

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Embedded Class Cost of Service Study Summary
 GAS Revenue Deficiency (Excess) by Service Classification Under Present Rates
 FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] SUMMARY OF OPERATING INCOME, RATE BASE, AND RATE OF RETURN	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	Operating Revenues at Present Rates:							
2	Tariffed Revenues	439,293,260	288,015,065	142,401,640	8,806,559	55,946	14,050	PGL Ex. JCHM-1.3, Page 1, line 1
3	Other Revenues	22,840,851	14,947,099	7,691,136	198,371	1,594	2,650	PGL Ex. JCHM-1.3, Page 1, line 20
4	Total Operating Revenues:	462,134,111	302,962,164	150,092,776	9,004,930	57,540	16,700	
5								
6	Operating Expense:							
7	Operation & Maintenance: Non-Cost of Gas	326,088,639	240,519,226	79,551,323	5,986,967	22,703	8,421	PGL Ex. JCHM-1.3, Page 2, line 59
8	Depreciation Expense & Amort	84,097,684	56,673,120	25,191,296	2,222,173	7,951	3,145	PGL Ex. JCHM-1.3, Page 3, line 49
9	Taxes other than Income Tax	22,222,433	14,253,089	7,360,679	605,800	1,990	874	PGL Ex. JCHM-1.3, Page 4, line 17
10	LESS: Income & Other Adj's Before Income Tax	0	0	0	0	0	0	PGL Ex. JCHM-1.3, Page 5, line 7
11	Income Tax	(5,758,000)	(3,518,022)	(2,055,092)	(184,063)	(561)	(263)	Rate Base
12	ITC Credit	178,000	108,754	63,530	5,690	17	8	Rate Base
13	LESS: Income & Other Adj's After Income Tax	0	0	0	0	0	0	PGL Ex. JCHM-1.3, Page 5, line 13
14	Total Operating Expense	426,828,756	308,036,168	110,111,736	8,636,568	32,101	12,186	
15								
16	NET OPERATING INCOME (Return)	35,305,355	(5,074,004)	39,981,041	368,363	25,439	4,514	
17								
18								
19	RATE BASE:							
20	Utility Plant in Service - YE Average	2,657,059,841	1,675,904,491	903,841,636	76,965,277	242,825	105,613	PGL Ex. JCHM-1.3, Page 6, line 45
21	Accumulated Depreciation Reserve - YE Average	(1,070,103,792)	(695,025,422)	(347,291,548)	(27,649,830)	(96,844)	(40,148)	PGL Ex. JCHM-1.3, Page 7, line 45
22	Construction Work in Progress - YE Average	8,797,299	4,212,609	4,329,359	254,273	652	406	PGL Ex. JCHM-1.3, Page 8, line 41
23	Net Plant in Service	1,595,753,348	985,091,678	560,879,448	49,569,720	146,633	65,872	
24								
25	Gas Stored Underground - 13 Mo. Ave	57,930,000	26,767,804	29,510,895	1,642,536	3,403	5,363	PGL Ex. JCHM-1.3, Page 9, line 2
26	Fuel Stock - 13 Mo. Ave	0	0	0	0	0	0	PGL Ex. JCHM-1.3, Page 9, line 4
27	Cash Working Capital - Year End Ave	47,260,000	34,927,427	11,320,377	1,008,712	2,370	1,115	PGL Ex. JCHM-1.3, Page 9, line 15
28	Materials & Supplies - 13 Mo. Ave	9,871,000	6,799,555	2,771,729	298,908	515	292	PGL Ex. JCHM-1.3, Page 9, line 21
29	Accumulated Deferred Taxes - Year End Ave	(342,827,000)	(229,499,957)	(104,704,998)	(8,592,751)	(19,189)	(10,106)	PGL Ex. JCHM-1.3, Page 9, line 31
30	Reserve for Injuries and Damages	(8,307,000)	(6,139,275)	(1,989,809)	(177,304)	(417)	(196)	PGL Ex. JCHM-1.3, Page 9, line 53
31	Retirement Benefits, Net	56,254,000	41,574,428	13,474,745	1,200,679	2,821	1,328	PGL Ex. JCHM-1.3, Page 9, line 42
32	Customer Advances - Year End Ave	(391,890)	(179,610)	(187,545)	(24,687)	(25)	(22)	PGL Ex. JCHM-1.3, Page 9, line 55
33	Customer Deposits - 13 Mo. Ave	(32,088,000)	(17,776,199)	(14,012,877)	(298,757)	(167)	0	PGL Ex. JCHM-1.3, Page 9, line 57
34	Budget Plan Balance - 13 Mo. Ave	12,605,000	11,398,285	1,206,735	0	0	0	PGL Ex. JCHM-1.3, Page 9, line 59
35	TOTAL RATE BASE	1,396,059,458	852,964,115	498,268,700	44,627,055	135,944	63,646	
36	% of Rate Base	100.00%	61.10%	35.69%	3.20%	0.01%	0.00%	RATE BASE
37								
38	PERCENT RATE OF RETURN	2.5289%	-0.5949%	8.0240%	0.8254%	18.7129%	7.0917%	
39								
40	Required Rate of Return	9.3400%	9.3400%	9.3400%	9.3400%	9.3400%	9.3400%	
41								
42	Required Return	130,391,953	79,666,848	46,538,297	4,168,167	12,697	5,945	
43	(Required Return % * Rate Base)							
44	Return Income Deficiency	95,086,599	84,740,852	6,557,256	3,799,804	(12,742)	1,431	
45	(Required Ret - Net Operating Income)							
46	Gross Revenue Conversion Factor	0.7029						
47								
48	Add'l Inc.Tax&Prov. for Uncollectibles on Rev. Def.	66,832,567	40,833,348	23,853,265	2,136,399	6,508	3,047	Rate Base
49	(Income Deficiency * Factor)							
50	Revenue Deficiency	161,919,165	125,574,199	30,410,521	5,936,204	(6,234)	4,478	
51								
52	Revenue Deficiency %	36.86%	43.60%	21.36%	67.41%	-11.14%	31.87%	
53	(Revenue Def / Tariffed Revenues)							
54	Revenue Requirement under Present Rates	601,212,425	413,589,264	172,812,161	14,742,763	49,712	18,528	

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Functional Revenue Requirement - at Present Rates
Summary and Detail by Customer Class
TEST YEAR ENDED DECEMBER 31, 2010

Line No.	[A]	[B]	[C]	[D]	[E]	[F]	[G]
	PEOPLES GAS	SC 1 Residential	SC 2 General Service	SC 4 Large Volume Demand Service	SC 6 Standby Service	SC 8 CNG Service	
1	Production & Gathering						
2	Demand	\$ 1,679,182	\$ 842,771	\$ 813,837	\$ 22,374	\$ 120	\$ 81
3	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Sub-Total	\$ 1,679,182	\$ 842,771	\$ 813,837	\$ 22,374	\$ 120	\$ 81
6							
7	Storage						
8	Demand	\$ 38,673,747	\$ 19,014,998	\$ 19,225,868	\$ 428,243	\$ 3,074	\$ 1,564
9	Commodity	\$ 13,352,603	\$ 6,167,743	\$ 6,782,064	\$ 400,781	\$ 784	\$ 1,232
10	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Sub-Total	\$ 52,026,351	\$ 25,182,742	\$ 26,007,932	\$ 829,023	\$ 3,858	\$ 2,796
12							
13	Transmission						
14	Demand	\$ 12,747,452	\$ 6,070,973	\$ 6,118,247	\$ 556,829	\$ 892	\$ 512
15	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Sub-Total	\$ 12,747,452	\$ 6,070,973	\$ 6,118,247	\$ 556,829	\$ 892	\$ 512
18							
19	Distribution						
20	Demand	\$ 201,898,125	\$ 94,876,003	\$ 94,496,710	\$ 12,501,167	\$ 12,987	\$ 11,258
21	Commodity	\$ (411,631)	\$ (176,660)	\$ (194,764)	\$ (40,149)	\$ (22)	\$ (35)
22	Customer	\$ 184,161,213	\$ 152,678,412	\$ 30,801,758	\$ 650,982	\$ 24,914	\$ 5,147
23	Sub-Total	\$ 385,647,707	\$ 247,377,755	\$ 125,103,704	\$ 13,112,000	\$ 37,879	\$ 16,369
24							
25	Customer						
26	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Commodity	\$ 1,948,169	\$ 836,098	\$ 921,779	\$ 190,018	\$ 106	\$ 168
28	Customer	\$ 147,163,565	\$ 133,278,923	\$ 13,846,662	\$ 32,518	\$ 6,858	\$ (1,397)
29	Sub-Total	\$ 149,111,734	\$ 134,115,021	\$ 14,768,441	\$ 222,536	\$ 6,964	\$ (1,229)
30							
31	TOTAL						
32	Demand	\$ 254,998,506	\$ 120,804,745	\$ 120,654,662	\$ 13,508,612	\$ 17,073	\$ 13,414
33	Commodity	\$ 14,889,142	\$ 6,827,181	\$ 7,509,079	\$ 550,650	\$ 868	\$ 1,364
34	Customer	\$ 331,324,778	\$ 285,957,335	\$ 44,648,420	\$ 683,500	\$ 31,772	\$ 3,750
35							
36	TOTAL REVENUE REQUIREMENT	\$ 601,212,425	\$ 413,589,261	\$ 172,812,161	\$ 14,742,763	\$ 49,712	\$ 18,528

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Functional Rate Base - at Present Rates
Summary and Detail by Customer Class
TEST YEAR ENDED DECEMBER 31, 2010

Line No.	[A]	[B]	[C]	[D]	[E]	[F]	[G]
	PEOPLES GAS	SC 1 Residential	SC 2 General Service	SC 4 Large Volume Demand Service	SC 6 Standby Service	SC 8 CNG Service	
1	Production & Gathering						
2	Demand	\$ 3,581,412	\$ 1,747,427	\$ 1,793,668	\$ 39,889	\$ 253	\$ 175
3	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Sub-Total	\$ 3,581,412	\$ 1,747,427	\$ 1,793,668	\$ 39,889	\$ 253	\$ 175
6							
7	Storage						
8	Demand	\$ 162,608,523	\$ 79,640,625	\$ 81,167,008	\$ 1,781,380	\$ 12,968	\$ 6,542
9	Commodity	\$ 60,164,094	\$ 27,726,612	\$ 30,567,960	\$ 1,860,442	\$ 3,525	\$ 5,555
10	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Sub-Total	\$ 222,772,617	\$ 107,367,237	\$ 111,734,968	\$ 3,641,822	\$ 16,492	\$ 12,097
12							
13	Transmission						
14	Demand	\$ 49,856,712	\$ 23,899,209	\$ 24,054,617	\$ 1,897,564	\$ 3,565	\$ 1,759
15	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Sub-Total	\$ 49,856,712	\$ 23,899,209	\$ 24,054,617	\$ 1,897,564	\$ 3,565	\$ 1,759
18							
19	Distribution						
20	Demand	\$ 598,320,864	\$ 274,221,566	\$ 286,336,239	\$ 37,690,705	\$ 38,529	\$ 33,825
21	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Customer	\$ 504,253,058	\$ 418,964,680	\$ 83,544,302	\$ 1,652,691	\$ 75,767	\$ 15,618
23	Sub-Total	\$ 1,102,573,922	\$ 693,186,247	\$ 369,880,542	\$ 39,343,396	\$ 114,295	\$ 49,443
24							
25	Customer						
26	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Customer	\$ 17,274,794	\$ 26,763,993	\$ (9,195,095)	\$ (295,615)	\$ 1,339	\$ 172
29	Sub-Total	\$ 17,274,794	\$ 26,763,993	\$ (9,195,095)	\$ (295,615)	\$ 1,339	\$ 172
30							
31	TOTAL						
32	Demand	\$ 814,367,511	\$ 379,508,827	\$ 393,351,532	\$ 41,409,537	\$ 55,313	\$ 42,301
33	Commodity	\$ 60,164,094	\$ 27,726,612	\$ 30,567,960	\$ 1,860,442	\$ 3,525	\$ 5,555
34	Customer	\$ 521,527,853	\$ 445,728,673	\$ 74,349,208	\$ 1,357,076	\$ 77,105	\$ 15,790
35							
36	TOTAL AVERAGE RATE BASE	\$ 1,396,059,458	\$ 852,964,113	\$ 498,268,700	\$ 44,627,055	\$ 135,944	\$ 63,646

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Unit Costs - at Present Rates
Summary and Detail by Customer Class
TEST YEAR ENDED DECEMBER 31, 2010

Line No.	[A]	[B]	[C]	[D]	[E]	[F]	[G]
	PEOPLES GAS	SC 1 Residential	SC 2 General Service	SC 4 Large Volume Demand Service	SC 6 Standby Service	SC 8 CNG Service	
1	Production & Gathering						
2	Demand	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
3	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5							
6	Storage						
7	Demand	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.20	\$ 0.15
8	Commodity	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
9	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10							
11	Transmission						
12	Demand	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.05
13	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15							
16	Distribution						
17	Demand	\$ 0.91	\$ 0.91	\$ 0.88	\$ 1.41	\$ 0.87	\$ 1.08
18	Commodity	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
19	Customer	\$ 17.97	\$ 16.52	\$ 30.59	\$ 743.13	\$ 59.32	\$ 107.22
20							
21	Customer						
22	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Commodity	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
24	Customer	\$ 14.36	\$ 14.42	\$ 13.75	\$ 37.12	\$ 16.33	\$ (29.10)
25							
26	TOTAL						
27	Demand (per UCP, CP, or Billing Demands)	\$ 1.15	\$ 1.16	\$ 1.13	\$ 1.67	\$ 1.14	\$ 1.29
28	Commodity (per Therm)	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
29	Customer (per Customer)	\$ 32.33	\$ 30.94	\$ 44.34	\$ 780.25	\$ 75.65	\$ 78.12
30							
31							
32	Total Fixed Costs Per Customer						
33	Demand	\$ 24.88	\$ 13.07	\$ 119.83	\$ 15,420.79	\$ 40.65	\$ 279.46
34	Customer	\$ 32.33	\$ 30.94	\$ 44.34	\$ 780.25	\$ 75.65	\$ 78.12
35	Total	\$ 57.21	\$ 44.02	\$ 164.17	\$ 16,201.04	\$ 116.30	\$ 357.58
36							
37							
38	Customers - Total Annual	10,249,212	9,240,996	1,006,872	876	420	48
39	Unbundled Coincident Peak	213,334,728	104,089,380	106,843,824	2,376,072	15,048	10,404
40	Billing Demand Determinants	8,861,700	-	-	8,846,760	14,940	-
41	Coincident Peak Demand	222,424,176	104,089,380	106,843,824	11,465,520	15,048	10,404
42	Unbundled Coincident Standby Therms	1,563,943,735	722,653,870	796,709,472	44,343,751	91,866	144,776
43	Sales - Total Annual	1,683,836,098	722,653,870	796,709,472	164,236,114	91,866	144,776

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Summary and Detail by Customer Class
Revenue Deficiency (Excess) and Rate Base by Individual Service Classification under Present Rates
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
NO.	PRODUCTION DEMAND COST	STORAGE VOLUMETRIC COST	STORAGE DEMAND COST	TRANSMISSION DEMAND	DISTRIBUTION VOLUMETRIC	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER	CUSTOMER VOLUMETRIC COST	CUSTOMER FIXED COST	TOTAL	
1	RATE: SC 1 RESIDENTIAL										
2	Operation & Maintenance Expense:										
3	493,771	2,127,432	4,273,967	1,495,654							6,895,170
4											1,495,654
5							25,147,692		38,288,123		63,435,815
6										64,772,981	64,772,981
7										3,550,946	3,550,946
8											-
9							11,712,417		17,450,286	836,098	70,369,857
10	493,771	2,127,432	4,273,967	1,495,654			36,860,109		55,738,409	836,098	138,693,784
11											240,519,225
12	1,646		2,790,667	839,387			14,320,600		33,406,722	5,314,097	56,673,119
13											
14	Taxes Other Than Income Taxes:										
15											-
16				47,328							47,328
17											-
18					204,506						204,506
19	11,330										11,330
20	82,977	25,194	254,786	70,558			2,178,768		2,862,608	1,529,812	7,004,703
21											-
22	129	2,044	5,870	1,762			20,212		30,881	1,973	62,870
23											499,127
24	11,148	176,879	508,058	152,462			1,749,365		2,672,737	170,738	5,441,386
25	31	495	1,420	426			4,891		7,473	477	15,213
26	376	5,958	17,114	5,136			58,928		90,032	5,751	183,294
27	1,605	25,463	73,139	21,948			251,835		384,762	24,579	783,332
28	107,595	236,033	1,406,842	456,798			4,263,999		6,048,492	-	14,253,089
29											-
30	Other Income Before Income Taxes:										
31											-
32	(7,207)	(114,357)	(328,475)	(98,571)			(1,131,018)		(1,728,006)	(110,387)	(3,518,022)
33	223	3,535	10,154	3,047			34,964		53,419	3,412	108,754
34											-
35	Other Income After Income Taxes:										
36											-
37	596,028	2,252,642	8,153,155	2,696,315			54,348,654		93,519,036	836,098	145,634,237
38	TOTAL EXPENSES:										
39	Other Operating Income (Revenue Credits):										
40										(7,598,837)	(7,598,837)
41										(2,997,680)	(2,997,680)
42										(387,549)	(387,549)
43							1,806,244			(4,479,811)	(2,673,567)
44	(120)	(1,901)	(5,461)	(1,639)			(18,802)		(28,726)	(1,835)	(58,483)
45			(383,710)				(176,660)			(670,813)	(1,231,183)
46	(120)	(1,901)	(389,171)	(1,639)			(176,660)			-	(14,947,099)
47											-
48	(10,395)	(164,936)	(473,756)	(142,168)			(1,631,253)		(2,492,282)	(159,210)	(5,074,002)
49											-
50	173,605	2,754,602	7,912,190	2,374,355			27,243,545		41,623,585	2,658,967	84,740,852
51											-
52	83,653	1,327,337	3,812,579	1,144,110			13,127,615		20,056,800	1,281,254	40,833,348
53	REVENUE REQUIREMENTS:										
54	842,771	6,167,743	19,014,998	6,070,973	(176,660)		94,876,003	152,678,412	836,098	133,278,923	413,589,264
55	RATE BASE:										
56	Utility Plant in Service										
57	1,507,831		175,912,078	61,253,445			459,769,960	868,395,744		109,065,432	1,675,904,490
58			(75,243,891)	(28,176,697)			(150,878,058)	(364,803,271)		(75,923,506)	(695,025,423)
59			2,822,528				1,390,080				4,212,609
60	1,507,831		103,490,715	33,076,748			310,281,983	503,592,473		33,141,926	985,091,676
61	Net Plant in Service										
62		26,767,804									26,767,804
63											-
64											-
65	118,934	475,945	1,029,464	360,256			6,057,285	26,885,543			34,927,427
66							2,171,539	4,628,016			6,799,555
67			(25,923,983)	(9,903,288)			(50,254,967)	(143,417,719)			(229,499,957)
68			(180,951)	(63,323)			(1,064,703)	(4,725,734)			(6,139,275)
69	(20,905)	(83,658)	1,225,380	428,816			7,210,040	32,002,102			41,574,428
70	141,568	566,522					(179,610)				(179,610)
71										(17,776,199)	(17,776,199)
72										11,398,265	11,398,265
73											-
74	1,747,427	27,726,612	79,640,625	23,899,209			274,221,566	418,964,680		28,763,993	852,964,113
75	0.2049%	3.2506%	9.3369%	2.8019%	0.0000%		32.1483%	49.1187%	0.0000%	3.1378%	100.0000%

