 6.59% | -2.14% | 1.25% | 1.30% | 6.28% | 11.95% |
| 44 | Return on Average Common Equity Excluding AOCI | Line 39 / 2-Yr. Avg. Line 15 | 0.32% | 3.19% | 6.58% | -2.14% | 1.23% | 1.26% | 6.09% | 11.75% |
| 45 | <u>Fixed Charge Coverage</u> | | | | | | | | | |
| 46 | <u>Pre-Tax Interest Coverage:</u> | | | | | | | | | |
| 47 | Total Operating Income | FERC - Income Statement | \$ 40,505 | \$ 52,383 | \$ 73,060 | \$ 18,071 | \$ 33,358 | \$ 29,213 | \$ 58,424 | \$ 96,832 |
| 48 | Income From Gas Plant Leased to Others | FERC - Income Statement [412, 413] | - | - | 3 | 252 | 251 | 259 | 258 | 297 |
| 49 | Other Income and Deductions, net | FERC - Income Statement [408.2 - 426.5] | 2,454 | 2,159 | 1,516 | 1,063 | 2,200 | 2,579 | 2,228 | 1,082 |
| 50 | Federal and State Income Taxes | FERC - Income Statement [409.1 - 411.4] | (2,407) | 12,055 | 30,079 | (12,069) | 2,737 | (608) | 20,406 | 44,000 |
| 51 | AFUDC Equity Funds Portion | N/A | - | - | - | - | - | - | - | - |
| 52 | Pre-tax Income Before Interest Charges | Line 47 + 48 + 49 + 50 - 51 | \$ 40,552 | \$ 66,597 | \$ 104,658 | \$ 7,317 | \$ 38,546 | \$ 31,443 | \$ 81,316 | \$ 142,211 |
| 53 | Total Interest Charges | FERC - Income Statement [427 - 431] | \$ 40,543 | \$ 31,269 | \$ 30,742 | \$ 33,134 | \$ 28,104 | \$ 24,242 | \$ 21,564 | \$ 22,026 |
| 54 | Pre-tax Interest Coverage | Line 52 / Line 53 | 1.0 | 2.1 | 3.4 | 0.2 | 1.4 | 1.3 | 3.8 | 6.5 |
| 55 | <u>After-tax Fixed Charge Coverage:</u> | | | | | | | | | |
| 56 | Total Operating Income | FERC - Income Statement | \$ 40,505 | \$ 52,383 | \$ 73,060 | \$ 18,071 | \$ 33,358 | \$ 29,213 | \$ 58,424 | \$ 96,832 |
| 57 | Income From Gas Plant Leased to Others | FERC - Income Statement [412, 413] | - | - | 3 | 252 | 251 | 259 | 258 | 297 |
| 58 | Other Income and Deductions, net | FERC - Income Statement [408.2 - 426.5] | 2,454 | 2,159 | 1,516 | 1,063 | 2,200 | 2,579 | 2,228 | 1,082 |
| 59 | Income Before Interest Charges | Line 56 + 57 + 58 | \$ 42,959 | \$ 54,542 | \$ 74,579 | \$ 19,386 | \$ 35,809 | \$ 32,051 | \$ 60,910 | \$ 98,211 |
| 60 | Total Interest Charges | FERC - Income Statement [427 - 431] | \$ 40,543 | \$ 31,269 | \$ 30,742 | \$ 33,134 | \$ 28,104 | \$ 24,242 | \$ 21,564 | \$ 22,026 |
| 61 | Preferred Dividends | N/A | - | - | - | - | - | - | - | - |
| 62 | After-tax Fixed Charge Coverage | Line 59 / (Line 60 + 61) | 1.1 | 1.7 | 2.4 | 0.6 | 1.3 | 1.3 | 2.8 | 4.5 |

Note: (1) Includes zero months actual data and twelve months of forecast data.
(2) Includes six months of actual data and six months of forecasted data.
(3) Represents June 30, 2008 amount filed with the Commission.

