

The Peoples Gas Light and Coke Company
 Calculation of Return on Rate Base
 Fiscal 2006 (October 1, 2005 - September 30, 2006)
 (Dollars in 000's)

<u>Line No.</u>		<u>Fiscal 2006</u>
1	Net Utility Operating Income (Loss) – ICC/FERC Basis	\$ (11,700)
2		
3	Rate-making Adjustments (Net Utility Operating Income Impact)	
4		
5	Weather Normalization (10 years)	3,200
6	Taxes on Gas Plant Leased to Others	200
7	Charitable Contributions	(500)
8	PGA Settlement Charge	62,100
9	Interest on Gas Bill Credit Deposits	(800)
10	Interest on Budget Plan Accounts	(500)
11	Taxes Applicable to Items not Included in Cost of Service	<u>(1,900)</u>
12		
13	Total	<u>\$61,800</u>
14		
15	Total Adjustments to Net Utility Operating Income	\$ <u>61,800</u>
16		
17	Net Utility Operating Income, as Adjusted	\$ <u>50,100</u>
18		
19	Original Cost Rate Base - Average Fiscal 2006	\$ <u>1,206,600</u>
20		
21	Return on Rate Base (Line 17 ÷ 19)	<u>4.15%</u>
22		
23	Allowed Return on Rate Base (Per Order in Docket #95-0032)	<u>9.19%</u>