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Summary and Detail by Customer Class
Revenue Deficiency (Excess) and Rate Base by Individual Service Classification under Present Rates
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] RATE: SC 2 GENERAL SERVICE	[B] PRODUCTION COST	[C] STORAGE VOLUMETRIC COST	[D] STORAGE DEMAND COST	[E] TRANSMISSION DEMAND	[F] DISTRIBUTION VOLUMETRIC	[G] DISTRIBUTION DEMAND	[H] DISTRIBUTION CUSTOMER	[I] CUSTOMER VOLUMETRIC COST	[J] CUSTOMER / FIXED COST	[K] TOTAL
1											
2	Operation & Maintenance Expense:										
3	Production:	506,837	2,345,445	4,357,280							7,209,563
4	Transmission:				1,535,233						1,535,233
5	Distribution:						26,258,677	7,945,465			34,204,142
6	Customer Accounts:									8,650,504	8,650,504
7	Customer Services:									386,901	386,901
8	Customer Sales:									-	-
9	Administrative & General:						11,802,829	3,668,323	921,779	11,172,050	27,564,981
10	Total Operation & Maintenance Expense:	506,837	2,345,445	4,357,280	1,535,233	-	38,061,506	11,613,788	921,779	20,209,455	79,551,323
11											
12	Depreciation & Amort Expense:	1,690	-	2,846,971	861,599		14,953,261	5,948,766		579,009	25,191,296
13											
14	Taxes Other Than Income Taxes:										
15	Real Estate - Underground Storage			-							-
16	Invested Capital - Local Storage			48,580							48,580
17	Real Estate - Transmission				209,918						209,918
18	Invested Capital - Transmission										
19	Illinois Gas Use Tax	12,491									12,491
20	Payroll Taxes	33,076	10,043	101,561	28,125		868,487	1,141,075		609,804	2,792,170
21	Other Taxes	-	-	-	-		-	-		-	-
22	Unauthorized Insurance Tax	132	2,253	5,983	1,773		21,105	6,158		(678)	36,726
23	Invested Capital - Underground Storage			508,593							508,593
24	Invested Capital - Other	11,442	195,005	517,796	153,454		1,826,649	532,961		(58,659)	3,178,648
25	Federal Excise Tax	32	545	1,448	429		5,107	1,490		(164)	8,887
26	State Franchise Tax	385	6,569	17,442	5,169		61,531	17,953		(1,976)	107,073
27	Personal Property Tax	1,647	28,073	74,541	22,091		262,961	76,724		(8,444)	457,592
28	Total Taxes Other Than Income Taxes:	59,207	242,487	1,275,943	420,959	-	3,045,840	1,776,361	-	539,883	7,360,679
29											
30	Other Income Before Income Taxes:	-	-	-	-		-	-		-	-
31											
32	Income Taxes	(7,398)	(126,077)	(334,771)	(99,212)		(1,180,984)	(344,576)		37,925	(2,055,092)
33	ITC	229	3,897	10,349	3,067		36,508	10,652		(1,172)	63,530
34											
35	Other Income After Income Taxes:	-	-	-	-		-	-		-	-
36											
37	TOTAL EXPENSES:	560,564	2,465,754	8,155,772	2,721,645	-	54,916,132	19,004,991	921,779	21,385,099	110,111,736
38											
39	Other Operating Income (Revenue Credits):										
40	Forfeited Discounts Acct 487									(3,925,048)	(3,925,048)
41	Miscellaneous Acct 488									(326,618)	(326,618)
42	Miscellaneous Acct 489									(42,226)	(42,226)
43	Miscellaneous Acct 495						(851,166)			(1,853,073)	(2,704,239)
44	Miscellaneous Acct 493	(123)	(2,096)	(5,565)	(1,649)		(19,633)	(5,728)		630	(34,164)
45	Service Class 7 Revenue			(390,988)			(194,764)			(73,090)	(658,841)
46	Total Other Operating Income:	(123)	(2,096)	(396,553)	(1,649)		(194,764)	(670,799)		(6,219,424)	(7,691,136)
47											
48	Actual Return (Net Operating Income)	143,924	2,452,771	6,512,834	1,930,141	-	22,975,597	6,703,588		(737,814)	39,981,041
49											
50	Return Income Deficiency	23,605	402,277	1,068,164	316,561	-	3,768,208	1,099,450		(121,008)	6,557,256
51											
52	Additional Income Taxes on Deficiency:	85,867	1,463,358	3,885,651	1,151,550	-	13,707,572	3,999,457		(440,190)	23,853,265
53											
54	REVENUE REQUIREMENTS:	813,837	6,782,064	19,225,868	6,118,247	(194,764)	94,496,710	30,801,758	921,779	13,846,662	172,812,161
55											
56											
57											
58	RATE BASE:										
59	Utility Plant in Service	1,547,731	-	179,349,096	62,874,351		480,081,866	168,105,139		11,883,452	903,841,636
60	Accumulated Depreciation - S/L	-	-	(76,736,157)	(29,399,337)		(157,543,610)	(75,340,039)		(8,272,404)	(347,291,548)
61	Construction Work in Progress	-	-	2,877,867	-		1,451,492	-		-	4,329,359
62	Net Plant in Service	1,547,731	-	105,490,806	33,475,015	-	323,989,747	92,765,100	-	3,611,048	560,879,448
63											
64	Gas Stored Underground		29,510,895								29,510,895
65	Fuel Stock	-									-
66	Cash Working Capital	122,081	524,719	1,049,531	369,789		6,324,886	2,929,370			11,320,377
67	Materials & Supplies						2,267,474	504,255			2,771,729
68	Accumulated Deferred Taxes			(26,438,117)	(10,165,352)		(52,475,152)	(15,626,377)			(104,704,998)
69	Reserve for Injuries and Damages	(21,458)	(92,231)	(184,479)	(64,999)		(1,111,740)	(514,902)			(1,989,809)
70	Retirement Benefits, Net	145,314	624,577	1,249,266	440,163		7,528,569	3,486,856			13,474,745
71	Customer Advances						(187,545)				(187,545)
72	Customer Deposits									(14,012,877)	(14,012,877)
73	Budget Plan Balance									1,206,735	1,206,735
74	TOTAL RATE BASE	1,793,668	30,567,960	81,167,008	24,054,617	-	286,336,239	83,544,302	-	(9,195,955)	488,268,700
75	% of Rate Base	0.3600%	6.1348%	16.2898%	4.8276%	0.0000%	57.4662%	16.7669%	0.0000%	-1.8454%	100.0000%

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Summary and Detail by Customer Class
Revenue Deficiency (Excess) and Rate Base by Individual Service Classification under Present Rates
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
NO.	RATE: SC 4 LARGE VOLUME	PRODUCTION COST	STORAGE VOLUMETRIC COST	STORAGE DEMAND COST	TRANSMISSION DEMAND	DISTRIBUTION VOLUMETRIC	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER	CUSTOMER VOLUMETRIC COST	CUSTOMER / FIXED COST	TOTAL
1											
2	Operation & Maintenance Expense:										
3	Production:	11,271	130,544	95,687							237,503
4	Transmission:				164,747						164,747
5	Distribution:						3,456,454	149,709			3,606,163
6	Customer Accounts:									42,706	42,706
7	Customer Services:									337	337
8	Customer Sales:									-	-
9	Administrative & General:						1,547,112	70,054	190,018	128,328	1,935,513
10	Total Operation & Maintenance Expense:	11,271	130,544	95,687	164,747	-	5,003,566	219,763	190,018	171,371	5,986,967
11											
12	Depreciation & Amort Expense:	38	-	62,598	92,459		1,968,312	98,263		504	2,222,173
13											
14	Taxes Other Than Income Taxes:										
15	Real Estate - Underground Storage										-
16	Invested Capital - Local Storage			1,080							1,080
17	Real Estate - Transmission										-
18	Invested Capital - Transmission				22,526						22,526
19	Illinois Gas Use Tax	2,575									2,575
20	Payroll Taxes	2,714	824	8,333	2,308		71,262	93,629		50,037	229,108
21	Other Taxes										-
22	Unauthorized Insurance Tax	3	137	131	140		2,778	122		(22)	3,289
23	Invested Capital - Underground Storage			11,158							11,158
24	Invested Capital - Other	254	11,868	11,364	12,105		240,443	10,543	(1,886)		284,693
25	Federal Excise Tax	1	33	32	34		672	29		(5)	796
26	State Franchise Tax	9	400	383	408		8,099	355		(64)	9,590
27	Personal Property Tax	37	1,709	1,636	1,743		34,614	1,518		(271)	40,984
28	Total Taxes Other Than Income Taxes:	5,592	14,971	34,118	39,264	-	357,869	106,197	-	47,789	605,800
29											
30	Other Income Before Income Taxes:										-
31											
32	Income Taxes	(165)	(7,673)	(7,347)	(7,826)		(155,454)	(6,816)		1,219	(184,063)
33	ITC	5	237	227	242		4,806	211		(38)	5,690
34											
35	Other Income After Income Taxes:										-
36											
37	TOTAL EXPENSES:	16,742	138,079	185,283	288,886	-	7,179,099	417,616	190,018	220,845	8,636,568
38											
39	Other Operating Income (Revenue Credits):										
40	Forfeited Discounts Acct 487									(109,113)	(109,113)
41	Miscellaneous Acct 488									(284)	(284)
42	Miscellaneous Acct 489									(37)	(37)
43	Miscellaneous Acct 495									(37,088)	(37,088)
44	Miscellaneous Acct 493	(3)	(128)	(122)	(130)		(2,584)	(113)		20	(3,060)
45	Service Class 7 Revenue			(8,578)						(64)	(48,791)
46	Total Other Operating Income:	(3)	(128)	(8,700)	(130)	(40,149)	(2,584)	(113)	-	(146,564)	(198,371)
47											
48	Actual Return (Net Operating Income)	329	15,357	14,704	15,663	-	311,109	13,642		(2,440)	368,363
49											
50	Return Income Deficiency	3,396	158,409	151,677	161,569	-	3,209,203	140,720		(25,170)	3,799,804
51											
52	Additional Income Taxes on Deficiency:	1,910	89,064	85,279	90,841	-	1,804,340	79,118		(14,152)	2,136,399
53											
54	REVENUE REQUIREMENTS:	22,374	400,781	428,243	556,829	(40,149)	12,501,167	650,982	190,018	32,518	14,742,763
55											
56											
57											
58	RATE BASE:										
59	Utility Plant in Service	34,420	-	3,938,879	6,747,111		63,193,621	3,040,907		10,339	76,965,277
60	Accumulated Depreciation - S/L	-	-	(1,686,193)	(3,838,635)		(20,737,612)	(1,380,194)		(7,197)	(27,649,830)
61	Construction Work in Progress	-	-	63,212			191,061			-	254,273
62	Net Plant in Service	34,420	-	2,315,898	2,908,476	-	42,647,071	1,660,713	-	3,142	49,569,720
63											
64	Gas Stored Underground		1,642,536								1,642,536
65	Fuel Stock										-
66	Cash Working Capital	2,715	108,167	23,048	39,682		832,551	2,549			1,008,712
67	Materials & Supplies						298,470	439			298,908
68	Accumulated Deferred Taxes			(580,949)	(1,090,854)		(6,907,353)	(13,595)			(8,592,751)
69	Reserve for Injuries and Damages	(477)	(19,013)	(4,051)	(6,975)		(146,339)	(448)			(177,304)
70	Retirement Benefits, Net	3,232	128,752	27,434	47,234		990,992	3,034			1,200,679
71	Customer Advances						(24,687)				(24,687)
72	Customer Deposits									(298,757)	(298,757)
73	Budget Plan Balance										-
74	TOTAL RATE BASE	39,889	1,860,442	1,781,380	1,897,564	-	37,690,705	1,652,691	-	(295,615)	44,827,055
75	% of Rate Base	0.0894%	4.1689%	3.9917%	4.2520%	0.0000%	84.4571%	3.7033%	0.0000%	-0.6624%	100.0000%

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Summary and Detail by Customer Class
Revenue Deficiency (Excess) and Rate Base by Individual Service Classification under Present Rates
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
LINE NO.	RATE: SC 6 STANDBY	PRODUCTION COST	STORAGE VOLUMETRIC COST	STORAGE DEMAND COST	TRANSMISSION DEMAND	DISTRIBUTION VOLUMETRIC	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER	CUSTOMER VOLUMETRIC COST	CUSTOMER / FIXED COST	TOTAL
1											
2	Operation & Maintenance Expense:										
3	Production:	71	270	692							1,034
4	Transmission:				216						216
5	Distribution:						3,533	5,784			9,318
6	Customer Accounts:									2,188	2,188
7	Customer Services:									161	161
8	Customer Sales:									-	-
9	Administrative & General:						1,602	2,687	106	5,390	9,785
10	Total Operation & Maintenance Expense:	71	270	692	216	-	5,136	8,471	106	7,739	22,703
11											
12	Depreciation & Amort Expense:	0	-	447	121		2,012	5,129		242	7,951
13											
14	Taxes Other Than Income Taxes:										
15	Real Estate - Underground Storage			7							7
16	Invested Capital - Local Storage										-
17	Real Estate - Transmission				30						30
18	Invested Capital - Transmission										-
19	Illinois Gas Use Tax	1									1
20	Payroll Taxes	10	3	30	8		260	342		183	837
21	Other Taxes										-
22	Unauthorized Insurance Tax	0	0	1	0			3	6		10
23	Invested Capital - Underground Storage				82						82
24	Invested Capital - Other	2	22	83	23		246	483		9	867
25	Federal Excise Tax	0	0	0	0			1			2
26	State Franchise Tax	0	1	3	1		8	16		0	29
27	Personal Property Tax	0	3	12	3		35	70		1	125
28	Total Taxes Other Than Income Taxes:	13	30	217	65	-	553	918	-	193	1,990
29											
30	Other Income Before Income Taxes:	-	-	-	-		-	-	-	-	-
31											
32	Income Taxes	(1)	(15)	(53)	(15)		(159)	(312)		(6)	(561)
33	ITC	0	0	2	0		5	10		0	17
34											
35	Other Income After Income Taxes:	-	-	-	-		-	-		-	-
36											
37	TOTAL EXPENSES:	84	286	1,305	388	-	7,547	14,215	106	8,169	32,101
38											
39	Other Operating Income (Revenue Credits):										
40	Forfeited Discounts Acct 487									(1,001)	(1,001)
41	Miscellaneous Acct 488									(136)	(136)
42	Miscellaneous Acct 489									(18)	(18)
43	Miscellaneous Acct 495									(314)	(314)
44	Miscellaneous Acct 493	(0)	(0)	(1)	(0)		(3)	(5)		(9)	(9)
45	Service Class 7 Revenue			(63)		(22)				(30)	(116)
46	Total Other Operating Income:	(0)	(0)	(64)	(0)	(22)	(3)	(5)	-	(1,500)	(1,594)
47											
48	Actual Return (Net Operating Income)	47	660	2,427	667	-	7,210	14,178		251	25,439
49											
50	Return Income Deficiency	(24)	(330)	(1,215)	(334)	-	(3,611)	(7,101)		(126)	(12,742)
51											
52	Additional Income Taxes on Deficiency:	12	169	621	171	-	1,844	3,627		64	6,508
53											
54	REVENUE REQUIREMENTS:	120	784	3,074	892	(22)	12,987	24,914	106	6,858	49,712
55											
56											
57											
58	RATE BASE:										
59	Utility Plant in Service	218	-	28,479	8,855		64,599	135,717		4,957	242,825
60	Accumulated Depreciation - S/L	-	-	(12,126)	(3,964)		(21,199)	(56,104)		(3,451)	(96,844)
61	Construction Work in Progress	-	-	456			195			-	652
62	Net Plant in Service	218	-	16,809	4,891	-	43,595	79,613	-	1,506	146,633
63											
64	Gas Stored Underground		3,403								3,403
65	Fuel Stock	-									-
66	Cash Working Capital	17	61	167	52		851	1,222			2,370
67	Materials & Supplies	-	-				305	210			515
68	Accumulated Deferred Taxes	-	-	(4,178)	(1,432)		(7,061)	(6,518)			(19,189)
69	Reserve for Injuries and Damages	(3)	(11)	(29)	(9)		(150)	(215)			(417)
70	Retirement Benefits, Net	20	72	199	62		1,013	1,454			2,821
71	Customer Advances						(25)				(25)
72	Customer Deposits									(167)	(167)
73	Budget Plan Balance										
74	TOTAL RATE BASE	253	3,525	12,968	3,565	-	38,529	75,767	-	1,339	135,944
75	% of Rate Base	0.1858%	2.5928%	9.5389%	2.6221%	0.0000%	28.3417%	55.7338%	0.0000%	0.9849%	100.0000%

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Summary and Detail by Customer Class
Revenue Deficiency (Excess) and Rate Base by Individual Service Classification under Present Rates
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
NO.	PRODUCTION COST	STORAGE VOLUMETRIC COST	STORAGE DEMAND COST	TRANSMISSION DEMAND	DISTRIBUTION VOLUMETRIC	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER	CUSTOMER VOLUMETRIC COST	CUSTOMER / FIXED COST	TOTAL	
1	RATE: SC 8 CNG SERVICE										
2	Operation & Maintenance Expense:										
3	49	426	355								830
4				149							149
5							3,102	1,175			4,277
6									149		149
7									18		18
8											-
9							1,391	548	168	891	2,997
10	49	426	355	149	-	4,493	1,723	168	1,059	8,421	
11	Total Operation & Maintenance Expense:										
12	0	-	236	84		1,766	1,031		28	3,145	
13	Depreciation & Amort Expense:										
14											-
15											-
16			5								5
17											-
18					20						20
19	2										2
20	4	1	12	3			100	132	70	322	
21											-
22	0	0	0	0			2	1	0	5	
23											41
24	1	35	42	11			216	100	1	406	
25	0	0	0	0			1	0	0	1	
26	0	1	1	0			7	3	0	14	
27	0	5	6	2			31	14	0	58	
28	7	43	107	37	-	357	250	-	72	874	
29	Total Taxes Other Than Income Taxes:										
30											-
31											-
32	(1)	(23)	(27)	(7)			(140)	(64)	(1)	(263)	
33	0	1	1	0			4	2	0	8	
34											-
35											-
36											-
37	56	447	671	263	-	6,481	2,941	168	1,158	12,186	
38	TOTAL EXPENSES:										
39	Other Operating Income (Revenue Credits):										
40									(2,002)	(2,002)	
41									(16)	(16)	
42									(2)	(2)	
43									(556)	(556)	
44	(0)	(0)	(0)	(0)			(2)	(1)	(0)	(4)	
45			(31)			(35)			(3)	(70)	
46	(0)	(0)	(32)	(0)		(35)	(2)	(1)	-	(2,579)	
47	Total Other Operating Income:										
48	12	394	464	125	-	2,399	1,108		12	4,514	
49	Actual Return (Net Operating Income)										
50	4	125	147	40	-	760	351		4	1,431	
51	Return Income Deficiency										
52	8	266	313	84	-	1,619	748		8	3,047	
53	Additional Income Taxes on Deficiency:										
54	81	1,232	1,564	512	(35)	11,258	5,147	168	(1,397)	18,528	
55	REVENUE REQUIREMENTS:										
56	RATE BASE:										
57	UTILITY PLANT IN SERVICE										
58	151	-	14,611	6,122		56,712	27,451		567	105,613	
59	-	-	(6,304)	(3,446)		(18,611)	(11,393)		(394)	(40,148)	
60	-	-	235			171			-	406	
61	151	-	8,542	2,676	-	38,273	16,058	-	172	65,872	
62	Net Plant in Service										
63		5,363								5,363	
64										-	
65	12	95	85	36		747	140			1,115	
66									24	292	
67			(2,172)	(990)		(6,199)	(745)			(10,106)	
68			(15)	(6)		(131)	(25)			(196)	
69	(2)	(17)	102	43		889	166			1,328	
70	14	113				(22)				(22)	
71										-	
72										-	
73										-	
74	175	5,555	6,542	1,759	-	33,825	15,618	-	172	63,646	
75	TOTAL RATE BASE										
	0.2744%	8.7276%	10.2795%	2.7635%	0.0000%	53.1456%	24.5390%	0.0000%	0.2705%	100.0000%	

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Detailed Cost of Service Study Allocation Results
ALLOCATION OF OPERATING REVENUE
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
LINE NO.	DESCRIPTION	PEOPLES GAS	SC 1 Residential	SC 2 General Service	SC 4 Large Volume Demand Service	SC 6 Standby Service	SC 8 CNG Service	SOURCE or ALLOCATION FACTOR
1	GAS OPERATING MARGIN REVENUES	439,293,260	288,015,065	142,401,640	8,806,559	55,946	14,050	Direct
2								
3	OTHER OPERATING INCOME:							
4	Acct 487 - Forfeited Discounts	11,636,000	7,598,837	3,925,048	109,113	1,001	2,002	Delayed Pymt
5	Acct 488 - Miscellaneous Revenue	3,324,734	2,997,680	326,618	284	136	16	Customer
6	Acct 489 - Miscellaneous Revenue	429,832	387,549	42,226	37	18	2	Customer
7	Acct 493 - Rent from Gas Property	95,721	58,483	34,164	3,060	9	4	Rate Base
8	Acct 494 - Interdepartmental Rents	0	0	0	0	0	0	
9	Acct 495 - Other Gas Revenue							
10	Miscellaneous	1,411,371	1,272,534	138,652	121	58	7	Customer
11	VBA Related Revenue	(955,078)	(1,806,244)	851,166	0	0	0	Direct
12	Municipal Tax Service Fee	4,959,270	3,207,077	1,714,421	36,967	256	549	MUT
13		5,415,563	2,673,367	2,704,239	37,088	314	556	
14	Service Class 7 Revenues:							
15	Customer Related	744,000	670,813	73,090	64	30	3	Customer
16	Commodity Related	411,631	176,660	194,764	40,149	22	35	Sales
17	Demand Related	783,370	383,710	390,988	8,578	63	31	Storage
18		1,939,001	1,231,183	658,841	48,791	116	70	
19								
20	TOTAL OTHER REVENUE	22,840,851	14,947,099	7,691,136	198,371	1,594	2,650	
21								
22	TOTAL OPERATING REVENUE	462,134,111	302,962,164	150,092,776	9,004,930	57,540	16,700	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Detailed Cost of Service Study Allocation Results
 ALLOCATION OF OPERATION & MAINTENANCE
 FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1								
2	Production:	1,012,000	493,771	506,837	11,271	71	49	Unbundled CP
3								
4	Storage							
5	Compressor Station Fuel & Power	4,104,774	1,896,699	2,091,068	116,386	241	380	Standby Vol
6	Underground Storage related	8,112,287	3,973,561	4,048,924	88,830	649	324	Storage
7	Local Storage - Demand related	615,694	300,407	308,356	6,857	43	30	Unbundled CP
8	Local Storage - LNG	499,345	230,733	254,378	14,158	29	46	Standby Vol
9	Total Storage	13,332,100	6,401,399	6,702,725	226,231	963	781	
10								
11	Transmission	3,196,000	1,495,654	1,535,233	164,747	216	149	Ave & Peak
12								
13	Distribution:							
14	303 - Commodity	0	0	0	0	0	0	Sales
15	303 - Demand	183,563	84,130	87,847	11,563	12	10	Ave & Peak
16	303 - Customer	1,131,437	1,020,137	111,151	97	46	5	Customer
17	374	26,660	12,219	12,759	1,679	2	2	Ave & Peak
18	375	586,677	268,885	280,764	36,957	38	33	Ave & Peak
19	376	52,881,357	24,236,508	25,307,239	3,331,215	3,405	2,990	Ave & Peak
20	377	0	1	0	0	0	0	
21	378	518,462	237,621	248,118	32,660	33	29	Ave & Peak
22	379	672,740	308,329	321,951	42,379	43	38	Ave & Peak
23	Sub-Total Distribution - Demand related	56,000,896	26,167,831	26,369,829	3,456,551	3,580	3,107	
24			46.73%	47.09%	6.17%	0.01%	0.01%	DISTRIBUTION DEMAND O&M
25								
26	380	25,184,701	22,045,047	3,094,299	41,034	3,609	713	Services
27	381.0	10,534,929	7,913,107	2,554,983	65,179	1,370	291	Meters
28	381.2	3,510,397	3,223,679	286,641	8	52	16	AMR Device
29	381.3	480,945	0	471,305	9,640	0	0	DMD Device
30	382.0	0	0	0	0	0	0	Meters
31	382.2	0	0	0	0	0	0	AMR Device
32	382.3	0	0	0	0	0	0	DMD Device
33	383	5,440,002	4,086,152	1,319,336	33,657	707	150	Meters
34	385	107,843	0	107,750	94	0	0	Acct 385 & 386
35	386	0	0	0	0	0	0	Acct 385 & 386
36	Sub-Total Distribution - Customer related	45,258,818	37,267,985	7,834,313	149,612	5,738	1,170	
37			82.34%	17.31%	0.33%	0.01%	0.00%	DISTRIBUTION CUSTOMER O&M
38								
39	Total Distribution	101,259,714	63,435,816	34,204,142	3,606,163	9,318	4,277	
40								
41	Customer Accounts:							
42	Allocable	31,864,407	28,729,902	3,130,326	2,723	1,306	149	Customer
43	Customer - Acct 904 Allocable	41,604,121	36,043,079	5,520,178	39,982	882	0	Bad Debt
44	Total Customer Accounts:	73,468,528	64,772,981	8,650,504	42,706	2,188	149	
45								
46	Customer Services:	3,938,363	3,550,946	386,901	337	161	18	Customer
47	Customer Sales:	0	0	0	0	0	0	
48	Total Customer:	77,406,891	68,323,927	9,037,405	43,042	2,350	168	
49								
50	Total Customer Function	122,557,866	105,591,912	16,763,969	192,560	8,088	1,337	
51			86.16%	13.68%	0.16%	0.01%	0.00%	CUSTOMER O&M
52	Administrative & General:							
53	Commodity related	1,948,169	836,098	921,779	190,018	106	168	Sales
54	Distribution - Demand related	25,065,350	11,712,417	11,802,829	1,547,112	1,602	1,391	Distribution Demand O&M
55	Distribution - Customer related	21,191,898	17,450,286	3,668,323	70,054	2,687	548	Distribution Customer O&M
56	Customer related	81,676,517	70,369,857	11,172,050	128,328	5,390	891	Customer O&M
57	Total Administrative and General	129,881,934	100,368,659	27,564,981	1,935,513	9,785	2,997	
58								
59	Total Operation & Maintenance	326,088,639	240,519,226	79,551,323	5,986,967	22,703	8,421	