The Peoples Gas Light and Coke Company

Comparative Financial Data
(000s) except per share data

| Line | Description [A] | Historical Source [B] | Test Year | Forecasted Year | Current Year | Historical Year Ended | | | | | |
|------|---|-------------------------------------|-----------------------------|---------------------------------|---------------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|--|
| | | | Ending 12/31/2010 [C] | Ending 12/31/2009 (1) [D] | Ending 12/31/2008 (2) [E] | 12/31/2007 [F] | 12/31/2006 [G] | 12/31/2005 [H] | 12/31/2004 [I] | 12/31/2003 [J] | |
| 63 | <u>Cash Flow Ratios</u> | | | | | | | | | | |
| 64 | Funds from Operations | Line 9 | \$ 117,439 | \$ 97,404 | \$ 134,627 | \$ 52,000 | \$ 31,222 | \$ 47,918 | \$ 110,649 | \$ 144,329 | |
| 65 | Cash Interest Paid | SEC Annual Report - Cash Flow | 40,543 | 31,268 | 30,725 | 28,500 | 24,633 | 22,614 | 19,027 | 18,199 | |
| 66 | Funds from Operation plus Cash Interest Paid | Line 64 + 65 | \$ 157,982 | \$ 128,672 | \$ 165,352 | \$ 80,500 | \$ 55,855 | \$ 70,532 | \$ 129,676 | \$ 162,528 | |
| 67 | Total Interest Incurred | Line 53 | \$ 40,543 | \$ 31,269 | \$ 30,742 | \$ 33,134 | \$ 28,104 | \$ 24,242 | \$ 21,564 | \$ 22,026 | |
| 68 | Funds Flow Interest Coverage | Line 66 / Line 67 | 3.9 | 4.1 | 5.4 | 2.4 | 2.0 | 2.9 | 6.0 | 7.4 | |
| 69 | Average Short-term Debt | 12 Month Average [231, 233] | \$ 47,186 | \$ 45,820 | \$ 188,536 | \$ 80,995 | \$ 29,308 | \$ 28,656 | \$ 35,182 | \$ 57,576 | |
| 70 | Average Long-term Debt (3) | 12 Month Average [221, 226] | \$ 601,465 | \$ 563,906 | \$ 479,911 | \$ 501,250 | \$ 501,172 | \$ 501,094 | \$ 501,017 | \$ 520,746 | |
| 71 | Funds Flow as % of Average Total Debt | Line 64 / (Line 69 + 70) | 18.11% | 15.98% | 20.14% | 8.93% | 5.89% | 9.05% | 20.64% | 24.96% | |
| 72 | Common Dividends | SEC Annual Report - Cash Flow | \$ - | \$ - | \$ - | \$ 4,300 | \$ 21,000 | \$ 51,300 | \$ 56,200 | \$ 68,425 | |
| 73 | Preferred Dividends | N/A | - | - | - | - | - | - | - | - | |
| 74 | Cash Coverage of Common Dividends | (Line 64 - 73) / Line 72 | - | - | - | 12.1 | 1.5 | 0.9 | 2.0 | 2.1 | |
| 75 | Gross Construction Expenditures | SEC Annual Report - Cash Flow | \$ 183,004 | \$ 129,396 | \$ 99,473 | \$ 185,318 | \$ 110,218 | \$ 67,577 | \$ 63,196 | \$ 79,168 | |
| 76 | Net Cash Flow as % of Construction Expenditures | (Line 64 - 72 - 73) / (Line 75 - 5) | 64% | 75% | 135% | 26% | 9% | -5% | 86% | 96% | |
| 77 | <u>Common Stock Related Data</u> | | | | | | | | | | |
| 78 | Shares Outstanding - Calendar Year End | SEC Annual Report | 26,007,566 | 26,007,566 | 25,607,566 | 25,357,566 | 25,357,566 | 24,817,566 | 24,817,566 | 24,817,566 | |
| 79 | Shares Outstanding - Monthly Weighted Average | SEC Annual Report | 26,007,566 | 25,707,566 | 25,378,399 | 25,357,566 | 25,087,560 | 24,817,566 | 24,817,566 | 24,817,566 | |
| 80 | Earnings Per Share - Weighted Average | (Line 39 * 1,000) / Line 79 | \$0.09 | \$0.91 | \$1.73 | (\$0.54) | \$0.31 | \$0.31 | \$1.59 | \$3.07 | |
| 81 | Dividend Paid Per Share - Weighted Average | (Line 72 * 1,000) / Line 79 | \$0.00 | \$0.00 | \$0.00 | \$0.17 | \$0.84 | \$2.07 | \$2.26 | \$2.76 | |
| 82 | Dividend Payout Ratio (Declared Basis) | Line 72 / Line 39 | 0% | 0% | 0% | -31% | 273% | 657% | 143% | 90% | |

Note: (1) Includes zero months actual data and twelve months of forecast data.
(2) Includes six months of actual data and six months of forecasted data.
(3) Includes long-term debt due within one year and unamortized discount on long-term debt.

