

The Peoples Gas Light and Coke Company

Statement of Retained Earnings (1)

Line No.	Description [A]	Historical Year Ended December 31, 2007 [B]	Forecasted Year Ending December 31, 2008 (2) [B]	Forecasted Year Ending December 31, 2009 (3) [C]	Test Year Ending December 31, 2010 [D]	Line No.
1	<u>Account 21600 Unappropriated Retained Earnings</u>					1
2	Balance at Beginning of Period	\$ 429,310,000	\$ 412,048,000	\$ 453,003,000	\$ 476,412,000	2
3	Add:					3
4	Net Income	(12,951,000)	43,885,000	23,409,000	2,522,000	4
5	Other	(11,000)	(2,930,000)	-	-	5
6	Less:					6
7	Common Stock Dividends Declared	4,300,000	-	-	-	7
8	Balance at End of Period	<u>\$ 412,048,000</u>	<u>\$ 453,003,000</u>	<u>\$ 476,412,000</u>	<u>\$ 478,934,000</u>	8
9	<u>Account 21610 Unappropriated Undistributed Subsidiary Earnings</u>					9
10	Balance at Beginning of Period	\$ 2,467,000	\$ 1,670,000	\$ 1,622,000	\$ 1,486,000	10
11	Add:					11
12	Net Income	(797,000)	(48,000)	(136,000)	(106,000)	12
13	Other	-	-	-	-	13
14	Less:					14
15	Common Stock Dividends Declared	-	-	-	-	15
16	Balance at End of Period	<u>\$ 1,670,000</u>	<u>\$ 1,622,000</u>	<u>\$ 1,486,000</u>	<u>\$ 1,380,000</u>	16

Notes: (1) Excludes Accumulated Other Comprehensive Loss of \$435,000 (\$722,000 less tax impact of \$287,000), \$1,147,000 (\$302,000 less tax impact of (\$845,000)), \$1,110,000 (\$236,000 less tax impact of (\$874,000)) and \$1,067,000 (\$165,000 less tax impact of (\$902,000)) at 12/31/2007, 12/31/2008, 12/31/2009 and 12/31/2010 respectively.

Total Comprehensive Income (Loss) is (\$12,981,000), \$43,125,000, \$23,310,000 and \$2,459,000 for Calendar Years 2007, 2008, 2009 and 2010 respectively.

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

(3) Includes zero months of actual data and twelve months of forecasted data.