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Detailed Cost of Service Study Allocation Results
ALLOCATION OF DEPRECIATION AND AMORTIZATION EXPENSE
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	DEPRECIATION AND AMORT. EXPENSE							
2	Production:							
3	Commodity related	0	0	0	0	0	0	Sales
4	Demand related	0	0	0	0	0	0	Unbundled CP
5	Total Production	0	0	0	0	0	0	
6								
7	Storage:							
8	Underground Storage related	4,415,855	2,162,974	2,203,997	48,354	353	177	Storage
9	Local Storage related	892,909	435,664	447,193	9,945	63	44	Unbundled CP
10	Total Production	5,308,764	2,598,638	2,651,190	58,299	416	220	
11								
12	Transmission	1,650,769	772,522	792,965	85,094	112	77	Ave & Peak
13								
14								
15	Distribution							
16	303 - Commodity	0	0	0	0	0	0	Sales
17	303 - Demand	766,535	351,317	366,838	48,287	49	43	Ave & Peak
18	303 - Customer	4,724,739	4,259,966	464,153	404	194	22	Customer
19	374	3,831	1,756	1,833	241	0	0	Ave & Peak
20	375	970,838	444,953	464,610	61,157	63	55	Ave & Peak
21	376	26,417,300	12,107,539	12,642,431	1,664,135	1,701	1,493	Ave & Peak
22	377	0	1	0	0	0	0	
23	378	1,268,357	581,312	606,993	79,899	82	72	Ave & Peak
24	379	739,895	339,107	354,089	46,609	48	42	Ave & Peak
25	380	29,304,819	25,651,530	3,600,514	47,746	4,199	829	Services
26	381.0	3,383,707	2,541,606	820,633	20,935	440	93	Meters
27	381.2	2,866,649	2,632,511	234,076	7	43	13	AMR Device
28	381.3	412,385	0	404,120	8,266	0	0	DMD Device
29	382.0	0	0	0	0	0	0	Meters
30	382.2	0	0	0	0	0	0	AMR Device
31	382.3	0	0	0	0	0	0	DMD Device
32	383	3,436,255	2,581,076	833,377	21,260	447	95	Meters
33	385	56,095	0	56,046	49	0	0	Acct 385 & 386
34	386	0	0	0	0	0	0	Acct 385 & 386
35	Total Distribution	74,351,405	51,492,673	20,849,714	1,998,995	7,265	2,758	
36								
37								
38	General							
39	Commodity related	0	0	0	0	0	0	Sales
40	Demand related							
41	Production	3,373	1,646	1,690	38	0	0	Unbundled CP
42	Underground Storage	362,118	177,372	180,737	3,965	29	14	Storage
43	Local Storage	30,038	14,656	15,044	335	2	1	Unbundled CP
44	Transmission	142,882	66,865	68,635	7,365	10	7	Ave & Peak
45	Distribution	1,079,195	494,615	516,467	67,983	69	61	Ave & Peak
46	Customer/Fixed related	1,169,140	1,054,132	114,855	100	48	5	Customer
47	Total General	2,786,746	1,809,287	897,426	79,785	158	89	
48								
49	Total Depreciation and Amortization Expense	84,097,684	56,673,120	25,191,296	2,222,173	7,951	3,145	

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Detailed Cost of Service Study Allocation Results
ALLOCATION OF TAXES OTHER THAN INCOME
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	Unauthorized Insurance Tax	102,900	62,870	36,726	3,289	10	5	Rate Base
2	Real Estate - Underground Storage	0	0	0	0	0	0	Storage
3	Real Estate - Other	0	0	0	0	0	0	Rate Base
4	Real Estate - Transmission	0	0	0	0	0	0	Ave & Peak
5	Invested Capital - Transmission	437,000	204,506	209,918	22,526	30	20	Ave & Peak
6	Invested Capital - Local Storage	97,000	47,328	48,580	1,080	7	5	Unbundled CP
7	Invested Capital - Underground Storage	1,019,000	499,127	508,593	11,158	82	41	Storage
8	Invested Capital - Other	8,149,000	4,978,874	2,908,466	260,495	794	372	Rate Base
9	-- Rate Making Adjustment	757,000	462,512	270,181	24,199	74	35	Rate Base
10	Illinois Gas Use Tax	26,400	11,330	12,491	2,575	1	2	Sales
11	Federal Excise Tax	24,900	15,213	8,887	796	2	1	Rate Base
12	State Franchise Tax	300,000	183,294	107,073	9,590	29	14	Rate Base
13	Property Tax	1,313,092	802,273	468,657	41,975	128	60	Rate Base
14	-- Rate Making Adjustment	(31,000)	(18,940)	(11,064)	(991)	(3)	(1)	Rate Base
15	Payroll Taxes	10,027,141	7,004,703	2,792,170	229,108	837	322	Salaries & Wages
16	Other Taxes	0	0	0	0	0	0	Salaries & Wages
17	TOTAL TAXES OTHER THAN INCOME	22,222,433	14,253,089	7,360,679	605,800	1,990	874	

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Detailed Cost of Service Study Allocation Results
ALLOCATION OF OTHER INCOME & ADJUSTS
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	BEFORE TAX ADJUSTMENTS:							
2	-- none --	0	0	0	0	0	0	
3		0	0	0	0	0	0	
4		0	0	0	0	0	0	
5		0	0	0	0	0	0	
6								
7	TOTAL OTHER ADJUSTS	0	0	0	0	0	0	
8								
9								
10	AFTER TAX ADJUSTMENTS:							
11	-- none --	0	0	0	0	0	0	
12		0	0	0	0	0	0	
13	TOTAL OTHER ADJUSTS	0	0	0	0	0	0	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Detailed Cost of Service Study Allocation Results
 ALLOCATION OF RATE BASE COMPONENT - PLANT IN SERVICE - YE AVERAGE
 FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	GAS PLANT:							
2	Production:							
3	Demand related	3,000,000	1,463,747	1,502,481	33,413	212	146	Unbundled CP
4								
5	Storage:							
6	Underground Storage related	322,027,775	157,735,645	160,727,283	3,526,204	25,762	12,881	Storage
7	Local Storage related	26,712,431	13,033,417	13,378,311	297,517	1,884	1,303	Unbundled CP
8	Total Storage	348,740,206	170,769,061	174,105,593	3,823,721	27,646	14,184	
9								
10	Transmission	127,063,150	59,462,621	61,036,139	6,549,850	8,596	5,943	Ave & Peak
11								
12	Distribution							
13	303 - Commodity	0	0	0	0	0	0	Sales
14	303 - Demand	14,545,047	6,666,265	6,960,770	916,253	937	822	Ave & Peak
15	303 - Customer	89,652,166	80,833,074	8,807,336	7,663	3,674	420	Customer
16	374	2,112,486	968,192	1,010,965	133,074	136	119	Ave & Peak
17	375	32,313,376	14,809,820	15,464,095	2,035,553	2,081	1,827	Ave & Peak
18	376	864,478,933	396,206,754	413,710,538	54,457,102	55,668	48,872	Ave & Peak
19	377	0	1	0	0	0	0	
20	378	40,532,256	18,576,686	19,397,374	2,553,294	2,610	2,291	Ave & Peak
21	379	20,281,028	9,295,172	9,705,818	1,277,586	1,306	1,147	Ave & Peak
22	380	683,338,437	598,149,955	83,957,856	1,113,367	97,918	19,341	Services
23	381.0	187,021,731	140,477,733	45,357,423	1,157,099	24,316	5,160	Meters
24	381.2	62,318,454	57,228,490	5,088,609	143	927	285	AMR Device
25	381.3	8,537,997	0	8,366,862	171,135	0	0	DMD Device
26	382.0	0	0	0	0	0	0	Meters
27	382.2	0	0	0	0	0	0	AMR Device
28	382.3	0	0	0	0	0	0	DMD Device
29	383	96,573,847	72,539,565	23,421,561	597,500	12,556	2,664	Meters
30	385	1,914,492	0	1,912,828	1,664	0	0	Acct 385 & 386
31	386	0	0	0	0	0	0	Acct 385 & 386
32	Total Distribution	2,103,620,250	1,395,751,707	643,162,036	64,421,432	202,129	82,949	
33								
34	General							
35	Commodity related	0	0	0	0	0	0	Sales
36	Demand related							
37	Production	90,350	44,083	45,250	1,006	6	4	Unbundled CP
38	Underground Storage	9,698,444	4,750,492	4,840,591	106,198	776	388	Storage
39	Local Storage	804,493	392,525	402,912	8,960	57	39	Unbundled CP
40	Transmission	3,826,735	1,790,824	1,838,213	197,260	259	179	Ave & Peak
41	Distribution	28,903,632	13,247,072	13,832,306	1,820,759	1,861	1,634	Ave & Peak
42	Customer/Fixed related	31,312,581	28,232,359	3,076,116	2,676	1,283	147	Customer
43	Total General	74,636,235	48,457,354	24,035,387	2,136,861	4,242	2,391	
44								
45	Total Plant in Service	2,657,059,841	1,675,904,491	903,841,636	76,965,277	242,825	105,613	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Detailed Cost of Service Study Allocation Results
 ALLOCATION OF RATE BASE COMPONENT - ACCUMULATED DEPRECIATION RESERVE - YE AVERAGE
 FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	DEPRECIATION RESERVE - S/L:							
2	Production:							
3	Demand related	0	0	0	0	0	0	Unbundled CP
4								
5	Storage:							
6	Demand related	0	0	0	0	0	0	Unbundled CP
7	Underground Storage related	(129,951,318)	(63,652,755)	(64,860,002)	(1,422,967)	(10,396)	(5,198)	Storage
8	Local Storage related	(17,045,096)	(8,316,571)	(8,536,647)	(189,844)	(1,202)	(831)	Unbundled CP
9	Total Storage	(146,996,414)	(71,969,326)	(73,396,649)	(1,612,811)	(11,598)	(6,029)	
10								
11	Transmission	(58,749,029)	(26,925,771)	(28,115,309)	(3,700,844)	(3,783)	(3,321)	Ave & Peak
12								
13	Distribution							
14	303 - Commodity	0	0	0	0	0	0	Sales
15	303 - Demand	(10,939,825)	(5,013,925)	(5,235,432)	(689,145)	(704)	(618)	Ave & Peak
16	303 - Customer	(67,430,447)	(60,797,307)	(6,624,297)	(5,763)	(2,763)	(316)	Customer
17	374	(169,997)	(77,913)	(81,355)	(10,709)	(11)	(10)	Ave & Peak
18	375	(12,527,409)	(5,741,544)	(5,995,196)	(789,153)	(807)	(708)	Ave & Peak
19	376	(264,487,927)	(121,219,730)	(126,575,025)	(16,661,188)	(17,032)	(14,952)	Ave & Peak
20	377	0	1	0	0	0	0	
21	378	(17,971,512)	(8,236,678)	(8,600,561)	(1,132,100)	(1,157)	(1,016)	Ave & Peak
22	379	(9,251,984)	(4,240,356)	(4,427,688)	(582,821)	(596)	(523)	Ave & Peak
23	380	(266,355,617)	(233,150,356)	(32,725,580)	(433,975)	(38,167)	(7,539)	Services
24	381.0	(89,875,663)	(67,508,355)	(21,797,085)	(556,058)	(11,685)	(2,480)	Meters
25	381.2	(33,669,208)	(30,919,219)	(2,749,257)	(77)	(501)	(154)	AMR Device
26	381.3	(5,733,019)	0	(5,618,107)	(114,912)	0	0	DMD Device
27	382.0	0	0	0	0	0	0	Meters
28	382.2	0	0	0	0	0	0	AMR Device
29	382.3	0	0	0	0	0	0	DMD Device
30	383	(44,233,777)	(33,225,341)	(10,727,792)	(273,673)	(5,751)	(1,220)	Meters
31	385	(1,723,718)	0	(1,722,220)	(1,498)	0	0	Acct 385 & 386
32	386	0	0	0	0	0	0	Acct 385 & 386
33	Total Distribution	(824,370,102)	(570,130,723)	(232,879,595)	(21,251,072)	(79,174)	(29,536)	
34								
35	General							
36	Commodity related	0	0	0	0	0	0	Sales
37	Demand related							
38	Underground Storage	(5,912,714)	(2,896,166)	(2,951,095)	(64,744)	(473)	(237)	Storage
39	Local Storage	(775,543)	(378,399)	(388,413)	(8,638)	(55)	(38)	Unbundled CP
40	Transmission	(2,673,049)	(1,250,925)	(1,284,027)	(137,790)	(181)	(125)	Ave & Peak
41	Distribution	(13,850,436)	(6,347,912)	(6,628,353)	(872,496)	(892)	(783)	Ave & Peak
42	Customer/Fixed related	(16,776,505)	(15,126,199)	(1,648,107)	(1,434)	(687)	(79)	Customer
43	Total General	(39,988,247)	(25,999,601)	(12,899,994)	(1,085,102)	(2,288)	(1,261)	
44								
45	Total Depreciation Reserve - Straight Line:	(1,070,103,792)	(695,025,422)	(347,291,548)	(27,649,830)	(96,844)	(40,148)	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Detailed Cost of Service Study Allocation Results
 ALLOCATION OF RATE BASE COMPONENT - CONSTRUCTION WORK IN PROGRESS - YE AVERAGE
 FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	CONSTRUCTION WORK IN PROGRESS							
2	Production:							
3	Demand related	0	0	0	0	0	0	Unbundled CP
4								
5	Storage:							
6	Demand related	0	0	0	0	0	0	Unbundled CP
7	Underground Storage related	5,270,375	2,581,535	2,630,497	57,711	422	211	Storage
8	Local Storage related	493,924	240,993	247,371	5,501	35	24	Unbundled CP
9	Total Storage	5,764,299	2,822,528	2,877,867	63,212	456	235	
10								
11	Transmission	0	0	0	0	0	0	Ave & Peak
12								
13	Distribution							
14	303 - Commodity	0	0	0	0	0	0	Sales
15	303 - Demand	0	0	0	0	0	0	Ave & Peak
16	303 - Customer	0	0	0	0	0	0	Customer
17	374	0	0	0	0	0	0	Ave & Peak
18	375	0	0	0	0	0	0	Ave & Peak
19	376	3,033,000	1,390,080	1,451,492	191,061	195	171	Ave & Peak
20	377	0	0	0	0	0	0	
21	378	0	0	0	0	0	0	Ave & Peak
22	379	0	0	0	0	0	0	Ave & Peak
23	380	0	0	0	0	0	0	Services
24	381.0	0	0	0	0	0	0	Meters
25	381.2	0	0	0	0	0	0	AMR Device
26	381.3	0	0	0	0	0	0	DMD Device
27	382.0	0	0	0	0	0	0	Meters
28	382.2	0	0	0	0	0	0	AMR Device
29	382.3	0	0	0	0	0	0	DMD Device
30	383	0	0	0	0	0	0	Meters
31	385	0	0	0	0	0	0	Acct 385 & 386
32	386	0	0	0	0	0	0	Acct 385 & 386
33	Total Distribution	3,033,000	1,390,080	1,451,492	191,061	195	171	
34								
35	General							
36	Commodity related	0	0	0	0	0	0	Sales
37	Demand related	0	0	0	0	0	0	Ave & Peak
38	Customer/Fixed related	0	0	0	0	0	0	Customer
39	Total General	0	0	0	0	0	0	
40								
41	Total Construction Work in Progress	8,797,299	4,212,609	4,329,359	254,273	652	406	