The Peoples Gas Light and Coke Company

Comparative Financial Data
(000s) except per share data

| Line | Description [A] | Source [B] | Test Year | Forecasted Year | Forecasted Year | Historical Year Ended | | | | |
|---|--|----------------------------------|-----------------------------|---------------------------------|---------------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|
| | | | Ending 12/31/2010 [C] | Ending 12/31/2009 (1) [D] | Ending 12/31/2008 (2) [E] | 12/31/2007 [F] | 12/31/2006 [G] | 12/31/2005 [H] | 12/31/2004 [I] | 12/31/2003 [J] |
| <u>Amounts Attributable to Non-Utility Subsidiaries</u> | | | | | | | | | | |
| 1 | <u>Funds from Operations</u> | | | | | | | | | |
| 2 | Net Income | FERC - Income Statement [418.10] | \$ - | \$ - | \$ (48) | \$ (796) | \$ 323 | \$ (844) | \$ 143 | \$ 343 |
| 3 | Depreciation and Amortization | N/A | - | - | - | - | - | - | - | - |
| 4 | Deferred Income Tax and Investment Tax Credits - Net | N/A | - | - | (111) | (695) | (18) | 823 | - | - |
| 5 | AFUDC | N/A | - | - | - | - | - | - | - | - |
| 6 | Other Internal Sources: | | | | | | | | | |
| 7 | Pension Funding (Greater) Less Than Expense | N/A | - | - | - | - | - | - | - | - |
| 8 | Other Adjustments | SEC Annual Report - Cash Flow | 107 | 135 | (421) | (142) | (219) | 234 | 75 | 16 |
| 9 | Total Funds from Operations | | <u>\$ 107</u> | <u>\$ 135</u> | <u>\$ (580)</u> | <u>\$ (1,633)</u> | <u>\$ 86</u> | <u>\$ 213</u> | <u>\$ 218</u> | <u>\$ 359</u> |
| 10 | <u>Capital Structure</u> | | | | | | | | | |
| 11 | Short-term Debt | N/A | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12 | Long-term Debt | N/A | - | - | - | - | - | - | - | - |
| 13 | Preferred Stock | N/A | - | - | - | - | - | - | - | - |
| 14 | Common Equity: | | | | | | | | | |
| 15 | Common Equity Excluding AOCI | N/A | 290 | 183 | 48 | 5,449 | 5,329 | 5,311 | 7,094 | 6,950 |
| 16 | Accumulated Other Comprehensive Income | N/A | - | - | - | - | - | - | - | - |
| 17 | Common Equity Including AOCI | FERC - Balance Sheet [123.10] | <u>\$ 290</u> | <u>\$ 183</u> | <u>\$ 48</u> | <u>\$ 5,449</u> | <u>\$ 5,329</u> | <u>\$ 5,311</u> | <u>\$ 7,094</u> | <u>\$ 6,950</u> |
| 18 | Total Capital Including AOCI | Line 11 + 12 + 13 + 17 | <u>\$ 290</u> | <u>\$ 183</u> | <u>\$ 48</u> | <u>\$ 5,449</u> | <u>\$ 5,329</u> | <u>\$ 5,311</u> | <u>\$ 7,094</u> | <u>\$ 6,950</u> |
| 19 | Total Capital Excluding AOCI | Line 11 + 12 + 13 + 15 | <u>\$ 290</u> | <u>\$ 183</u> | <u>\$ 48</u> | <u>\$ 5,449</u> | <u>\$ 5,329</u> | <u>\$ 5,311</u> | <u>\$ 7,094</u> | <u>\$ 6,950</u> |
| 20 | <u>Earnings Ratios</u> | | | | | | | | | |
| 21 | Operating Income | N/A | - | - | (130) | (175) | (205) | (461) | (251) | (430) |
| 22 | Earnings Available for Common Equity (EACE) | Line 2 - Line 39 | \$ - | \$ - | \$ (48) | \$ (796) | \$ 323 | \$ (844) | \$ 143 | \$ 343 |
| 23 | Net Original Cost Rate Base | N/A | - | - | - | - | - | - | - | - |
| 24 | <u>Fixed Charge Coverage</u> | | | | | | | | | |
| 25 | Pre-Tax Interest Coverage: | | | | | | | | | |
| 26 | Total Operating Income | N/A | \$ - | \$ - | \$ (130) | \$ (175) | \$ (205) | \$ (461) | \$ (251) | \$ (430) |
| 27 | Income From Gas Plant Leased to Others | N/A | - | - | - | - | - | - | - | - |
| 28 | Other Income and Deductions, net | FERC - Income Statement [418.10] | - | - | 82 | 9 | 8 | 7 | 8 | 10 |
| 29 | Federal and State Income Taxes | N/A | - | - | - | - | - | - | - | - |
| 30 | AFUDC Equity Funds Portion | N/A | - | - | - | - | - | - | - | - |
| 31 | Pre-tax Income Before Interest Charges | Line 26 + 27 + 28 + 29 - 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (48)</u> | <u>\$ (166)</u> | <u>\$ (197)</u> | <u>\$ (454)</u> | <u>\$ (243)</u> | <u>\$ (420)</u> |
| 32 | Total Interest Charges | | | | | | | | | |

Note: (1) Includes zero months actual data and twelve months of forecast data.
(2) Includes six months of actual data and six months of forecasted data.