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Detailed Cost of Service Study Allocation Results
ALLOCATION OF OTHER RATE BASE COMPONENTS
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1								
2	Gas Stored Underground - 13 Mo. Ave	57,930,000	26,767,804	29,510,895	1,642,536	3,403	5,363	Standby Vol
3								
4	Fuel Stock - 13 Mo. Ave	0	0	0	0	0	0	Standby Vol
5								
6	Cash Working Capital - Year End Ave							
7	Commodity Related	1,108,987	475,945	524,719	108,167	61	95	Sales
8	Demand:							
9	Production	243,759	118,934	122,081	2,715	17	12	Unbundled CP
10	Underground Storage	1,953,994	957,105	975,258	21,396	156	78	Storage
11	Local Storage	148,301	72,359	74,273	1,652	10	7	Unbundled CP
12	Transmission	769,815	360,256	369,789	39,682	52	36	Ave & Peak
13	Distribution	13,216,320	6,057,285	6,324,886	832,551	851	747	Ave & Peak
14	Customer Related	29,818,824	26,885,543	2,929,370	2,549	1,222	140	Customer
15	Sub-Total	47,260,000	34,927,427	11,320,377	1,008,712	2,370	1,115	
16								
17	Materials & Supplies - 13 Mo. Ave							
18	Commodity Related	0	0	0	0	0	0	Sales
19	Demand Related	4,738,055	2,171,539	2,267,474	298,470	305	268	Ave & Peak
20	Customer Related	5,132,945	4,628,016	504,255	439	210	24	Customer
21	Sub-Total	9,871,000	6,799,555	2,771,729	298,908	515	292	
22								
23	Accumulated Deferred Taxes - Year End Ave							
24	Commodity Related	0	0	0	0	0	0	Sales
25	Demand Related							
26	Underground Storage	(46,809,605)	(22,928,281)	(23,363,142)	(512,565)	(3,745)	(1,872)	Storage
27	Local Storage	(6,139,793)	(2,995,702)	(3,074,975)	(68,384)	(433)	(299)	Unbundled CP
28	Transmission	(21,161,916)	(9,903,288)	(10,165,352)	(1,090,854)	(1,432)	(990)	Ave & Peak
29	Distribution	(109,650,731)	(50,254,967)	(52,475,152)	(6,907,353)	(7,061)	(6,199)	Ave & Peak
30	Customer Related	(159,064,954)	(143,417,719)	(15,626,377)	(13,595)	(6,518)	(745)	Customer
31	Sub-Total	(342,827,000)	(229,499,957)	(104,704,998)	(8,592,751)	(19,189)	(10,106)	
32								
33	Retirement Benefits, Net							
34	Commodity Related	1,320,037	566,522	624,577	128,752	72	113	Sales
35	Demand Related							
36	Production	290,148	141,568	145,314	3,232	20	14	Unbundled CP
37	Underground Storage	2,325,856	1,139,251	1,160,858	25,468	186	93	Storage
38	Local Storage	176,524	86,129	88,408	1,966	12	9	Unbundled CP
39	Transmission	916,318	428,816	440,163	47,234	62	43	Ave & Peak
40	Distribution	15,731,504	7,210,040	7,528,569	990,992	1,013	889	Ave & Peak
41	Customer Related	35,493,612	32,002,102	3,486,856	3,034	1,454	166	Customer
42	Sub-Total	56,254,000	41,574,428	13,474,745	1,200,679	2,821	1,328	
43								
44	Reserve for Injuries and Damages							
45	Commodity Related	(194,929)	(83,658)	(92,231)	(19,013)	(11)	(17)	Sales
46	Demand Related							
47	Production	(42,846)	(20,905)	(21,458)	(477)	(3)	(2)	Unbundled CP
48	Underground Storage	(343,458)	(168,233)	(171,423)	(3,761)	(27)	(14)	Storage
49	Local Storage	(26,067)	(12,719)	(13,055)	(290)	(2)	(1)	Unbundled CP
50	Transmission	(135,312)	(63,323)	(64,999)	(6,975)	(9)	(6)	Ave & Peak
51	Distribution	(2,323,063)	(1,064,703)	(1,111,740)	(146,339)	(150)	(131)	Ave & Peak
52	Customer Related	(5,241,324)	(4,725,734)	(514,902)	(448)	(215)	(25)	Customer
53	Sub-Total	(8,307,000)	(6,139,275)	(1,989,809)	(177,304)	(417)	(196)	
54								
55	Customer Advances - Year End Ave	(391,890)	(179,610)	(187,545)	(24,687)	(25)	(22)	Ave & Peak
56								
57	Customer Deposits - 13 Mo. Ave	(32,088,000)	(17,776,199)	(14,012,877)	(298,757)	(167)	0	Cust Deposits
58								
59	Budget Plan Balance - 13 Mo. Ave	12,605,000	11,398,265	1,206,735	0	0	0	Budget
60								
61	TOTAL OTHER RATE BASE COMPONENTS	(199,693,890)	(132,127,563)	(62,610,748)	(4,942,664)	(10,690)	(2,226)	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Functionalized and Classified Rate Base
 CLASSIFICATION OF PLANT IN SERVICE - YEAR END AVERAGE
 FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] ACCT. NO.	[C] PEOPLES GAS	[D] COMMODITY	[E] BASIC TRANSMISSION/ DISTRIBUTION DEMAND	[F] BASIC TRANSMISSION/ DISTRIBUTION FIXED COST	[G] SOURCE or ALLOCATION FACTOR
1	PRODUCTION						
2	Manufactured Gas Production Plant	304.2-320	3,000,000	0	3,000,000	0	
3							
4	STORAGE						
5	Underground Storage Plant	300.350-357	322,027,775	0	322,027,775	0	
6	Local Storage	361-363	26,712,431	0	26,712,431	0	
7	TOTAL PRODUCTION PLT ACCT		348,740,206	0	348,740,206	0	
8							
9							
10	TRANSMISSION	365-371	127,063,150	0	127,063,150	0	
11							
12							
13	DISTRIBUTION-DIRECT PLANT ACCT						
14	Intangible						
15	-- Customer related	303	78,575,118	0	0	78,575,118	
16	-- Plant related	303	22,360,722	0	12,979,596	9,381,126	
17	-- Distribution Plant related	303	3,261,373	0	1,565,451	1,695,922	
18	Land and Land Rights	374	2,112,486	0	2,112,486	0	
19	Structures and Improvements	375	32,313,376	0	32,313,376	0	
20	Mains	376	864,478,933	0	864,478,933	0	
21	Compressor Station Equipment	377	0	0	0	0	
22	Measuring & Regulation Equipment - General	378	40,532,256	0	40,532,256	0	
23	Measuring & Regulation Equipment - Gate Station	379	20,281,028	0	20,281,028	0	
24	Services	380	683,338,437	0	0	683,338,437	
25	Meters	381.0	187,021,731	0	0	187,021,731	
26	Automated Meter Reading - Purchases	381.2	62,318,454	0	0	62,318,454	
27	Demand Devices - Purchases	381.3	8,537,997	0	0	8,537,997	
28	Meter Connections & Installations	382.0	0	0	0	0	
29	Automated Meter Installations	382.2	0	0	0	0	
30	Demand Device - Installations	382.3	0	0	0	0	
31	House Regulators	383	96,573,847	0	0	96,573,847	
32	Industrial Metering & Regulating Station Equip.	385	1,914,492	0	0	1,914,492	
33	Other Property on Customer Premises	386	0	0	0	0	
34	TOTAL DISTRIBUTION		2,103,620,250	0	974,263,126	1,129,357,124	
35							
36	Sub-Total Distribution Plant (not inc'g Intangible)		1,999,423,037	0	959,718,079	1,039,704,958	
37			100.00%	0.00%	48.00%	52.00%	Distribution Plant (not Including Intangible)
38							
39	Sub-Total Prod., Storage, Trans., Dist. Plant		2,478,226,393	0	1,438,521,435	1,039,704,958	
40			100.00%	0.00%	58.05%	41.95%	Sub-Total GROSS PLANT (not inc'g General / Intangible)
41							
42	GENERAL PLANT	389 - 399	74,636,235	0	43,323,654	31,312,581	
43							
44	TOTAL PLANT IN SERVICE		2,657,059,841	0	1,496,390,136	1,160,669,705	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Functionalized and Classified Rate Base
 CLASSIFICATION OF DEPRECIATION RESERVE - YEAR END AVERAGE
 FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] ACCT. NO.	[C] PEOPLES GAS	[D] COMMODITY	[E] BASIC TRANSMISSION/ DISTRIBUTION DEMAND	[F] BASIC TRANSMISSION/ DISTRIBUTION FIXED COST	[G] SOURCE or ALLOCATION FACTOR
1	PRODUCTION						
2	Manufactured Gas Production Plant	304.2-320	0	0	0	0	
3							
4	STORAGE						
5	Underground Storage Plant	350-357	(130,072,942)	0	(130,072,942)	0	
6	-- Rate Making Adjustment	351-356	121,624	0	121,624	0	
7	Local Storage	361-363	(16,980,669)	0	(16,980,669)	0	
8	-- Rate Making Adjustment	361-363	(64,427)	0	(64,427)	0	
9	TOTAL STORAGE		(146,996,414)	0	(146,996,414)	0	
10							
11	TRANSMISSION	365-371	(58,611,101)	0	(58,611,101)	0	
13	-- Rate Making Adjustment	361-363	(137,928)	0	(137,928)	0	
14	TOTAL TRANSMISSION		(58,749,029)	0	(58,749,029)	0	
15							
16	DISTRIBUTION						
18	Intangible						
19	-- Customer related	303	(59,099,022)	0	0	(59,099,022)	
20	-- Plant related	303	(16,818,260)	0	(9,762,396)	(7,055,864)	
21	-- Distribution Plant related	303	(2,452,990)	0	(1,177,429)	(1,275,561)	
22	Land and Land Rights	374	(169,997)	0	(169,997)	0	
23	Structures and Improvements	375	(12,450,411)	0	(12,450,411)	0	
24	-- Rate Making Adjustment	375	(76,998)	0	(76,998)	0	
25	Mains	376	(263,693,627)	0	(263,693,627)	0	
26	-- Rate Making Adjustment	376	(794,300)	0	(794,300)	0	
27	Compressor Station Equipment	377	0	0	0	0	
28	Measuring & Regulation Equipment - General	378	(17,906,676)	0	(17,906,676)	0	
29	-- Rate Making Adjustment	378	(64,836)	0	(64,836)	0	
30	Measuring & Regulation Equipment - Gate Station	379	(9,220,188)	0	(9,220,188)	0	
31	-- Rate Making Adjustment	379	(31,796)	0	(31,796)	0	
32	Services	380	(263,330,805)	0	0	(263,330,805)	
33	-- Rate Making Adjustment	380	(3,024,812)	0	0	(3,024,812)	
34	Meters	381.0	(90,255,864)	0	0	(90,255,864)	
35	-- Rate Making Adjustment	381.0	380,201	0	0	380,201	
36	Automated Meter Reading - Purchases	381.2	(33,669,208)	0	0	(33,669,208)	
37	Demand Devices - Purchases	381.3	(5,716,797)	0	0	(5,716,797)	
38	-- Rate Making Adjustment	381.3	(16,222)	0	0	(16,222)	
39	Meter Connections & Installations	382.0	0	0	0	0	
40	Automated Meter Installations	382.2	0	0	0	0	
41	Demand Device - Installations	382.3	0	0	0	0	
42	House Regulators	383	(43,900,769)	0	0	(43,900,769)	
43	-- Rate Making Adjustment	383	(333,008)	0	0	(333,008)	
44	Industrial Metering & Regulating Station Equip.	385	(1,717,783)	0	0	(1,717,783)	
45	-- Rate Making Adjustment	385	(5,935)	0	0	(5,935)	
46	Other Property on Customer Premises	386	0	0	0	0	
47	TOTAL DISTRIBUTION		(824,370,102)	0	(315,348,653)	(509,021,449)	
48							
49	Sub-Total Prod., Trans., Dist. Depreciated Plant		(951,745,273)	0	(510,154,272)	(441,591,002)	
50			100.00%	0.00%	53.60%	46.40%	Depreciation Reserve (not inc.'g General / Intangible)
51							
52	GENERAL PLANT	389 - 399	(40,134,078)	0	(23,296,391)	(16,837,687)	
53	-- Rate Making Adjustment	392 & 396	145,831	0	84,650	61,181	
54	TOTAL GENERAL		(39,988,247)	0	(23,211,741)	(16,776,505)	
55							
56	TOTAL DEPRECIATION RESERVE		(1,070,103,792)	0	(544,305,838)	(525,797,954)	

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Functionalized and Classified Rate Base
CLASSIFICATION OF CONSTRUCTION WORK IN PROGRESS - YEAR END AVERAGE
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] ACCT. NO.	[C] PEOPLES GAS	[D] COMMODITY	[E] BASIC TRANSMISSION/ DISTRIBUTION DEMAND	[F] BASIC TRANSMISSION/ DISTRIBUTION FIXED COST
1	PRODUCTION					
2	Manufactured Gas Production Plant	304.2-320	0	0	0	0
3						
4	STORAGE					
5	Underground Storage Plant	350-357	5,270,375	0	5,270,375	0
6	Local Storage	361-363	493,924	0	493,924	0
7	TOTAL STORAGE		5,764,299	0	5,764,299	0
8						
9						
10	TRANSMISSION	365-371	0	0	0	0
11						
12						
13	DISTRIBUTION					
14	Intangible	303	0	0	0	0
15	Land and Land Rights	374	0	0	0	0
16	Structures and Improvements	375	0	0	0	0
17	Mains	376	3,033,000	0	3,033,000	0
18	Compressor Station Equipment	377	0	0	0	0
19	Measuring & Regulation Equipment - General	378	0	0	0	0
20	Measuring & Regulation Equipment - Gate Station	379	0	0	0	0
21	Services	380	0	0	0	0
22	Meters	381.0	0	0	0	0
23	Automated Meter Reading - Purchases	381.2	0	0	0	0
24	Demand Devices - Purchases	381.3	0	0	0	0
25	Meter Connections & Installations	382.0	0	0	0	0
26	Automated Meter Installations	382.2	0	0	0	0
27	Demand Device - Installations	382.3	0	0	0	0
28	House Regulators	383	0	0	0	0
29	Industrial Metering & Regulating Station Equip.	385	0	0	0	0
30	Other Property on Customer Premises	386	0	0	0	0
31	TOTAL DISTRIBUTION		3,033,000	0	3,033,000	0
32						
33						
34	GENERAL PLANT	389 - 399	0	0	0	0
35						
36	TOTAL CONSTRUCTION WORK IN PROGRESS		8,797,299	0	8,797,299	0

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Functionalized and Classified Expenses
CLASSIFICATION OF DEPRECIATION AND AMORTIZATION EXPENSE - YEAR END TOTAL
FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] ACCT. NO.	[C] PEOPLES GAS	[D] COMMODITY	[E] BASIC TRANSMISSION/ DISTRIBUTION DEMAND	[F] BASIC TRANSMISSION/ DISTRIBUTION FIXED COST
1	PRODUCTION					
2	Manufactured Gas Production Plant	304.2-320	0	0	0	0
3						
4	STORAGE					
5	Underground Storage Plant	350-358	4,659,103	0	4,659,103	0
6	-- Rate Making Adjustment	351-356	(243,248)	0	(243,248)	0
7	Local Storage Expense	361-363	764,054	0	764,054	0
8	-- Rate Making Adjustment	361-363	128,855	0	128,855	0
9	TOTAL STORAGE		5,308,764	0	5,308,764	0
10						
11						
12	TRANSMISSION	365-371	1,377,866	0	1,377,866	0
13	-- Rate Making Adjustment	361-363	272,903	0	272,903	0
14	TOTAL TRANSMISSION		1,650,769	0	1,650,769	0
15						
16						
17	DISTRIBUTION					
18	Intangible					
19	-- Customer related	303	4,140,970	0	0	4,140,970
20	-- Plant related	303	1,178,427	0	684,035	494,393
21	-- Distribution Plant related	303	171,877	0	82,500	89,376
22	Land and Land Rights	374	3,831	0	3,831	0
23	Structures and Improvements	375	816,843	0	816,843	0
24	-- Rate Making Adjustment	375	153,995	0	153,995	0
25	Mains	376	24,828,700	0	24,828,700	0
26	-- Rate Making Adjustment	376	1,588,600	0	1,588,600	0
27	Compressor Station Equipment	377	0	0	0	0
28	Measuring & Regulation Equipment - General	378	1,138,685	0	1,138,685	0
29	-- Rate Making Adjustment	378	129,672	0	129,672	0
30	Measuring & Regulation Equipment - Gate Station	379	676,303	0	676,303	0
31	-- Rate Making Adjustment	379	63,592	0	63,592	0
32	Services	380	23,255,196	0	0	23,255,196
33	-- Rate Making Adjustment	380	6,049,624	0	0	6,049,624
34	Meters	381.0	4,144,109	0	0	4,144,109
35	-- Rate Making Adjustment	381.0	(760,402)	0	0	(760,402)
36	Automated Meter Reading - Purchases	381.2	2,866,649	0	0	2,866,649
37	Demand Devices - Purchases	381.3	379,941	0	0	379,941
38	-- Rate Making Adjustment	381.3	32,444	0	0	32,444
39	Meter Connections & Installations	382.0	0	0	0	0
40	Automated Meter Installations	382.2	0	0	0	0
41	Demand Device - Installations	382.3	0	0	0	0
42	House Regulators	383	2,770,239	0	0	2,770,239
43	-- Rate Making Adjustment	383	666,016	0	0	666,016
44	Industrial Metering & Regulating Station Equip.	385	44,225	0	0	0
45	-- Rate Making Adjustment	385	11,870	0	0	11,870
46	Other Property on Customer Premises	386	0	0	0	0
47	TOTAL DISTRIBUTION		74,351,405	0	30,166,756	44,140,424
48						
49						
50	GENERAL PLANT	389 - 399	2,786,746	0	1,617,606	1,169,140
51	-- Rate Making Adjustment	392 & 396	0	0	0	0
52	TOTAL GENERAL		2,786,746	0	1,617,606	1,169,140
53						
54	TOTAL DEPRECIATION AND AMORT. EXPENSE		84,097,684	0	38,743,895	45,309,564

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Functionalized and Classified Expenses
 CLASSIFICATION OF OPERATION & MAINTENANCE - YEAR END TOTAL
 FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] ACCT. NO.	[C] PEOPLES GAS	[D] COMMODITY	[E] BASIC TRANSMISSION/ DISTRIBUTION DEMAND	[F] BASIC TRANSMISSION/ DISTRIBUTION FIXED COST	[G] SOURCE or ALLOCATION FACTOR
1	PRODUCTION EXPENSE:						
2	OTHER GAS SUPPLIES EXPENSE	813.0	1,012,000	0	1,012,000	0	
3	TOTAL PRODUCTION		1,012,000	0	1,012,000	0	
4							
5	STORAGE EXPENSE:						
6	UNDERGROUND STORAGE EXPENSE	814-818, 820-837	8,112,287	0	8,112,287	0	
7	COMPRESSOR STATION FUEL & POWER	819	4,104,774	4,104,774	0	0	
8	LOCAL STORAGE EXPENSE	840-843	979,039	499,345	479,694	0	
9	-- Rate Making Adjustment	834	136,000	0	136,000	0	
10	TOTAL STORAGE		13,332,100	4,604,118	8,727,981	0	
11							
12	TRANSMISSION EXPENSE:						
13	NATURAL GAS TRANSMISSION	850-867	3,196,000	0	3,196,000	0	
14							
15	DISTRIBUTION-DIRECT PLANT ACCT (1)	870-894					
16	Intangible						
17	-- Customer related	303	991,641	0	0	991,641	
18	-- Plant related	303	282,199	0	163,806	118,393	
19	-- Distribution Plant related	303	41,159	0	19,756	21,403	
20	Land and Land Rights	374	26,660	0	26,660	0	
21	Structures and Improvements	375	586,677	0	586,677	0	
22	Mains	376	52,881,357	0	52,881,357	0	
23	Compressor Station Equipment	377	0	0	0	0	
24	Measuring & Regulation Equipment - General	378	518,462	0	518,462	0	
25	Measuring & Regulation Equipment - Gate Station	379	672,740	0	672,740	0	
26	Services	380	25,184,701	0	0	25,184,701	
27	Meters	381.0	10,534,929	0	0	10,534,929	
28	Automated Meter Reading - Purchases	381.1	3,510,397	0	0	3,510,397	
29	Demand Device - Purchases	381.2	480,945	0	0	480,945	
30	Meter Connections & Installations	382.0	0	0	0	0	
31	Automated System Installations	382.1	0	0	0	0	
32	Demand Device - Installations	382.2	0	0	0	0	
33	House Regulators	383	5,440,002	0	0	5,440,002	
34	Industrial Metering & Regulating Station Equip.	385	107,843	0	0	107,843	
35	Other Property on Customer Premises	386	0	0	0	0	
36	TOTAL DISTRIBUTION FUNCTION		101,259,714	0	54,869,459	46,390,255	
37							
38	CUSTOMER ACCOUNTS - ALLOCABLE	901-903, 905	31,864,407	0	0	31,864,407	
39	CUSTOMER UNCOLLECTIBLE - ALLOCABLE	904	41,604,121	0	0	41,604,121	
40	CUSTOMER SVC & INFO - ALLOCABLE	907-910	3,938,363	0	0	3,938,363	
41	CUSTOMER SALES - ALLOCABLE	911-917	0	0	0	0	
42	TOTAL CUSTOMER		77,406,891	0	0	77,406,891	
43							
44	Sub-Total O&M, not including A&G		196,206,705	4,604,118	67,805,441	123,797,146	
45			100.00%	2.35%	34.56%	63.10%	TOTAL O&M NOT INCLUDING A&G
46							
47	ADMINISTRATIVE & GENERAL - LABOR	925 & 926	57,168,515	205,623	21,114,390	35,848,502	
48	-- Rate Making Adjustment	926	(2,156,000)	(7,755)	(796,288)	(1,351,957)	
49	ADMINISTRATIVE & GENERAL - O&M	920-923, 927-931	103,445,927	2,427,426	35,749,016	65,269,485	
50	-- Rate Making Adjustment	930.2	(28,856,000)	(677,125)	(9,972,105)	(18,206,770)	
51	ADMINISTRATIVE & GENERAL - PLANT	924 & 932	279,492	0	162,235	117,257	
52	TOTAL ADMINISTRATIVE & GENERAL		129,881,934	1,948,169	46,257,248	81,676,517	
53							
54	TOTAL OPERATION & MAINTENANCE EXPENSE:		326,088,639	6,552,288	114,062,689	205,473,663	
55							
56	NOTE (1): Distribution O&M Accounts 870-894 have been translated to the 300 series of Plant Accounts; please refer to WorkPaper WPE-6.13 for the translation worksheet.						

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Allocation Factors and Related Information
 Allocation Methodologies used within the Embedded Cost of Service Study
 FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION OF ALLOCATION DATA	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	BUDGET PLAN BALANCES							
2	AVERAGE CUSTOMERS	854,101	770,083	83,906	73	35	4	Page 1, line 1
3	Average Budget Plan Balance per Customer		\$ 56.98	\$ 55.37	-	-	-	
4	Estimated Budget Plan Balances	\$ 48,525,327	\$ 43,879,773	\$ 4,645,554	-	-	-	
5	Percentage	1.00000	0.90427	0.09573	-	-	-	Budget
6								
7								
8	CUSTOMER DEPOSITS							
9	AVERAGE CUSTOMERS	854,101	770,083	83,906	73	35	4	Page 1, line 1
10	Average Customer Deposits per Customer		\$ 20.89	\$ 151.12	\$ 3,703.32	\$ 4.33	-	
11	Estimated Customer Deposits	\$ 29,036,130	\$ 16,085,515	\$ 12,680,121	\$ 270,342	\$ 151	-	
12	Percentage	1.00000	0.55398	0.43670	0.00931	0.00001	-	Cust Deposits
13								
14								
15	SALES / COMMODITY (Annual)	1,683,836,098	722,653,870	796,709,472	164,236,114	91,866	144,776	
16	Percentage	1.00000	0.42917	0.47315	0.09754	0.00005	0.00009	Sales
17								
18								
19	COINCIDENT PEAK DEMAND	18,535,348	8,674,115	8,903,652	955,460	1,254	867	
20	Percentage	1.00000	0.46798	0.48036	0.05155	0.00007	0.00005	CP
21								
22								
23	UNBUNDLED COINCIDENT PEAK	17,777,894	8,674,115	8,903,652	198,006	1,254	867	
24	Percentage	1.00000	0.48792	0.50083	0.01114	0.00007	0.00005	Unbundled CP
25								
26								
27	WEIGHTED PEAK AND SEASONAL VOLUMES							
28	EXCESS WINTER OVER SUMMER	100.00%	48.982%	49.911%	1.095%	0.008%	0.004%	
29	Percentage	1.00000	0.48982	0.49911	0.01095	0.00008	0.00004	Storage
30								
31								
32	AVERAGE & PEAK DEMAND							
33	Annual Use (Therms)	1,683,836,098	722,653,870	796,709,472	164,236,114	91,866	144,776	Line 15
34	Average Daily Deliveries of Gas (Therms/Day)	4,613,250	1,979,874	2,182,766	449,962	252	397	Line 33 divided by 365
35								
36	Peak Demand (Therms)	18,535,348	8,674,115	8,903,652	955,460	1,254	867	Line 19
37	System Load Factor	24.89%						Line 34 divided by Line 36
38								
39	Average Daily Deliveries of Gas (Therms/Day)	4,613,250	1,979,874	2,182,766	449,962	252	397	Line 34
40	Percentage	1.00000	0.42917	0.47315	0.09754	0.00005	0.00009	
41	System Load Factor	24.89%	24.89%	24.89%	24.89%	24.89%	24.89%	Line 37
42	Average Weighted Daily Therms	0.24889	0.10682	0.11776	0.02428	0.00001	0.00002	Line 40 x Line 41
43								
44	Peak Demand (Therms)	18,535,348	8,674,115	8,903,652	955,460	1,254	867	Line 36
45	Percentage	1.00000	0.46798	0.48036	0.05155	0.00007	0.00005	
46	(1 - System Load Factor)	75.11%	75.11%	75.11%	75.11%	75.11%	75.11%	(1 - Line 37)
47	Peak Weighted Demand	0.75111	0.35150	0.36080	0.03872	0.00005	0.00004	Line 45 x Line 46
48								
49	Average Weighted Daily Therms	0.24889	0.10682	0.11776	0.02428	0.00001	0.00002	Line 42
50	Peak Weighted Demand	0.75111	0.35150	0.36080	0.03872	0.00005	0.00004	Line 47
51	Average & Peak Demand	1.00000	0.45832	0.47857	0.06299	0.00006	0.00006	Ave & Peak

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Allocation Factors and Related Information
 Allocation Methodologies used within the Embedded Cost of Service Study
 FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION OF ALLOCATION DATA	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	UNBUND COMM STANDBY VOLUME	1,563,943,735	722,653,870	796,709,472	44,343,751	91,866	144,776	
2	Percentage	1.00000	0.46207	0.50942	0.02835	0.00006	0.00009	Standby Vol
3								
4								
5	ACCOUNTS 385 & 386							
6	AVERAGE CUSTOMERS	83,979	-	83,906	73	-	-	
7	Percentage	1.00000	-	0.99913	0.00087	-	-	Acct 385 & 386
8								
9								
10	SALARIES & WAGES - FUNCTIONAL:							
11	Production	1,012,442	1.1846%					
12	Storage - Compressor Station Fuel Related	307,407	0.3597%					
13	Storage - Non - Compressor Stn Fuel Related	3,108,745	3.6373%					
14	Distribution	61,511,928	71.9713%					
15	Transmission	860,911	1.0073%					
16	Customer Accounting	18,234,653	21.3352%					
17	Customer Service	431,222	0.5045%					
18	Customer Sales	-	0.0000%					
19	TOTAL SALARIES & WAGES	85,467,308	100.000%					
20								
21								
22	SALARIES & WAGES - RATE SCHEDULE:							
23	Production	1,012,442	493,986	507,058	11,276	71	49	Unbundled CP
24	Storage - Compressor Station Fuel Related	307,407	142,044	156,600	8,716	18	28	Standby Vol
25	Storage - Non - Compressor Stn Fuel Related	3,108,745	1,522,725	1,551,606	34,041	249	124	Storage
26	Distribution							
27	Meters & Regulators related	14,625,481	10,985,645	3,547,043	90,487	1,902	404	Meters
28	AMR Devices 381.2 related	3,213,863	2,951,365	262,428	7	48	15	AMR Device
29	DMD Devices 381.3 related	440,318	-	431,493	8,826	-	-	DMD Device
30	Industrial Metering Related Acct 385/386	98,733	-	98,648	86	-	-	Acct 385 & 386
31	Services related	15,865,851	13,887,932	1,949,346	25,850	2,273	449	Services
32	Remaining Distribution labor	27,267,682	12,497,285	13,049,395	1,717,704	1,756	1,542	Ave & Peak
33	Transmission	860,911	394,572	412,003	54,232	55	49	Ave & Peak
34	Customer Accounting	18,234,653	16,440,908	1,791,353	1,559	747	85	Customer
35	Customer Sales	431,222	388,803	42,363	37	18	2	Customer
36	Customer Service	-	-	-	-	-	-	Customer
37	TOTAL SALARIES & WAGES	85,467,308	59,705,266	23,799,336	1,952,822	7,137	2,747	
38	Percentage	1.00000	0.69857	0.27846	0.02285	0.00008	0.00003	Salaries & Wages

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
ALLOCATION FACTORS AND RELATED INFORMATION
TEST YEAR ENDED DECEMBER 31, 2010

LIST OF EXTERNAL ALLOCATION FACTORS

- AVERAGE CUSTOMERS
- SERVICES - INVESTMENT
- METERS & HOUSE REGULATORS
- AUTOMATED METER DEVICES
- BAD DEBT
- DEMAND GAS MEASUREMENT DEVICES
- MUNICIPAL UTILITY TAX - TOTAL
- DELAYED PAYMENT CHARGES - TOTAL
- BUDGET PLAN BALANCES
- CUSTOMER DEPOSITS
- SALES / COMMODITY (Annual)
- COINCIDENT PEAK DEMAND
- UNBUNDLED COINCIDENT PEAK
- WEIGHTED PEAK AND SEASONAL VOLUMES EXCESS WINTER OVER
SUMMER
- AVERAGE & PEAK DEMAND
- UNBUNDLED COMMODITY STANDBY VOLUME
- ACCOUNTS 385 & 386
- SALARIES & WAGES - FUNCTIONAL
- SALARIES & WAGES - RATE SCHEDULE

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
ALLOCATION FACTORS AND RELATED INFORMATION
TEST YEAR ENDED DECEMBER 31, 2010

FULL NARRATIVE DESCRIPTION EXPLAINING DERIVATION OF THE
ALLOCATION METHODOLOGIES USED IN THE ECOS

- AVERAGE CUSTOMERS:

Customer counts were taken from the Sales Forecast, as presented by Peoples Gas witness Mr. David Clabots, for the future test year period January 2010 through December 2010. A simple twelve month average was calculated to arrive at Average Customers for the future 2010 test year.

- SERVICES – INVESTMENT

A data extract was performed on Peoples Gas' customer billing system software system to obtain service pipe length and service pipe type for each customer class for the 12 month period ending June 30, 2008. Another data extract was performed on Peoples Gas' Plant Accounting systems to obtain the footage and cost for each type of service pipe. A per unit cost for each service pipe type was derived from these data extracts and then applied to the service pipe footage by customer class to yield the Total Amount of Service Pipe Investment for each customer class for the 12 month ending period June 30, 2008. This Total Amount of Service Pipe Investment was divided by Average Customer counts for the 12 month period ending June 30, 2008 to arrive at the Average Cost per Customer – Services weighting factor shown in Peoples Gas. Ex. JCHM – 1.5, page 1, line 7. This weighting factor was applied against Average Customer counts for the forecasted 2010 test year to derive the Services – Investment allocation factor for the 2010 test year.

- METERS & HOUSE REGULATORS

A data extract was performed on Peoples Gas' customer billing system software system to obtain meters and regulators for each customer class for the 12 month period ending June 30, 2008. This data extract included quantity, meter type and regulator type by customer class. Another data extract was performed on Peoples Gas' Plant Accounting systems to obtain meters and regulators data, such as quantity of each type of meter and regulator, as well as the corresponding costs. A per unit cost for each meter and regulator was derived from these data extracts and then applied to the number of meters and regulators by customer class to yield the Total Amount of Meter and Regulator Investment for each customer class for

the 12 month ending period June 30, 2008. This Total Amount of Meter and Regulator Investment was divided by Average Customer counts for the 12 month period ending June 30, 2008 to arrive at the Average Cost per Customer – Meters and Regulators weighting factor shown in Peoples Gas. Ex. JCHM – 1.5, page 1, line 14. This weighting factor was applied against Average Customer counts for the forecasted 2010 test year to derive the Meters & House Regulators allocation factor for the 2010 test year.

- AUTOMATED METER DEVICES

A data extract was performed to obtain the quantity of Encoder/Receiver Transmitters (“ERT”) for each customer class for the 12 month period ending June 30, 2008. This Total Number of ERT’s was divided by Total Customer counts for the 12 month period ending June 30, 2008 to arrive at the Average Number of ERT’s per Customer weighting factor shown in Peoples Gas. Ex. JCHM – 1.5, page 1, line 21. This weighting factor was applied against Average Customer counts for the forecasted 2010 test year to derive the Automated Meter Devices allocation factor for the 2010 test year.

- BAD DEBT

A data extract was performed on Peoples Gas’ customer billing system software system to accumulate data on the Gross Charge-offs and Recoveries by customer class for the 12 month ending period June 30, 2008. The Total Recoveries were subtracted from the Total Gross Charge-offs to arrive at Total Net Write-offs. The Total Net Write-offs was then divided by Average Customer counts for the 12 month ending period June 30, 2008 to arrive at the Average Cost per Customer – Bad Debt weighting factor shown in Peoples Gas Ex. JCHM – 1.5, page 1, line 28. This weighting factor was applied against Average Customer counts for the forecasted 2010 test year to derive the Bad Debt allocation factor for the 2010 test year.

- DEMAND GAS MEASUREMENT DEVICES

Revenues are forecasted for Demand Devices in the 2010 Sales/Revenue Forecast, as presented by Peoples Gas witness Mr. David Clabots. Because the revenues for Demand Devices are forecasted equally for each month in 2010 (i.e. no change or activity from month to month), the December 2010 Demand Device revenues was divided by the present monthly charge for Demand Devices to arrive at the Average Monthly Number of Demand Devices. Because the cost of the Demand Devices are already included in the service charge rates for Rate 4, the average number of customers forecasted in 2010 for Rate 4 was used as a proxy for the Average Number of Demand Devices for Rate 4. Together, these Average Monthly Number of Demand Devices were used to derive the Demand Gas Measurement Devices allocation factor for the 2010 test year.

- **MUNICIPAL UTILITY TAX – TOTAL**

Municipal Utility Taxes (“MUT”) by customer class were taken from the 2010 Sales/Revenue Forecast, as presented by Peoples Gas witness Mr. David Clabots, for the future test year period January 2010 through December 2010. The 2010 Sales/Revenue Forecast provided the MUT detail by customer class for sales customers, but a supporting worksheet, which calculated the Contract Level charges by customer class using the contract level billing determinants for each customer class, provided the detail necessary to create Total MUT by customer class (both sales and contract customers). This Total Forecasted MUT was used to derive the MUT allocation factor for the 2010 test year.

- **DELAYED PAYMENT CHARGES – TOTAL**

Delayed Payment Charges by customer class were taken from the 2010 Sales/Revenue Forecast, as presented by Peoples Gas witness Mr. David Clabots, for the future test year period January 2010 through December 2010. The 2010 Sales/Revenue Forecast provided the delayed payment charges detail by customer class for sales customers. Only a yearly total of delayed payment charges for all contract customers for the forecast year was available. That total amount was prorated to the customer classes on the basis of the delayed payment charges by customer class for sales customers. These two amounts by customer class were summed to arrive at the Delayed Payment Charges – Total allocation factor for the 2010 test year.

- **BUDGET PLAN BALANCES**

A data extract was performed to accumulate data on the Customer Budget Plan Balances by customer class for the 12 month ending period June 30, 2008. A simple twelve month average was calculated to arrive at Average Budget Plan Balances. The Average Budget Plan Balance was then divided by Average Customer counts for the 12 month ending period June 30, 2008 to arrive at the Average Budget Plan Balance per Customer weighting factor shown in Peoples Gas Ex. JCHM – 1.5, page 2, line 3. This weighting factor was applied against Average Customer counts for the forecasted 2010 test year to derive the Budget Plan Balances allocation factor for the 2010 test year.

- **CUSTOMER DEPOSITS**

A data extract was performed to accumulate data on the Customer Deposits by customer class for the 12 month ending period June 30, 2008. A simple twelve month average was calculated to arrive at the Average Customer Deposits for each customer class. The Average Customer Deposits was then divided by Average Customer counts for the 12 month ending period June 30, 2008 to arrive

at the Average Customer Deposit per Customer weighting factor shown in Peoples Gas Ex. JCHM – 1.5, page 2, line 10. This weighting factor was applied against Average Customer counts for the forecasted 2010 test year to derive the Customer Deposits allocation factor for the 2010 test year.

- SALES / COMMODITY (Annual)

Sales were taken from the Sales Forecast, as presented by Peoples Gas witness Mr. David Clabots, for the future test year period January 2010 through December 2010. A total of the twelve months was calculated to arrive at the Sales / Commodity for the future 2010 test year.

- COINCIDENT PEAK DEMAND

Peak Day Consumption (Coincident Peak) for Rate 1, 2, and 4 are based on a regression analysis of the Total Annual Sales, taken from the Sales Forecast, as presented by Peoples Gas witness Mr. David Clabots, for the future test year period January 2010 through December 2010. In the regression analysis, Total 2010 Sales was the dependent variable and the 12-year Normal Degree Days (6095 degree days, as approved in Peoples Gas' last rate case; please see page 125 of the Consolidated Final Order in Docket No. 07-0241/07-0242) was the independent variable. The regression analysis produced the base load and variable per degree day used in the calculation of the peak day (coincident peak). Using Peoples Gas' assumption that the design peak day occurs on a weekday in January when the average temperature is -20° F. (85 degree days), a Coincident Peak was calculated for Rate 1, 2, and 4.

The Peoples Gas Non-Winter Peak customers in Rate 6 and 8 do not necessarily peak in January. As a proxy, Coincident Peak for these Non-Winter Peak customers were based on the formula used in the calculation of Billing Demand, as stated in tariff for Rate 4. That formula is "the customer's metered usage in the billing period, adjusted to a 30 day equivalent basis, divided by 21". The highest demand during the period of December through February of the calculated Billing Demand was used as the proxy for the Coincident Peak.

- UNBUNDLED COINCIDENT PEAK

Unbundled Coincident Peak was calculated by multiplying the Coincident Peak of each customer class by the Selected Standby Percent ("SSP"). Customer class Rates 1, 2, 5, 6 and 8 have a standby level of 100%, whereas customer class Rate 4 has a SSP of 27% based upon the billing determinants used in the 2010 Forecast, as presented by Peoples Gas witness Mr. David Clabots.

- **WEIGHTED PEAK AND SEASONAL VOLUMES EXCESS WINTER OVER SUMMER**

The Weighted Peak and Seasonal Volumes Excess Winter over Summer, or the Underground Storage Allocator, is calculated based on a combination of the Unbundled Coincident Peak allocation factor and an Unbundled Incremental Average Daily Seasonal Volume. The Unbundled Incremental Average Daily Seasonal Volume values were weighting by the Peak Percentage of Average Daily Withdrawal to the January Maximum Daily Withdrawal, which was approximately 32%. Therefore, the Unbundled Coincident Peak was weighted at the remaining 68% (i.e. 100% - 32%) in the Underground Storage Allocator creation.

The derivation of the Unbundled Coincident Peak has already been explained earlier in this exhibit.

The derivation of the Unbundled Incremental Average Daily Seasonal Volume is calculated by first taking the difference of the Average Daily Seasonal Sales (which is Seasonal December – February Sales divided by 90 days) and the Average Daily Base-load Sales (which is March – November Sales divided by 275 days). Second, this difference is multiplied by each customer classes' SSP to arrive at the Unbundled Incremental Average Daily Seasonal Volume. All sales values used in this calculation was based upon the 2010 forecasted sales, as presented by Peoples Gas witness Mr. David Clabots.

This calculation of the Underground Storage Allocator is calculated based upon the methodology accepted in Peoples Gas' last rate case, Docket No. 07-0242.

- **AVERAGE & PEAK DEMAND**

The Average & Peak allocation factor was calculated based on a combination of the Average Weighted Daily Therms and the Coincident Peak Weighted Demand allocation factors.

Average Weighted Daily Therms were calculated by taking Annual 2010 Sales and dividing by 365 days. This value was then weighted using the System Load Factor of 25%. The System Load Factor was calculated by dividing Average Daily Therms for the System by System Coincident Peak Demands.

The Coincident Peak Weighted Demand was calculated by taking Coincident Peak Demands and weighting it with (100% - System Load Factor), or 75%.

This calculation of the Average & Peak Allocator is calculated based upon the methodology used by Commission Staff in Peoples Gas' last rate case, Docket No. 07-0242.

- **UNBUNDLED COMMODITY STANDBY VOLUME**

Unbundled Standby Commodity Volume is calculated by multiplying Total 2010 forecasted Sales by the SSP. Customer class Rates 1, 2, 5, 6 and 8 have a standby level of 100%, whereas customer class Rate 4 has a SSP of 27% based upon the billing determinants used in the 2010 Forecast, as presented by Peoples Gas witness Mr. David Clabots.

- **ACCOUNTS 385 & 386**

The Accounts 385 & 386 allocation factor was derived by taking the Average Customer Counts of only the customer classes Rate 2 and 4, which are the only customer classes that utilize Demand Devices.

- **SALARIES & WAGES – FUNCTIONAL**

The Functional Salaries & Wages allocation factor was derived from WPE-6.14, which consists of both direct and cross-charged salaries and wages amounts for Peoples Gas' rate case filing for future test year 2010.

- **SALARIES & WAGES - RATE SCHEDULE**

The Salaries & Wages – Rate Schedule allocation factor was derived by taking the Functionalize Salaries & Wages amounts shown in the Functionalized Salaries & Wages allocation factor and allocating them to the customer classes using the appropriate allocation methodology.

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Embedded Class Cost of Service Study Summary **With Proposed Rate Design Changes**
 GAS Revenue Deficiency (Excess) by Service Classification **WITH PROPOSED RATE DESIGN CHANGES**
 TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] SUMMARY OF OPERATING INCOME, RATE BASE, AND RATE OF RETURN	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	Operating Revenues:							
2	Tariffed Revenues @ Present Rates w/ Transfers	439,293,260	288,015,065	134,872,313	16,391,832	0	14,050	
3	- Adj. to Tariff Revs for Proposed Increase in Other Revs	(3,053,442)	(3,350,064)	326,255	(29,413)	0	(220)	
4	Other Revenues Under Proposed Rate Design	25,894,292	18,317,003	7,102,488	471,932	0	2,870	
5	Total Operating Revenues:	462,134,111	302,982,004	142,301,056	16,834,351	0	16,700	
6								
7	Operating Expense:							
8	Operation & Maintenance: Non-Cost of Gas	326,088,639	240,846,399	73,197,765	12,035,995	0	8,480	
9	Depreciation Expense & Amort	84,097,684	56,798,053	22,786,449	4,510,017	0	3,165	
10	Taxes other than Income Tax	22,222,433	13,563,310	7,394,838	1,263,439	0	846	
11	LESS: Income & Other Adj's Before Income Tax	0	0	0	0	0	0	
12	Income Tax	(5,758,000)	(3,538,242)	(1,842,887)	(376,603)	0	(268)	Rate Base
13	ITC Credit	178,000	109,379	56,970	11,642	0	8	Rate Base
14	LESS: Income & Other Adj's After Income Tax	0	0	0	0	0	0	
15	Total Operating Expense	426,828,756	307,778,901	101,593,134	17,444,491	0	12,230	
16								
17	NET OPERATING INCOME (Return)	35,305,355	(4,796,896)	40,707,921	(610,140)	0	4,470	
18								
19	RATE BASE:							
20	Utility Plant in Service	2,657,059,841	1,683,669,276	814,687,099	158,596,498	0	106,967	
21	Accumulated Depreciation - S/L	(1,070,103,792)	(698,830,494)	(314,816,267)	(56,416,812)	0	(40,219)	
22	Construction Work in Progress	8,797,299	4,356,251	3,914,055	526,586	0	408	
23	Net Plant in Service	1,595,753,348	989,195,033	503,784,886	102,706,272	0	67,156	
24								
25	Gas Stored Underground - 13 Mo. Ave	57,930,000	28,216,384	26,961,721	2,746,242	0	5,653	
26	Fuel Stock - 13 Mo. Ave	0	0	0	0	0	0	
27	Cash Working Capital - Year End Ave	47,260,000	34,978,502	10,305,175	1,975,199	0	1,124	
28	Materials & Supplies - 13 Mo. Ave	9,871,000	6,799,555	2,484,371	586,782	0	292	
29	Accumulated Deferred Taxes - Year End Ave	(342,827,000)	(230,615,434)	(94,604,433)	(17,596,805)	0	(10,327)	
30	Reserve for Injuries and Damages	(8,307,000)	(6,148,253)	(1,811,365)	(347,185)	0	(198)	
31	Retirement Benefits, Net	56,254,000	41,635,223	12,266,342	2,351,097	0	1,338	
32	Customer Advances - Year End Ave	(391,890)	(179,610)	(163,820)	(48,437)	0	(22)	
33	Customer Deposits - 13 Mo. Ave	(32,088,000)	(17,414,170)	(13,610,126)	(1,063,704)	0	0	
34	Budget Plan Balance - 13 Mo. Ave	12,605,000	11,399,371	1,205,629	0	0	0	
35	TOTAL RATE BASE	1,396,059,458	857,866,600	446,818,362	91,309,460	0	65,016	
36	% of Rate Base	100.00%	61.45%	32.01%	6.54%	0.00%	0.00%	RATE BASE
37								
38	PERCENT RATE OF RETURN	2.53%	-0.56%	9.11%	-0.67%	0.00%	6.88%	
39								
40	Required Rate of Return	9.34%	9.34%	9.34%	9.34%	9.34%	9.34%	
41								
42	Required Return	130,391,953	80,124,740	41,732,837	8,528,304	0	6,072	
43	(Required Return % * Rate Base)							
44	Return Income Deficiency	95,086,599	84,921,637	1,024,916	9,138,444	0	1,603	
45	(Required Ret - Net Operating Income)							
46	Gross Revenue Conversion Factor	0.7029						
47								
48	Add'l Inc.Tax&Prov. for Uncollectibles on Rev. Def.	66,832,567	41,068,041	21,390,220	4,371,193	-	3,112	Rate Base
49	(Income Deficiency * Factor)							
50	Revenue Deficiency	161,919,165	125,989,678	22,415,136	13,509,637	0	4,715	
51								
52	Revenue Deficiency %	37.12%	44.26%	16.58%	82.57%	0.00%	34.09%	
53	(Revenue Def / Tariffed Revenues)							
54	Revenue Requirement (w/Transfers & Proposed Oth. Revs)	598,158,984	410,654,679	157,613,704	29,872,055	0	18,545	
55								
56	PROPOSED REVENUE REQUIREMENT RECOVERY:							
57	Proposed Rate of Return	9.34%	7.29%	13.27%	9.34%	0.00%	9.34%	
58	Proposed Operating Income	130,391,953	62,543,568	59,314,010	8,528,303	0	6,072	
59	Expenses Other than Income Taxes	406,514,464	292,890,760	96,276,564	17,337,519	0	9,620	
60	Income Taxes	61,252,567	37,639,178	19,604,303	4,006,233	0	2,853	
61	Revenue Requirement under Proposed Rate Design	598,158,983	393,073,506	175,194,877	29,872,055	0	18,545	PGL Ex. VG-1.3
62								
63	Deficiency % Under Proposed Rates	37.12%	38.08%	29.58%	82.57%	0.00%	34.09%	
64	Revenue to Cost Ratio	1.00	0.96	1.11	1.00	-	1.00	