The Peoples Gas Light and Coke Company

Comparative Financial Data
(000s) except per share data

| Line | Description [A] | Source [B] | Test Year | Forecasted Year | Forecasted Year | Historical Year Ended | | | | | |
|------|---|----------------------------------|-----------------------------|---------------------------------|---------------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|--|
| | | | Ending 12/31/2010 [C] | Ending 12/31/2009 (1) [D] | Ending 12/31/2008 (2) [E] | 12/31/2007 [F] | 12/31/2006 [G] | 12/31/2005 [H] | 12/31/2004 [I] | 12/31/2003 [J] | |
| 33 | After-tax Fixed Charge Coverage: | | | | | | | | | | |
| 34 | Total Operating Income | N/A | \$ - | \$ - | \$ (130) | \$ (175) | \$ (205) | \$ (461) | \$ (251) | \$ (430) | |
| 35 | Income From Gas Plant Leased to Others | N/A | - | - | - | - | - | - | - | - | |
| 36 | Other Income and Deductions, net | FERC - Income Statement [418.10] | - | - | 82 | 9 | 8 | 7 | 8 | 10 | |
| 37 | Income Before Interest Charges | Line 34 + 35 + 36 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (48)</u> | <u>\$ (166)</u> | <u>\$ (197)</u> | <u>\$ (454)</u> | <u>\$ (243)</u> | <u>\$ (420)</u> | |
| 38 | Total Interest Charges | N/A | - | - | - | - | - | - | - | - | |
| 39 | Preferred Dividends | N/A | - | - | - | - | - | - | - | - | |
| 40 | <u>Cash Flow Ratios</u> | | | | | | | | | | |
| 41 | Funds from Operations | Line 9 | \$ 107 | \$ 135 | \$ (580) | \$ (1,633) | \$ 86 | \$ 213 | \$ 218 | \$ 359 | |
| 42 | Cash Interest Paid | N/A | - | - | - | - | - | - | - | - | |
| 43 | Funds from Operation plus Cash Interest Paid | Line 41 + 42 | <u>\$ 107</u> | <u>\$ 135</u> | <u>\$ (580)</u> | <u>\$ (1,633)</u> | <u>\$ 86</u> | <u>\$ 213</u> | <u>\$ 218</u> | <u>\$ 359</u> | |
| 44 | Total Interest Incurred | | - | - | - | - | - | - | - | - | |
| 45 | Average Short-term Debt | N/A | - | - | - | - | - # | - | - | - | |
| 46 | Average Long-term Debt | N/A | - | - | - | - | - | - | - | - | |
| 47 | Common Dividends | N/A | - | - | - | - | - | - | - | - | |
| 48 | Preferred Dividends | N/A | - | - | - | - | - | - | - | - | |
| 49 | Gross Construction Expenditures | N/A | - | - | - | - | - | - | - | - | |
| 50 | <u>Common Stock Related Data</u> | | | | | | | | | | |
| 51 | Shares Outstanding - Calendar Year End | N/A | 3,041 | 3,041 | 3,041 | 3,041 | 9,705 | 9,705 | 9,705 | 9,705 | |
| 52 | Shares Outstanding - Monthly Weighted Average | N/A | 3,041 | 3,041 | 3,041 | 9,150 | 9,705 | 9,705 | 9,705 | 9,705 | |

Note: (1) Includes zero months actual data and twelve months of forecast data.
(2) Includes six months of actual data and six months of forecasted data.

The Peoples Gas Light and Coke Company

Security Quality Ratings

| Line No. | Debt [A] | Moody's | | Standard & Poors | | Fitch (1) | |
|----------|------------------------|---------------|----------------------|------------------|----------------------|---------------|----------------------|
| | | Rating [B] | Date Assigned [C] | Rating [D] | Date Assigned [E] | Rating [F] | Date Assigned [G] |
| 1 | Senior Secured Debt | A1 | 4/21/2006 | A- | No change in | A+ | 5/5/2006 |
| 2 | (First Mortgage Bonds) | | | | last 5 years. | | |
| 3 | | | | | | | |
| 4 | Short-Term Debt | P-1 | No change in | A-2 | No change in | F1 | No change in |
| 5 | (Commercial Paper) | | last 5 years. | | last 5 years. | | last 5 years. |

Note: (1) The Fitch rating relationship was not renewed past October 8, 2006.