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Functional Revenue Requirement - Under Proposed Rate Design
Summary and Detail by Customer Class
TEST YEAR ENDED DECEMBER 31, 2010

	[A]	[B]	[C]	[D]	[E]	[F]	[G]
Line No.	PEOPLES GAS	SC 1 Residential	SC 2 General Service	SC 4 Large Volume Demand Service	SC 6 Standby Service	SC 8 CNG Service	
1	Production & Gathering						
2	Demand	\$ 1,679,399	\$ 872,596	\$ 757,347	\$ 49,372	\$ -	\$ 84
3	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Sub-Total	\$ 1,679,399	\$ 872,596	\$ 757,347	\$ 49,372	\$ -	\$ 84
6							
7	Storage						
8	Demand	\$ 38,674,412	\$ 19,942,484	\$ 17,703,881	\$ 1,026,479	\$ -	\$ 1,568
9	Commodity	\$ 13,352,669	\$ 6,489,984	\$ 6,191,728	\$ 669,660	\$ -	\$ 1,297
10	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Sub-Total	\$ 52,027,081	\$ 26,432,468	\$ 23,895,610	\$ 1,696,139	\$ -	\$ 2,865
12							
13	Transmission						
14	Demand	\$ 12,747,636	\$ 5,859,214	\$ 5,319,749	\$ 1,567,956	\$ -	\$ 718
15	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Sub-Total	\$ 12,747,636	\$ 5,859,214	\$ 5,319,749	\$ 1,567,956	\$ -	\$ 718
18							
19	Distribution						
20	Demand	\$ 200,940,833	\$ 92,834,893	\$ 83,556,518	\$ 24,538,178	\$ -	\$ 11,244
21	Commodity	\$ (411,631)	\$ (176,660)	\$ (168,805)	\$ (66,131)	\$ -	\$ (35)
22	Customer	\$ 184,158,301	\$ 152,369,829	\$ 29,963,243	\$ 1,820,101	\$ -	\$ 5,129
23	Sub-Total	\$ 384,687,503	\$ 245,028,062	\$ 113,350,956	\$ 26,292,148	\$ -	\$ 16,337
24							
25	Customer						
26	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Commodity	\$ 1,948,169	\$ 836,098	\$ 798,920	\$ 312,983	\$ -	\$ 168
28	Customer	\$ 145,069,195	\$ 131,626,241	\$ 13,491,123	\$ (46,542)	\$ -	\$ (1,626)
29	Sub-Total	\$ 147,017,365	\$ 132,462,339	\$ 14,290,043	\$ 266,441	\$ -	\$ (1,459)
30							
31	TOTAL						
32	Demand	\$ 254,042,280	\$ 119,509,188	\$ 107,337,494	\$ 27,181,984	\$ -	\$ 13,614
33	Commodity	\$ 14,889,207	\$ 7,149,422	\$ 6,821,844	\$ 916,513	\$ -	\$ 1,429
34	Customer	\$ 329,227,496	\$ 283,996,069	\$ 43,454,366	\$ 1,773,559	\$ -	\$ 3,503
35							
36	TOTAL REVENUE REQUIREMENT	\$ 598,158,984	\$ 410,654,679	\$ 157,613,704	\$ 29,872,055	\$ -	\$ 18,545

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Functional Rate Base - Under Proposed Rate Design
Summary and Detail by Customer Class
TEST YEAR ENDED DECEMBER 31, 2010

Line No.	[A]	[B]	[C]	[D]	[E]	[F]	[G]
	PEOPLES GAS	SC 1 Residential	SC 2 General Service	SC 4 Large Volume Demand Service	SC 6 Standby Service	SC 8 CNG Service	
1	Production & Gathering						
2	Demand	\$ 3,581,412	\$ 1,837,505	\$ 1,651,698	\$ 92,025	\$ -	\$ 184
3	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Sub-Total	\$ 3,581,412	\$ 1,837,505	\$ 1,651,698	\$ 92,025	\$ -	\$ 184
6							
7	Storage						
8	Demand	\$ 162,608,523	\$ 83,690,276	\$ 74,625,528	\$ 4,286,166	\$ -	\$ 6,553
9	Commodity	\$ 60,164,094	\$ 29,175,193	\$ 27,877,896	\$ 3,105,161	\$ -	\$ 5,845
10	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Sub-Total	\$ 222,772,617	\$ 112,865,469	\$ 102,503,423	\$ 7,391,327	\$ -	\$ 12,398
12							
13	Transmission						
14	Demand	\$ 49,856,712	\$ 22,850,257	\$ 20,841,364	\$ 6,162,273	\$ -	\$ 2,819
15	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Sub-Total	\$ 49,856,712	\$ 22,850,257	\$ 20,841,364	\$ 6,162,273	\$ -	\$ 2,819
18							
19	Distribution						
20	Demand	\$ 598,320,864	\$ 274,221,561	\$ 250,113,218	\$ 73,952,260	\$ -	\$ 33,825
21	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Customer	\$ 504,253,058	\$ 418,964,681	\$ 80,505,785	\$ 4,766,974	\$ -	\$ 15,618
23	Sub-Total	\$ 1,102,573,922	\$ 693,186,242	\$ 330,619,003	\$ 78,719,234	\$ -	\$ 49,443
24							
25	Customer						
26	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Customer	\$ 17,274,794	\$ 27,127,127	\$ (8,797,107)	\$ (1,055,398)	\$ -	\$ 172
29	Sub-Total	\$ 17,274,794	\$ 27,127,127	\$ (8,797,107)	\$ (1,055,398)	\$ -	\$ 172
30							
31	TOTAL						
32	Demand	\$ 814,367,511	\$ 382,599,600	\$ 347,231,808	\$ 84,492,723	\$ -	\$ 43,381
33	Commodity	\$ 60,164,094	\$ 29,175,193	\$ 27,877,896	\$ 3,105,161	\$ -	\$ 5,845
34	Customer	\$ 521,527,853	\$ 446,091,808	\$ 71,708,678	\$ 3,711,576	\$ -	\$ 15,790
35							
36	TOTAL AVERAGE RATE BASE	\$ 1,396,059,458	\$ 857,866,600	\$ 446,818,382	\$ 91,309,460	\$ -	\$ 65,016

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Unit Costs - Under Proposed Rate Design
Summary and Detail by Customer Class
TEST YEAR ENDED DECEMBER 31, 2010

Line No.	[A]	[B]	[C]	[D]	[E]	[F]	[G]
	PEOPLES GAS	SC 1 Residential	SC 2 General Service	SC 4 Large Volume Demand Service	SC 6 Standby Service	SC 8 CNG Service	
1	Production & Gathering						
2	Demand	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ -	\$ 0.01
3	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5							
6	Storage						
7	Demand	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.20	\$ -	\$ 0.15
8	Commodity	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ -	\$ 0.01
9	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10							
11	Transmission						
12	Demand	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.08	\$ -	\$ 0.07
13	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15							
16	Distribution						
17	Demand	\$ 0.90	\$ 0.89	\$ 0.89	\$ 1.24	\$ -	\$ 1.08
18	Commodity	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ -	\$ (0.00)
19	Customer	\$ 17.97	\$ 16.49	\$ 29.79	\$ 785.88	\$ -	\$ 106.85
20							
21	Customer						
22	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Commodity	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ -	\$ 0.00
24	Customer	\$ 14.15	\$ 14.24	\$ 13.41	\$ (20.10)	\$ -	\$ (33.88)
25							
26	TOTAL						
27	Demand (per UCP, CP, or Billing Demands)	\$ 1.16	\$ 1.15	\$ 1.15	\$ 1.52	\$ -	\$ 1.31
28	Commodity (per Therm)	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ -	\$ 0.01
29	Customer (per Customer)	\$ 32.12	\$ 30.73	\$ 43.20	\$ 765.79	\$ -	\$ 72.97
30							
31							
32	Total Fixed Costs Per Customer						
33	Demand	\$ 24.79	\$ 12.93	\$ 106.71	\$ 11,736.61	\$ -	\$ 283.62
34	Customer	\$ 32.12	\$ 30.73	\$ 43.20	\$ 765.79	\$ -	\$ 72.97
35	Total	\$ 56.91	\$ 43.66	\$ 149.91	\$ 12,502.39	\$ -	\$ 356.59
36							
37							
38	Customers - Total Annual	10,249,212	9,240,996	1,005,852	2,316	-	48
39	Unbundled Coincident Peak	202,876,653	104,089,380	93,563,937	5,212,932	-	10,404
40	Billing Demand Determinants	19,832,640	-	-	19,832,640	-	-
41	Coincident Peak Demand	222,424,182	104,089,380	93,563,937	24,760,461	-	10,404
42	Unbundled Coincident Standby Therms	1,483,653,562	722,653,870	690,520,512	70,334,404	-	144,776
43	Sales - Total Annual	1,683,836,098	722,653,870	690,520,512	270,516,940	-	144,776

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Summary and Detail by Customer Class
Revenue Deficiency (Excess) and Rate Base by Individual Rate Schedule under PROPOSED Rates
TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
NO.	RATE: SC 1 RESIDENTIAL	PRODUCTION DEMAND COST	STORAGE VOLUMETRIC COST	STORAGE DEMAND COST	TRANSMISSION DEMAND	DISTRIBUTION VOLUMETRIC	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER	CUSTOMER VOLUMETRIC COST	CUSTOMER / FIXED COST	TOTAL
1											
2	Operation & Maintenance Expense:										
3	Production:	519,224	2,242,561	4,491,429	1,464,786						7,253,214
4	Transmission:				1,464,786						1,464,786
5	Distribution:						25,147,692	38,288,123			63,435,814
6	Customer Accounts:									64,772,981	64,772,981
7	Customer Services:									3,550,946	3,550,946
8	Customer Sales:										
9	Administrative & General:						11,712,416	17,450,286	836,098	70,369,857	100,368,658
10	Total Operation & Maintenance Expense:	519,224	2,242,561	4,491,429	1,464,786		36,860,108	55,738,409	836,098	138,693,784	240,846,399
11											
12	Depreciation & Amort Expense:	1,731	-	2,932,840	822,064		14,320,600	33,406,722		5,314,097	56,798,053
13											
14	Taxes Other Than Income Taxes:										
15	Real Estate - Underground Storage			-							-
16	Invested Capital - Local Storage			49,768							49,768
17	Real Estate - Transmission										
18	Invested Capital - Transmission				200,285						200,285
19	Illinois Gas Use Tax	11,330									11,330
20	Payroll Taxes	74,220	22,535	227,897	63,112		1,943,902	2,554,026		1,368,363	6,254,055
21	Other Taxes										
22	Unauthorized Insurance Tax	135	2,150	6,169	1,684		20,212	30,881		1,999	63,231
23	Invested Capital - Underground Storage			524,497							524,497
24	Invested Capital - Other	11,722	186,120	533,892	145,771		1,749,365	2,672,737		173,054	5,472,661
25	Federal Excise Tax	33	520	1,493	408		4,891	7,473		484	15,301
26	State Franchise Tax	395	6,269	17,984	4,910		58,928	90,032		5,829	184,347
27	Personal Property Tax	1,688	26,793	76,858	20,985		251,835	384,762		24,913	787,835
28	Total Taxes Other Than Income Taxes:	99,523	244,389	1,438,558	437,155		4,029,133	5,739,910		1,574,643	13,563,310
29											
30	Other Income Before Income Taxes:										
31											
32	Income Taxes	(7,579)	(120,332)	(345,178)	(94,245)		(1,131,018)	(1,728,006)		(111,885)	(3,538,242)
33	ITC	234	3,720	10,671	2,913		34,964	53,419		3,459	109,379
34											
35	Other Income After Income Taxes:										
36											
37	TOTAL EXPENSES:	613,134	2,370,338	8,528,319	2,632,673		54,113,787	93,210,454	836,098	145,474,098	307,778,901
38											
39	Other Operating Income (Revenue Credits):										
40	Forfeited Discounts Acct 487									(8,263,677)	(8,263,677)
41	Miscellaneous Acct 488									(3,635,552)	(3,635,552)
42	Miscellaneous Acct 489									(387,549)	(387,549)
43	Miscellaneous Acct 495									(4,720,718)	(4,720,718)
44	Miscellaneous Acct 493	(126)	(2,000)	(5,738)	(1,567)		(18,802)	(28,726)		(1,860)	(58,820)
45	Service Class 7 Revenue			(403,214)		(176,660)				(670,813)	(1,250,687)
46	Total Other Operating Income:	(126)	(2,000)	(408,952)	(1,567)	(176,660)	(18,802)	(28,726)		(17,680,169)	(18,317,003)
47											
48	Actual Return (Net Operating Income)	(10,275)	(163,138)	(467,967)	(127,771)		(1,533,353)	(2,342,707)		(151,686)	(4,796,896)
49											
50	Return Income Deficiency	181,898	2,888,101	8,284,639	2,261,985		27,145,647	41,474,008		2,685,359	84,921,637
51											
52	Add'l Inc.Tax&Prov. for Uncollectibles on Rev. Def.	87,966	1,396,683	4,006,445	1,093,894		13,127,615	20,056,800		1,298,638	41,068,041
53											
54	REVENUE REQUIREMENTS:	872,596	6,489,984	19,942,484	5,859,214	(176,660)	92,834,893	152,369,829	836,098	131,626,241	410,654,679
55											
56											
57											
58	RATE BASE:										
59	Utility Plant in Service	1,585,558	-	184,863,326	59,989,264		459,769,951	868,395,744		109,065,432	1,683,669,276
60	Accumulated Depreciation - S/L	-	-	(79,074,783)	(28,150,879)		(150,878,055)	(364,803,271)		(75,923,506)	(698,830,494)
61	Construction Work in Progress	-	-	2,966,171			1,390,080			-	4,356,251
62	Net Plant in Service	1,585,558	-	108,754,714	31,838,386		310,281,977	503,592,473		33,141,926	989,195,033
63											
64	Gas Stored Underground		28,216,384								28,216,384
65	Fuel Stock										
66	Cash Working Capital	125,065	475,945	1,081,843	352,821		6,057,285	26,885,543			34,978,502
67	Materials & Supplies						2,171,539	4,628,016			6,799,555
68	Accumulated Deferred Taxes			(27,243,850)	(9,698,899)		(50,254,966)	(143,417,719)			(230,815,434)
69	Reserve for Injuries and Damages	(21,983)	(83,658)	(190,158)	(62,016)		(1,064,703)	(4,725,734)			(6,148,253)
70	Retirement Benefits, Net	148,866	566,522	1,287,728	419,966		7,210,040	32,002,102			41,635,223
71	Customer Advances						(179,610)				(179,610)
72	Customer Deposits									(17,414,170)	(17,414,170)
73	Budget Plan Balance									11,399,371	11,399,371
74	TOTAL RATE BASE	1,837,505	29,175,193	83,690,276	22,850,257		274,221,561	418,964,681		27,127,127	857,866,600
75	% of Rate Base	0.2142%	3.4009%	9.7556%	2.6636%	0.0000%	31.9655%	48.8380%	0.0000%	3.1622%	100.0000%

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Summary and Detail by Customer Class
Revenue Deficiency (Excess) and Rate Base by Individual Rate Schedule under PROPOSED Rates
TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
NO.	RATE: SC 2 GENERAL SERVICE	PRODUCTION DEMAND COST	STORAGE VOLUMETRIC COST	STORAGE DEMAND COST	TRANSMISSION DEMAND	DISTRIBUTION VOLUMETRIC	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER	CUSTOMER VOLUMETRIC COST	CUSTOMER / FIXED COST	TOTAL
1											
2	Operation & Maintenance Expense:										
3	Production:	466,721	2,142,844	4,006,398	1,336,009						6,615,963
4	Transmission:										1,336,009
5	Distribution:						22,936,818	7,652,724			30,599,543
6	Customer Accounts:									8,648,215	8,648,215
7	Customer Services:									386,509	386,509
8	Customer Sales:										
9	Administrative & General:						10,315,953	3,531,304	798,920	10,975,349	25,621,526
10	Total Operation & Maintenance Expense:	466,721	2,142,844	4,006,398	1,336,009		33,252,771	11,184,028	798,920	20,010,074	73,197,765
11											
12	Depreciation & Amort Expense:	1,556	-	2,618,097	749,791		13,061,596	5,776,987		578,422	22,786,449
13											
14	Taxes Other Than Income Taxes:										
15	Real Estate - Underground Storage										
16	Invested Capital - Local Storage			44,735							44,735
17	Real Estate - Transmission										
18	Invested Capital - Transmission				182,677						182,677
19	Illinois Gas Use Tax	10,826									10,826
20	Payroll Taxes	39,060	11,860	119,935	33,214		1,023,019	1,344,109		720,130	3,291,327
21	Other Taxes										
22	Unauthorized Insurance Tax	122	2,055	5,500	1,536			18,435	5,934	(648)	32,934
23	Invested Capital - Underground Storage			467,584							467,584
24	Invested Capital - Other	10,537	177,844	476,065	132,955		1,595,568	513,577		(56,120)	2,850,426
25	Federal Excise Tax	29	497	1,331	372		4,461	1,436		(157)	7,969
26	State Franchise Tax	355	5,991	16,036	4,479		53,747	17,300		(1,890)	96,017
27	Personal Property Tax	1,517	25,602	68,533	19,140		229,695	73,934		(8,079)	410,342
28	Total Taxes Other Than Income Taxes:	62,446	223,848	1,199,721	374,373		2,924,926	1,956,290		653,235	7,394,838
29											
30	Other Income Before Income Taxes:										
31											
32	Income Taxes	(6,812)	(114,981)	(307,790)	(85,959)		(1,031,584)	(332,043)		36,283	(1,842,887)
33	ITC	211	3,554	9,515	2,657		31,890	10,265		(1,122)	56,970
34											
35	Other Income After Income Taxes:										
36											
37	TOTAL EXPENSES:	524,121	2,255,265	7,525,940	2,376,870		48,239,599	18,595,526	798,920	21,276,892	101,593,134
38											
39	Other Operating Income (Revenue Credits):										
40	Forfeited Discounts Acct 487									(4,116,054)	(4,116,054)
41	Miscellaneous Acct 488									(395,718)	(395,718)
42	Miscellaneous Acct 489									(42,183)	(42,183)
43	Miscellaneous Acct 495									(1,916,614)	(1,916,614)
44	Miscellaneous Acct 493	(113)	(1,911)	(5,117)	(1,429)		(17,149)	(5,520)		603	(30,636)
45	Service Class 7 Revenue			(359,461)		(168,805)				(73,016)	(601,282)
46	Total Other Operating Income:	(113)	(1,911)	(364,578)	(1,429)	(168,805)	(17,149)	(5,520)		(6,542,982)	(7,102,488)
47											
48	Actual Return (Net Operating Income)	150,480	2,539,849	6,798,848	1,898,777		22,786,863	7,334,576		(801,471)	40,707,921
49											
50	Return Income Deficiency	3,789	63,947	171,177	47,806		573,712	184,665		(20,179)	1,024,916
51											
52	Add'l Inc.Tax&Prov. for Uncollectibles on Rev. Def.	79,071	1,334,579	3,572,495	997,724		11,973,493	3,853,996		(421,138)	21,390,220
53											
54	REVENUE REQUIREMENTS:	757,347	6,191,728	17,703,881	5,319,749	(168,805)	83,556,518	29,963,243	798,920	13,491,123	157,613,704
55											
56											
57											
58	RATE BASE:										
59	Utility Plant in Service	1,425,227	-	164,908,131	54,715,274		419,349,017	162,418,035		11,871,413	814,687,099
60	Accumulated Depreciation - S/L	-	-	(70,561,946)	(25,675,978)		(137,613,526)	(72,700,793)		(8,264,024)	(314,816,267)
61	Construction Work in Progress	-	-	2,646,184			1,267,871				3,914,055
62	Net Plant in Service	1,425,227	-	96,992,370	29,039,296		283,003,362	89,717,242		3,607,390	503,784,886
63											
64	Gas Stored Underground		26,961,721								26,961,721
65	Fuel Stock										
66	Cash Working Capital	112,418	454,782	965,015	321,802		5,524,755	2,926,403			10,305,175
67	Materials & Supplies						1,980,627	503,744			2,484,371
68	Accumulated Deferred Taxes			(24,310,899)	(8,846,215)		(45,836,772)	(15,610,547)			(94,604,433)
69	Reserve for Injuries and Damages	(19,760)	(79,938)	(169,623)	(56,564)		(971,099)	(514,381)			(1,811,365)
70	Retirement Benefits, Net	133,812	541,331	1,148,666	383,044		6,576,166	3,483,323			12,266,342
71	Customer Advances						(163,820)				(163,820)
72	Customer Deposits								(13,610,126)		(13,610,126)
73	Budget Plan Balance								1,205,629		1,205,629
74	TOTAL RATE BASE	1,651,698	27,877,896	74,625,528	20,841,364		250,113,218	80,505,785		(8,797,107)	446,818,352
75	% of Rate Base	0.3697%	6.2392%	16.7015%	4.6644%	0.0000%	55.9765%	18.0176%	0.0000%	-1.9688%	100.0000%

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Summary and Detail by Customer Class
Revenue Deficiency (Excess) and Rate Base by Individual Rate Schedule under PROPOSED Rates
TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
	PRODUCTION DEMAND COST	STORAGE VOLUMETRIC COST	STORAGE DEMAND COST	TRANSMISSION DEMAND	DISTRIBUTION VOLUMETRIC	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER	CUSTOMER VOLUMETRIC COST	CUSTOMER / FIXED COST	TOTAL	
1	RATE: SC 4 LARGE VOL DEMAND										
2	Operation & Maintenance Expense:										
3	26,003	218,264	229,798								474,066
4	Production:										
5				395,025							395,025
6						6,781,847	448,233				7,230,080
7									47,182		47,182
8									890		890
9											-
10	26,003	218,264	229,798	395,025		3,035,590	209,760	312,983	330,419		3,888,752
11	Total Operation & Maintenance Expense:										
12	87	-	149,744	221,695		3,861,989	275,171			1,332	4,510,017
13	Depreciation & Amort Expense:										
14	Taxes Other Than Income Taxes:										
15											-
16				2,492							2,492
17											-
18					54,013						54,013
19	4,241										4,241
20	5,714	1,735	17,545	4,859		149,655	196,626		105,346		481,480
21											-
22	7	229	316	454		5,451	351		(78)		6,730
23											-
24	587	19,809	26,878	39,312		471,770	30,410		(6,733)		26,878
25	2	55	76	110		1,319	85		(19)		1,629
26	20	667	921	1,324		15,892	1,024		(227)		19,622
27	85	2,852	3,936	5,659		67,915	4,378		(969)		83,855
28	10,655	25,347	79,508	105,731		712,001	232,875		97,321		1,263,439
29	Other Income Before Income Taxes:										
30											-
31											-
32	(380)	(12,807)	(17,678)	(25,416)		(305,014)	(19,661)		4,353		(376,603)
33	12	396	546	786		9,429	608		(135)		11,642
34											-
35											-
36											-
37	36,377	231,200	441,919	697,820		14,095,843	1,146,986	312,983	481,362		17,444,491
38	Other Operating Income (Revenue Credits):										
39											-
40									(272,154)		(272,154)
41									(911)		(911)
42									(97)		(97)
43									(105,548)		(105,548)
44	(6)	(213)	(294)	(423)		(5,071)	(327)		72		(6,261)
45			(20,663)			(66,131)			(168)		(86,962)
46	(6)	(213)	(20,957)	(423)		(66,131)	(5,071)		(327)		(378,805)
47											-
48	(615)	(20,749)	(28,641)	(41,177)		(494,157)	(31,853)		7,052		(610,140)
49											-
50	9,210	310,771	428,968	616,733		7,401,298	477,089		(105,626)		9,138,444
51											-
52	4,405	148,651	205,189	295,002		3,540,264	228,206		(50,524)		4,371,193
53											-
54	49,372	669,660	1,026,479	1,567,956	(66,131)	24,538,178	1,820,101	312,983	(46,542)		29,872,055
55	REVENUE REQUIREMENTS:										
56											-
57											-
58	RATE BASE:										
59	79,407		9,457,005	16,177,946		123,991,078	8,863,728		27,334		158,596,498
60			(4,041,594)	(7,591,748)		(40,688,896)	(4,075,544)		(19,028)		(56,416,812)
61			151,708			374,878					526,586
62	79,407		5,567,120	8,586,198		83,677,058	4,788,184		8,306		102,706,272
63											-
64		2,746,242									2,746,242
65											-
66	6,263	178,164	55,351	95,149		1,633,533	6,738				1,975,199
67						585,622	1,160				586,782
68			(1,392,461)	(2,615,606)		(13,552,794)	(35,944)				(17,596,805)
69	(1,101)	(31,316)	(9,729)	(16,725)		(287,130)	(1,184)				(347,185)
70	7,455	212,071	65,885	113,257		1,944,409	8,020				2,351,097
71						(48,437)					(48,437)
72									(1,063,704)		(1,063,704)
73											-
74	92,025	3,105,161	4,286,166	6,162,273		73,952,260	4,766,974		(1,055,398)		91,309,460
75	0.1008%	3.4007%	4.6941%	6.7488%	0.0000%	80.9908%	5.2207%	0.0000%	-1.1558%		100.0000%

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Summary and Detail by Customer Class
Revenue Deficiency (Excess) and Rate Base by Individual Rate Schedule under PROPOSED Rates
TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
NO.	RATE: SC 6 STANDBY SERVICE	PRODUCTION DEMAND COST	STORAGE VOLUMETRIC COST	STORAGE DEMAND COST	TRANSMISSION DEMAND	DISTRIBUTION VOLUMETRIC	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER	CUSTOMER VOLUMETRIC COST	CUSTOMER / FIXED COST	TOTAL
1											
2	Operation & Maintenance Expense:										
3	Production:	0	0	0							
4	Transmission:				-						
5	Distribution:						-				
6	Customer Accounts:										
7	Customer Services:										
8	Customer Sales:										
9	Administrative & General:										
10	Total Operation & Maintenance Expense:	-	-	-	-	-	-	-	-	-	-
11											
12	Depreciation & Amort Expense:										
13											
14	Taxes Other Than Income Taxes:										
15	Real Estate - Underground Storage										
16	Invested Capital - Local Storage										
17	Real Estate - Transmission										
18	Invested Capital - Transmission										
19	Illinois Gas Use Tax										
20	Payroll Taxes										
21	Other Taxes										
22	Unauthorized Insurance Tax										
23	Invested Capital - Underground Storage										
24	Invested Capital - Other										
25	Federal Excise Tax										
26	State Franchise Tax										
27	Personal Property Tax										
28	Total Taxes Other Than Income Taxes:	-	-	-	-	-	-	-	-	-	-
29											
30	Other Income Before Income Taxes:										
31											
32	Income Taxes										
33	ITC										
34											
35	Other Income After Income Taxes:										
36											
37	TOTAL EXPENSES:	-	-	-	-	-	-	-	-	-	-
38											
39	Other Operating Income (Revenue Credits):										
40	Forfeited Discounts Acct 487										
41	Miscellaneous Acct 488										
42	Miscellaneous Acct 489										
43	Miscellaneous Acct 495										
44	Miscellaneous Acct 493										
45	Service Class 7 Revenue										
46	Total Other Operating Income:	-	-	-	-	-	-	-	-	-	-
47											
48	Actual Return (Net Operating Income)										
49											
50	Return Income Deficiency										
51											
52	Add'l Inc.Tax&Prov. for Uncollectibles on Rev. Def.										
53											
54	REVENUE REQUIREMENTS:	-	-	-	-	-	-	-	-	-	-
55											
56											
57											
58	RATE BASE:										
59	Utility Plant in Service										
60	Accumulated Depreciation - S/L										
61	Construction Work in Progress										
62	Net Plant in Service	-	-	-	-	-	-	-	-	-	-
63											
64	Gas Stored Underground										
65	Fuel Stock										
66	Cash Working Capital										
67	Materials & Supplies										
68	Accumulated Deferred Taxes										
69	Reserve for Injuries and Damages										
70	Retirement Benefits, Net										
71	Customer Advances										
72	Customer Deposits										
73	Budget Plan Balance										
74	TOTAL RATE BASE	-	-	-	-	-	-	-	-	-	-
75	% of Rate Base	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Summary and Detail by Customer Class
Revenue Deficiency (Excess) and Rate Base by Individual Rate Schedule under PROPOSED Rates
TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
NO.	PRODUCTION DEMAND COST	STORAGE VOLUMETRIC COST	STORAGE DEMAND COST	TRANSMISSION DEMAND	DISTRIBUTION VOLUMETRIC	DISTRIBUTION DEMAND	DISTRIBUTION CUSTOMER	CUSTOMER VOLUMETRIC COST	CUSTOMER / FIXED COST	TOTAL	
1	RATE: SC 8 CNG SERVICE										
2	Operation & Maintenance Expense:										
3		52	449	356							857
4					181						181
5							3,102	1,175			4,277
6									149		149
7									18		18
8									-		-
9							1,391	548	168	891	2,997
10		52	449	356	181	-	4,493	1,723	168	1,059	8,480
11	Total Operation & Maintenance Expense:										
12		0	-	238	101		1,766	1,031		28	3,165
13	Depreciation & Amort Expense:										
14											
15											
16				5							5
17											
18						25					25
19		2									2
20		3	1	10	3		87	114		61	278
21											
22		0	0	0	0		2	1		0	5
23				41							41
24		1	37	42	18		216	100		1	415
25		0	0	0	0		1	0		0	1
26		0	1	1	1		7	3		0	14
27		0	5	6	3		31	14		0	60
28		7	45	106	49	-	344	232	-	62	846
29	Total Taxes Other Than Income Taxes:										
30											
31											
32		(1)	(24)	(27)	(12)		(140)	(64)		(1)	(268)
33		0	1	1	0		4	2		0	8
34	Other Income Before Income Taxes:										
35											
36											
37		58	471	674	320	-	6,468	2,923	168	1,148	12,230
38	TOTAL EXPENSES:										
39	Other Operating Income (Revenue Credits):										
40										(2,177)	(2,177)
41										(19)	(19)
42										(2)	(2)
43										(597)	(597)
44		(0)	(0)	(0)	(0)		(2)	(1)		(0)	(4)
45				(31)		(35)				(3)	(70)
46		(0)	(0)	(32)	(0)	(35)	(2)	(1)		(2,799)	(2,870)
47	Total Other Operating Income:										
48		13	402	451	194	-	2,325	1,074		12	4,470
49	Actual Return (Net Operating Income)										
50		5	144	162	69	-	834	385		4	1,603
51	Return Income Deficiency										
52		9	280	314	135	-	1,619	748		8	3,112
53	Add'l Inc.Tax&Prov. for Uncollectibles on Rev. Def.										
54		84	1,297	1,568	718	(35)	11,244	5,129	168	(1,626)	18,545
55	REVENUE REQUIREMENTS:										
56											
57											
58	RATE BASE:										
59		158	-	14,680	7,400		56,712	27,451		567	106,967
60		-	-	(6,348)	(3,472)		(18,611)	(11,393)		(394)	(40,219)
61		-	-	236	-		171	-		-	408
62		158	-	8,568	3,927	-	38,273	16,058	-	172	67,156
63	Net Plant in Service										
64			5,653								5,653
65	Gas Stored Underground										
66		13	95	86	44		747	140			1,124
67	Fuel Stock										
68								268	24		292
69				(2,187)	(1,196)		(6,199)	(745)			(10,327)
70		(2)	(17)	(15)	(8)		(131)	(25)			(198)
71		15	113	102	52		889	166			1,338
72	Retirement Benefits, Net										
73							(22)				(22)
74	Customer Advances										
75		184	5,845	6,553	2,819	-	33,825	15,618	-	172	65,016
76	Customer Deposits										
77	Budget Plan Balance										
78		0.2825%	8.9901%	10.0798%	4.3352%	0.0000%	52.0258%	24.0219%	0.0000%	0.2648%	100.0000%
79	TOTAL RATE BASE										
80											

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Detailed Cost of Service Study Allocation Results - with Proposed Rate Design Transfers
ALLOCATION OF OPERATING REVENUE
TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	GAS OPERATING MARGIN REVENUES (w/Transfers)	439,293,260	288,015,065	134,872,313	16,391,832	0	14,050	Direct
2								
3	OTHER OPERATING INCOME - Under Proposed Rate Design:							
4	Acct 487 - Forfeited Discounts	12,654,062	8,263,677	4,116,054	272,154	0	2,177	Delayed Pymt
5	Acct 488 - Miscellaneous Revenue	4,032,200	3,635,552	395,718	911	0	19	Customer
6	Acct 489 - Miscellaneous Revenue	429,832	387,549	42,183	97	0	2	Customer
7	Acct 493 - Rent from Gas Property	95,721	58,820	30,636	6,261	0	4	Rate Base
8	Acct 494 - Interdepartmental Rents	0	0	0	0	0	0	
9	Acct 495 - Other Gas Revenue							
10	Miscellaneous	1,411,371	1,272,534	138,511	319	0	7	Customer
11	VBA Related Revenues	0	0	0	0	0	0	
12	Acct Chrg	5,332,106	3,448,184	1,778,103	105,229	0	590	MUT
13		6,743,477	4,720,718	1,916,614	105,548	0	597	
14	Service Class 7 Revenues:							
15	Customer Related	744,000	670,813	73,016	168	0	3	Customer
16	Commodity Related	411,631	176,660	168,805	66,131	0	35	Sales
17	Demand Related	783,370	403,214	359,461	20,663	0	31	Storage
18		1,939,001	1,250,687	601,282	86,962	0	70	
19								
20	TOTAL OTHER REVENUE	25,894,292	18,317,003	7,102,488	471,932	0	2,870	
21								
22	TOTAL OPERATING REVENUE	465,187,552	306,332,068	141,974,801	16,863,764	0	16,920	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Detailed Cost of Service Study Allocation Results - with Proposed Rate Design Transfers
 ALLOCATION OF OPERATION & MAINTENANCE
 TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1								
2	Production:	1,012,000	519,224	466,721	26,003	0	52	Unbundled CP
3								
4	Storage							
5	Compressor Station Fuel & Power	4,104,774	1,999,342	1,910,439	194,592	0	401	Standby Vol
6	Underground Storage related	8,112,287	4,175,536	3,722,448	213,978	0	324	Storage
7	Local Storage - Demand related	615,694	315,893	283,950	15,820	0	32	Unbundled CP
8	Local Storage - LNG	499,345	243,220	232,405	23,672	0	49	Standby Vol
9	Total Storage	13,332,100	6,733,990	6,149,242	448,062	0	805	
10								
11	Transmission	3,196,000	1,464,786	1,336,009	395,025	0	181	Ave & Peak
12								
13	Distribution:							
14	303 - Commodity	0	0	0	0	0	0	Sales
15	303 - Demand	183,563	84,130	76,734	22,688	0	10	Ave & Peak
16	303 - Customer	1,131,437	1,020,137	111,039	256	0	5	Customer
17	374	26,660	12,219	11,145	3,295	0	2	Ave & Peak
18	375	586,677	268,885	245,246	72,513	0	33	Ave & Peak
19	376	52,881,357	24,236,508	22,105,742	6,536,118	0	2,990	Ave & Peak
20	377	0	0	0	0	0	0	
21	378	518,462	237,621	216,730	64,082	0	29	Ave & Peak
22	379	672,740	308,329	281,222	83,150	0	38	Ave & Peak
23	Sub-Total Distribution Demand related	56,000,896	26,167,829	23,047,857	6,782,103	0	3,107	
24			46.73%	41.16%	12.11%	0.00%	0.01%	DISTRIBUTION DEMAND O&M
25								
26	380	25,184,701	22,045,047	3,041,826	97,115	0	713	Services
27	381.0	10,534,929	7,913,107	2,409,242	212,289	0	291	Meters
28	381.2	3,510,397	3,223,679	286,653	48	0	16	AMR Device
29	381.3	480,945	0	452,289	28,656	0	0	DMD Device
30	382.0	0	0	0	0	0	0	Meters
31	382.2	0	0	0	0	0	0	AMR Device
32	382.3	0	0	0	0	0	0	DMD Device
33	383	5,440,002	4,086,152	1,244,079	109,621	0	150	Meters
34	385	107,843	0	107,596	248	0	0	Acct 385 & 386
35	386	0	0	0	0	0	0	Acct 385 & 386
36	Sub-Total Distribution Customer related	45,258,818	37,267,985	7,541,686	447,977	0	1,170	
37			82.34%	16.66%	0.99%	0.00%	0.00%	DISTRIBUTION CUSTOMER O&M
38								
39	Total Distribution	101,259,714	63,435,814	30,589,543	7,230,080	0	4,277	
40								
41	Customer Accounts:							
42	Allocable	31,864,407	28,729,902	3,127,155	7,200	0	149	Customer
43	Customer - Acct 904 Allocable	41,604,121	36,043,079	5,521,060	39,982	0	0	Bad Debt
44	Total Customer Accounts:	73,468,528	64,772,981	8,648,215	47,182	0	149	
45								
46	Customer Services:	3,938,363	3,550,946	386,509	890	0	18	Customer
47	Customer Sales:	0	0	0	0	0	0	
48	Total Customer:	77,406,891	68,323,927	9,034,724	48,072	0	168	
49								
50	Total Customer Function	122,557,866	105,591,912	16,468,815	495,802	0	1,337	
51			86.16%	13.44%	0.40%	0.00%	0.00%	CUSTOMER O&M
52	Administrative & General:							
53	Commodity related	1,948,169	836,098	798,920	312,983	0	168	Sales
54	Distribution - Demand related	25,065,350	11,712,416	10,315,953	3,035,590	0	1,391	Distribution Demand O&M
55	Distribution - Customer related	21,191,898	17,450,286	3,531,304	209,760	0	548	Distribution Customer O&M
56	Customer related	81,676,517	70,369,857	10,975,349	330,419	0	891	Customer O&M
57	Total Administrative and General	129,881,934	100,368,658	25,621,526	3,888,752	0	2,997	
58								
59	Total Operation & Maintenance	326,088,639	240,846,399	73,197,765	12,035,995	0	8,480	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Detailed Cost of Service Study Allocation Results - with Proposed Rate Design Transfers
 ALLOCATION OF DEPRECIATION AND AMORTIZATION EXPENSE
 TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	DEPRECIATION EXPENSE - S/L:							
2	Production:							
3	Commodity related	0	0	0	0	0	0	Unbundled CP
4	Demand related	0	0	0	0	0	0	Unbundled CP
5	Underground Storage related	4,415,855	2,272,918	2,026,283	116,477	0	177	Storage
6	Local Storage related	892,909	458,122	411,797	22,943	0	46	Unbundled CP
7	Total Production	5,308,764	2,731,040	2,438,081	139,421	0	222	
8								
9								
10	Transmission	1,650,769	756,578	690,063	204,035	0	93	Ave & Peak
11								
12								
13	Distribution							
14	303 - Commodity	0	0	0	0	0	0	Sales
15	303 - Demand	766,535	351,317	320,431	94,744	0	43	Ave & Peak
16	303 - Customer	4,724,739	4,259,966	463,683	1,068	0	22	Customer
17	374	3,831	1,756	1,601	474	0	0	Ave & Peak
18	375	970,838	444,953	405,835	119,995	0	55	Ave & Peak
19	376	26,417,300	12,107,539	11,043,098	3,265,169	0	1,493	Ave & Peak
20	377	0	0	0	0	0	0	
21	378	1,268,357	581,312	530,205	156,769	0	72	Ave & Peak
22	379	739,895	339,107	309,295	91,451	0	42	Ave & Peak
23	380	29,304,819	25,651,530	3,539,457	113,003	0	829	Services
24	381.0	3,383,707	2,541,606	773,823	68,185	0	93	Meters
25	381.2	2,866,649	2,632,511	234,086	39	0	13	AMR Device
26	381.3	412,385	0	387,814	24,571	0	0	DMD Device
27	382.0	0	0	0	0	0	0	Meters
28	382.2	0	0	0	0	0	0	AMR Device
29	382.3	0	0	0	0	0	0	DMD Device
30	383	3,436,255	2,581,076	785,840	69,244	0	95	Meters
31	385	56,095	0	55,966	129	0	0	Acct 385 & 386
32	386	0	0	0	0	0	0	Acct 385 & 386
33	Total Distribution	74,351,405	51,492,672	18,851,135	4,004,839	0	2,758	
34								
35								
36	General							
37	Commodity related	0	0	0	0	0	0	Sales
38	Demand related							
39	Production	3,373	1,731	1,556	87	0	0	Unbundled CP
40	Underground Storage	362,118	186,388	166,163	9,552	0	14	Storage
41	Local Storage	30,038	15,411	13,853	772	0	2	Unbundled CP
42	Transmission	142,882	65,485	59,728	17,660	0	8	Ave & Peak
43	Distribution	1,079,195	494,615	451,131	133,388	0	61	Ave & Peak
44	Customer/Fixed related	1,169,140	1,054,132	114,739	264	0	5	Customer
45	Total General	2,786,746	1,817,763	807,170	161,723	0	91	
46								
47	Total Depreciation and Amortization Expense	84,097,684	56,798,053	22,786,449	4,510,017	0	3,165	

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Detailed Cost of Service Study Allocation Results - with Proposed Rate Design Transfers
ALLOCATION OF TAXES OTHER THAN INCOME
TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	Unauthorized Insurance Tax	102,900	63,231	32,934	6,730	0	5	Rate Base
2	Real Estate - Underground Storage	0	0	0	0	0	0	Storage
3	Real Estate - Other	0	0	0	0	0	0	Rate Base
4	Real Estate - Transmission	0	0	0	0	0	0	Ave & Peak
5	Invested Capital - Transmission	437,000	200,285	182,677	54,013	0	25	Ave & Peak
6	Invested Capital - Local Storage	97,000	49,768	44,735	2,492	0	5	Unbundled CP
7	Invested Capital - Underground Storage	1,019,000	524,497	467,584	26,878	0	41	Storage
8	Invested Capital - Other	8,149,000	5,007,491	2,608,143	532,986	0	380	Rate Base
9	-- Rate Making Adjustment	757,000	465,170	242,283	49,512	0	35	Rate Base
10	Illinois Gas Use Tax	26,400	11,330	10,826	4,241	0	2	Sales
11	Federal Excise Tax	24,900	15,301	7,969	1,629	0	1	Rate Base
12	State Franchise Tax	300,000	184,347	96,017	19,622	0	14	Rate Base
13	Property Tax	1,313,092	806,884	420,264	85,883	0	61	Rate Base
14	-- Rate Making Adjustment	(31,000)	(19,049)	(9,922)	(2,028)	0	(1)	Rate Base
15	Payroll Taxes	10,027,141	6,254,055	3,291,327	481,480	0	278	Salaries & Wages
16	Other Taxes	0	0	0	0	0	0	Salaries & Wages
17	TOTAL TAXES OTHER THAN INCOME	22,222,433	13,563,310	7,394,838	1,263,439	0	846	

THE PEOPLES GAS LIGHT AND COKE COMPANY
EMBEDDED GAS COST OF SERVICE STUDY
Detailed Cost of Service Study Allocation Results - with Proposed Rate Design Transfers
ALLOCATION OF OTHER INCOME & ADJUSTS
TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	BEFORE TAX ADJUSTMENTS:							
2	-- none --	0	0	0	0	0	0	
3		0						
4		0	0	0	0	0	0	
5		0	0	0	0	0	0	
6								
7	TOTAL OTHER ADJUSTS	0	0	0	0	0	0	
8								
9								
10	AFTER TAX ADJUSTMENTS:							
11	-- none --	0	0	0	0	0	0	
12		0	0	0	0	0	0	
13	TOTAL OTHER ADJUSTS	0	0	0	0	0	0	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Detailed Cost of Service Study Allocation Results - with Proposed Rate Design Transfers
 ALLOCATION OF RATE BASE COMPONENT - PLANT IN SERVICE
 TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	GAS PLANT:							
2	Production:							
3	Demand related	3,000,000	1,539,202	1,383,559	77,085	0	154	Unbundled CP
4	Underground Storage related	322,027,775	165,753,333	147,767,422	8,494,139	0	12,881	Storage
5	Local Storage related	26,712,431	13,705,275	12,319,408	686,378	0	1,370	Unbundled CP
6	Total Production	351,740,206	180,997,810	161,470,388	9,257,603	0	14,405	
7								
8								
9	Transmission	127,063,150	58,235,401	53,115,603	15,704,963	0	7,183	Ave & Peak
10								
11								
12	Distribution							
13	303 - Commodity	0	0	0	0	0	0	Sales
14	303 - Demand	14,545,047	6,666,265	6,080,197	1,797,763	0	822	Ave & Peak
15	303 - Customer	89,652,166	80,833,074	8,798,414	20,259	0	420	Customer
16	374	2,112,486	968,192	883,072	261,103	0	119	Ave & Peak
17	375	32,313,376	14,809,820	13,507,807	3,993,923	0	1,827	Ave & Peak
18	376	864,478,933	396,206,746	361,374,007	106,849,309	0	48,872	Ave & Peak
19	377	0	0	0	0	0	0	
20	378	40,532,256	18,576,686	16,943,506	5,009,773	0	2,291	Ave & Peak
21	379	20,281,028	9,295,172	8,477,981	2,506,728	0	1,147	Ave & Peak
22	380	683,338,437	598,149,955	82,534,111	2,635,030	0	19,341	Services
23	381.0	187,021,731	140,477,733	42,770,167	3,768,671	0	5,160	Meters
24	381.2	62,318,454	57,228,490	5,088,823	856	0	285	AMR Device
25	381.3	8,537,997	0	8,029,281	508,716	0	0	DMD Device
26	382.0	0	0	0	0	0	0	Meters
27	382.2	0	0	0	0	0	0	AMR Device
28	382.3	0	0	0	0	0	0	DMD Device
29	383	96,573,847	72,539,566	22,085,560	1,946,058	0	2,664	Meters
30	385	1,914,492	0	1,910,094	4,398	0	0	Acct 385 & 386
31	386	0	0	0	0	0	0	Acct 385 & 386
32	Total Distribution	2,103,620,250	1,395,751,698	578,483,019	129,302,585	0	82,949	
33								
34	General							
35	Commodity related	0	0	0	0	0	0	Sales
36	Demand related							
37	Production	90,350	46,356	41,668	2,322	0	5	Unbundled CP
38	Underground Storage	9,698,444	4,991,959	4,450,281	255,816	0	388	Storage
39	Local Storage	804,493	412,759	371,021	20,672	0	41	Unbundled CP
40	Transmission	3,826,735	1,753,864	1,599,672	472,983	0	216	Ave & Peak
41	Distribution	28,903,632	13,247,071	12,082,448	3,572,479	0	1,634	Ave & Peak
42	Customer/Fixed related	31,312,581	28,232,359	3,072,999	7,076	0	147	Customer
43	Total General	74,636,235	48,684,368	21,618,069	4,331,347	0	2,431	
44								
45	Total Plant in Service	2,657,059,841	1,683,669,276	814,687,099	158,596,498	0	106,967	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Detailed Cost of Service Study Allocation Results - with Proposed Rate Design Transfers
 ALLOCATION OF RATE BASE COMPONENT - DEPRECIATION RESERVE - S/L
 TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	DEPRECIATION RESERVE - S/L:							
2	Production:							
3	Commodity related	0	0	0	0	0	0	Sales
4	Demand related	0	0	0	0	0	0	Unbundled CP
5	Underground Storage related	(129,951,318)	(66,888,218)	(59,630,171)	(3,427,731)	0	(5,198)	Storage
6	Local Storage related	(17,045,096)	(8,745,282)	(7,860,965)	(437,975)	0	(874)	Unbundled CP
7	Total Production	(146,996,414)	(75,633,500)	(67,491,136)	(3,865,706)	0	(6,072)	
8								
9								
10	Transmission	(58,749,029)	(26,925,771)	(24,558,577)	(7,261,360)	0	(3,321)	Ave & Peak
11								
12								
13	Distribution							
14	303 - Commodity	0	0	0	0	0	0	Sales
15	303 - Demand	(10,939,825)	(5,013,925)	(4,573,123)	(1,352,159)	0	(618)	Ave & Peak
16	303 - Customer	(67,430,447)	(60,797,307)	(6,617,587)	(15,237)	0	(316)	Customer
17	374	(169,997)	(77,913)	(71,063)	(21,012)	0	(10)	Ave & Peak
18	375	(12,527,409)	(5,741,544)	(5,236,773)	(1,548,384)	0	(708)	Ave & Peak
19	376	(264,467,927)	(121,219,728)	(110,562,627)	(32,690,620)	0	(14,952)	Ave & Peak
20	377	0	0	0	0	0	0	
21	378	(17,971,512)	(8,236,678)	(7,512,545)	(2,221,273)	0	(1,016)	Ave & Peak
22	379	(9,251,984)	(4,240,356)	(3,867,563)	(1,143,542)	0	(523)	Ave & Peak
23	380	(266,355,617)	(233,150,356)	(32,170,624)	(1,027,097)	0	(7,539)	Services
24	381.0	(89,875,663)	(67,508,355)	(20,553,746)	(1,811,083)	0	(2,480)	Meters
25	381.2	(33,669,208)	(30,919,219)	(2,749,372)	(462)	0	(154)	AMR Device
26	381.3	(5,733,019)	0	(5,391,431)	(341,588)	0	0	DMD Device
27	382.0	0	0	0	0	0	0	Meters
28	382.2	0	0	0	0	0	0	AMR Device
29	382.3	0	0	0	0	0	0	DMD Device
30	383	(44,233,777)	(33,225,341)	(10,115,862)	(891,354)	0	(1,220)	Meters
31	385	(1,723,718)	0	(1,719,758)	(3,960)	0	0	Acct 385 & 386
32	386	0	0	0	0	0	0	Acct 385 & 386
33	Total Distribution	(824,370,102)	(570,130,721)	(211,142,074)	(43,067,770)	0	(29,536)	
34								
35								
36	General							
37	Commodity related	0	0	0	0	0	0	Sales
38	Demand related							
39	Underground Storage	(5,912,714)	(3,043,377)	(2,713,140)	(155,960)	0	(237)	Storage
40	Local Storage	(775,543)	(397,906)	(357,670)	(19,928)	0	(40)	Unbundled CP
41	Transmission	(2,673,049)	(1,225,108)	(1,117,402)	(330,388)	0	(151)	Ave & Peak
42	Distribution	(13,850,436)	(6,347,912)	(5,789,832)	(1,711,909)	0	(783)	Ave & Peak
43	Customer/Fixed related	(16,776,505)	(15,126,199)	(1,646,437)	(3,791)	0	(79)	Customer
44	Total General	(39,988,247)	(26,140,502)	(11,624,480)	(2,221,976)	0	(1,289)	
45								
46	Total Depreciation Reserve - Straight Line:	(1,070,103,792)	(698,830,494)	(314,816,267)	(56,416,812)	0	(40,219)	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Detailed Cost of Service Study Allocation Results - with Proposed Rate Design Transfers
 ALLOCATION OF RATE BASE COMPONENT - CONSTRUCTION WORK IN PROGRESS
 TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	CONSTRUCTION WORK IN PROGRESS							
2	Production:							
3	Commodity related	0	0	0	0	0	0	Sales
4	Demand related	0	0	0	0	0	0	Unbundled CP
5	Underground Storage related	5,270,375	2,712,754	2,418,393	139,017	0	211	Storage
6	Local Storage related	493,924	253,416	227,791	12,691	0	25	Unbundled CP
7	Total Production	5,764,299	2,966,171	2,646,184	151,708	0	236	
8								
9								
10	Transmission	0	0	0	0	0	0	Ave & Peak
11								
12								
13	Distribution							
14	303 - Commodity	0	0	0	0	0	0	Sales
15	303 - Demand	0	0	0	0	0	0	Ave & Peak
16	303 - Customer	0	0	0	0	0	0	Customer
17	374	0	0	0	0	0	0	Ave & Peak
18	375	0	0	0	0	0	0	Ave & Peak
19	376	3,033,000	1,390,080	1,267,871	374,878	0	171	Ave & Peak
20	377	0	0	0	0	0	0	
21	378	0	0	0	0	0	0	Ave & Peak
22	379	0	0	0	0	0	0	Ave & Peak
23	380	0	0	0	0	0	0	Services
24	381.0	0	0	0	0	0	0	Meters
25	381.2	0	0	0	0	0	0	AMR Device
26	381.3	0	0	0	0	0	0	DMD Device
27	382.0	0	0	0	0	0	0	Meters
28	382.2	0	0	0	0	0	0	AMR Device
29	382.3	0	0	0	0	0	0	DMD Device
30	383	0	0	0	0	0	0	Meters
31	385	0	0	0	0	0	0	Acct 385 & 386
32	386	0	0	0	0	0	0	Acct 385 & 386
33	Total Distribution	3,033,000	1,390,080	1,267,871	374,878	0	171	
34								
35								
36	General							
37	Commodity related	0	0	0	0	0	0	Sales
38	Demand related	0	0	0	0	0	0	Ave & Peak
39	Customer/Fixed related	0	0	0	0	0	0	Customer
40	Total General	0	0	0	0	0	0	
41								
42	Total Construction Work in Progress	8,797,299	4,356,251	3,914,055	526,586	0	408	

THE PEOPLES GAS LIGHT AND COKE COMPANY
 EMBEDDED GAS COST OF SERVICE STUDY
 Detailed Cost of Service Study Allocation Results - with Proposed Rate Design Transfers
 ALLOCATION OF OTHER RATE BASE COMPONENTS
 TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1								
2	Gas Stored Underground - 13 Mo. Ave	57,930,000	28,216,384	26,961,721	2,746,242	0	5,653	Standby Vol
3								
4	Fuel Stock - 13 Mo. Ave	0	0	0	0	0	0	Standby Vol
5								
6	Cash Working Capital - Year End Ave							
7	Commodity Related	1,108,987	475,945	454,782	178,164	0	95	Sales
8	Demand Related							
9	Production	243,759	125,065	112,418	6,263	0	13	Unbundled CP
10	Underground Storage	1,953,994	1,005,755	896,620	51,541	0	78	Storage
11	Local Storage	148,301	76,089	68,395	3,811	0	8	Unbundled CP
12	Transmission	769,815	352,821	321,802	95,149	0	44	Ave & Peak
13	Distribution	13,216,320	6,057,285	5,524,755	1,633,533	0	747	Ave & Peak
14	Customer Related	29,818,824	26,885,543	2,926,403	6,738	0	140	Customer
15	Sub-Total	47,260,000	34,978,502	10,305,175	1,975,199	0	1,124	
16								
17	Materials & Supplies - 13 Mo. Ave							
18	Commodity Related	0	0	0	0	0	0	Sales
19	Demand Related	4,738,055	2,171,539	1,980,627	585,622	0	268	Ave & Peak
20	Customer Related	5,132,945	4,628,016	503,744	1,160	0	24	Customer
21	Sub-Total	9,871,000	6,799,555	2,484,371	586,782	0	292	
22								
23	Accumulated Deferred Taxes - Year End Ave							
24	Commodity Related	0	0	0	0	0	0	Sales
25	Demand Related							
26	Underground Storage	(46,809,605)	(24,093,723)	(21,479,311)	(1,234,699)	0	(1,872)	Storage
27	Local Storage	(6,139,793)	(3,150,127)	(2,831,589)	(157,762)	0	(315)	Unbundled CP
28	Transmission	(21,161,916)	(9,698,899)	(8,846,215)	(2,615,606)	0	(1,196)	Ave & Peak
29	Distribution	(109,650,731)	(50,254,966)	(45,836,772)	(13,552,794)	0	(6,199)	Ave & Peak
30	Customer Related	(159,064,954)	(143,417,719)	(15,610,547)	(35,944)	0	(745)	Customer
31	Sub-Total	(342,827,000)	(230,615,434)	(94,604,433)	(17,596,805)	0	(10,327)	
32								
33	Retirement Benefits, Net							
34	Commodity Related	1,320,037	566,522	541,331	212,071	0	113	Sales
35	Demand Related							
36	Production	290,148	148,866	133,812	7,455	0	15	Unbundled CP
37	Underground Storage	2,325,856	1,197,159	1,067,255	61,349	0	93	Storage
38	Local Storage	176,524	90,569	81,411	4,536	0	9	Unbundled CP
39	Transmission	916,318	419,966	383,044	113,257	0	52	Ave & Peak
40	Distribution	15,731,504	7,210,040	6,576,166	1,944,409	0	889	Ave & Peak
41	Customer Related	35,493,612	32,002,102	3,483,323	8,020	0	166	Customer
42	Sub-Total	56,254,000	41,635,223	12,266,342	2,351,097	0	1,338	
43								
44	Reserve for Injuries and Damages							
45	Commodity Related	(194,929)	(83,658)	(79,938)	(31,316)	0	(17)	Sales
46	Demand Related							
47	Production	(42,846)	(21,983)	(19,760)	(1,101)	0	(2)	Unbundled CP
48	Underground Storage	(343,458)	(176,784)	(157,601)	(9,059)	0	(14)	Storage
49	Local Storage	(26,067)	(13,374)	(12,022)	(670)	0	(1)	Unbundled CP
50	Transmission	(135,312)	(62,016)	(56,564)	(16,725)	0	(8)	Ave & Peak
51	Distribution	(2,323,063)	(1,064,703)	(971,099)	(287,130)	0	(131)	Ave & Peak
52	Customer Related	(5,241,324)	(4,725,734)	(514,381)	(1,184)	0	(25)	Customer
53	Sub-Total	(8,307,000)	(6,148,253)	(1,811,365)	(347,185)	0	(198)	
54								
55	Customer Advances - Year End Ave	(391,890)	(179,610)	(163,820)	(48,437)	0	(22)	Ave & Peak
56								
57	Customer Deposits - 13 Mo. Ave	(32,088,000)	(17,414,170)	(13,610,126)	(1,063,704)	0	0	Cust Deposits
58								
59	Budget Plan Balance - 13 Mo. Ave	12,605,000	11,399,371	1,205,629	0	0	0	Budget
60								
61	TOTAL OTHER RATE BASE COMPONENTS	(199,693,890)	(131,328,433)	(56,966,505)	(11,396,812)	0	(2,141)	

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 FUTURE TEST YEAR ENDED DECEMBER 31, 2010

LINE NO.	[A] DESCRIPTION OF ALLOCATION DATA	[B] PEOPLES GAS	[C] SC 1 Residential	[D] SC 2 General Service	[E] SC 4 Large Volume Demand Service	[F] SC 6 Standby Service	[G] SC 8 CNG Service	[H] SOURCE or ALLOCATION FACTOR
1	BUDGET PLAN BALANCES							
2	AVERAGE CUSTOMERS	854,101	770,083	83,821	193	-	4	Page 1, line 1
3	Average Budget Plan Balance per Customer	\$ 56.98	\$ 55.37					
4	Estimated Budget Plan Balances	\$ 48,520,621	\$ 43,879,773	\$ 4,640,848				
5	Percentage	1.00000	0.90435	0.09565				Budget
6								
7								
8	CUSTOMER DEPOSITS							
9	AVERAGE CUSTOMERS	854,101	770,083	83,821	193	0	4	Page 1, line 1
10	Average Customer Deposits per Customer	\$ 20.89	\$ 149.98	\$ 5,090.91				
11	Estimated Customer Deposits	\$ 29,639,772	\$ 16,085,515	\$ 12,571,710	\$ 982,546			
12	Percentage	1.00000	0.54270	0.42415	0.03315			Cust Deposits
13								
14								
15	SALES / COMMODITY (Annual)	1,683,836,098	722,653,870	690,520,512	270,516,940	-	144,776	
16	Percentage	1.00000	0.42917	0.41009	0.16066		0.00009	Sales
17								
18								
19	COINCIDENT PEAK DEMAND	18,535,348	8,674,115	7,796,995	2,063,372	-	867	
20	Percentage	1.00000	0.46798	0.42066	0.11132		0.00005	CP
21								
22								
23	UNBUNDLED COINCIDENT PEAK	16,906,388	8,674,115	7,796,995	434,411	-	867	
24	Percentage	1.00000	0.51307	0.46119	0.02570		0.00005	Unbundled CP
25								
26								
27	WEIGHTED PEAK AND SEASONAL VOLUMES							
28	EXCESS WINTER OVER SUMMER	100.00%	51.472%	45.887%	2.638%	0.000%	0.004%	
29	Percentage	1.00000	0.51472	0.45887	0.02638		0.00004	Storage
30								
31								
32	AVERAGE & PEAK DEMAND							
33	Annual Use (Therms)	1,683,836,098	722,653,870	690,520,512	270,516,940	-	144,776	Line 15
34	Average Daily Deliveries of Gas (Therms/Day)	4,613,250	1,979,874	1,891,837	741,142		397	Line 33 divided by 365
35								
36	Peak Demand (Therms)	18,535,348	8,674,115	7,796,995	2,063,372	-	867	Line 19
37	System Load Factor	24.89%						Line 34 divided by Line 36
38								
39	Average Daily Deliveries of Gas (Therms/Day)	4,613,250	1,979,874	1,891,837	741,142	-	397	Line 34
40	Percentage	1.00000	0.42917	0.41009	0.16066		0.00009	
41	System Load Factor	24.89%	24.89%	24.89%	24.89%	24.89%	24.89%	Line 37
42	Average Weighted Daily Therms	0.24889	0.10682	0.10207	0.03999	-	0.00002	Line 40 x Line 41
43								
44	Peak Demand (Therms)	18,535,348	8,674,115	7,796,995	2,063,372	-	867	Line 36
45	Percentage	1.00000	0.46798	0.42066	0.11132		0.00005	
46	(1 - System Load Factor)	75.11%	75.11%	75.11%	75.11%	75.11%	75.11%	
47	Peak Weighted Demand	0.75111	0.35150	0.31596	0.08361	-	0.00004	Line 45 x Line 46
48								
49	Average Weighted Daily Therms	0.24889	0.10682	0.10207	0.03999	-	0.00002	Line 42
50	Peak Weighted Demand	0.75111	0.35150	0.31596	0.08361	-	0.00004	Line 47
51	Average & Peak Demand	1.00000	0.45832	0.41803	0.12360	-	0.00006	Ave & Peak

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1	UNBUND COMM STANDBY VOLUME	1,483,653,562	722,653,870	690,520,512	70,334,404	-	144,776	
2	Percentage	1.00000	0.48708	0.46542	0.04741	-	0.00010	Standby Vol
3								
4								
5	ACCOUNTS 385 & 386	84,014	-	83,821	193	-	-	
6	Percentage	1.00000	-	0.99770	0.00230	-	-	Acct 385 & 386
7								
8								
9	SALARIES & WAGES - FUNCTIONAL:							
10	Production	1,012,442	1.1868%					
11	Storage - Compressor Station Fuel Related	307,407	0.3603%					
12	Storage - Non - Compressor Stn Fuel Related	3,108,745	3.6440%					
13	Distribution	61,356,321	71.9202%					
14	Transmission	860,911	1.0091%					
15	Customer Accounting	18,234,653	21.3742%					
16	Customer Service	431,222	0.5055%					
17	Customer Sales	-	0.0000%					
18	TOTAL SALARIES & WAGES	85,311,701	100.000%					
19								
20								
21	SALARIES & WAGES - RATE SCHEDULE:							
22	Production	1,012,442	519,451	466,924	26,015	-	52	Unbundled CP
23	Storage - Compressor Station Fuel Related	307,407	149,731	143,073	14,573	-	30	Standby Vol
24	Storage - Non - Compressor Stn Fuel Related	3,108,745	1,600,125	1,426,496	81,999	-	124	Storage
25	Distribution							
26	Meters & Regulators related	15,865,851	11,917,325	3,628,376	319,712	-	438	Meters
27	AMR Devices 381.2 related	9,645,012	8,857,239	787,596	132	-	44	AMR Device
28	DMD Devices 381.3 related	3,213,863	-	3,022,373	191,490	-	-	DMD Device
29	Industrial Metering Related Acct 385/386	4,980,469	-	4,969,028	11,441	-	-	Acct 385 & 386
30	Services related	644,614	564,253	77,857	2,486	-	18	Services
31	Remaining Distribution labor	27,006,513	12,377,586	11,289,404	3,337,996	-	1,527	Ave & Peak
32	Transmission	860,911	394,571	359,883	106,408	-	49	Ave & Peak
33	Customer Accounting	18,234,653	16,440,908	1,789,539	4,120	-	85	Customer
34	Customer Sales	431,222	388,803	42,320	97	-	2	Customer
35	Customer Service	-	-	-	-	-	-	Customer
36	TOTAL SALARIES & WAGES	85,311,701	53,209,993	28,002,867	4,096,472	-	2,369	
37	Percentage	1.00000	0.62371	0.32824	0.04802	-	0.00003	Salaries & Wages