

The Peoples Gas Light and Coke Company

Jurisdictional Rate Base Summary By ICC Account

Line No.	Supporting Schedule [A]	ICC Account [B]	Rate Base Component [C]	Actual September 30, 2006 [D]	Adjustments from Schedule B-2 [E]	Adjusted Actual September 30, 2006 [F]
1	B-5, B-7, B-7.1	101, 101.10, 107, 117	Gross Utility Plant (1) (3)	\$ 2,327,990,000	\$ 106,924,000	\$ 2,434,914,000
2	B-6	108, 111	Accumulated Provision for Depreciation and Amortization (1)	931,864,000	2,450,000	\$ 934,314,000
3			Net Utility Plant (Line 1 minus Line 2)	<u>1,396,126,000</u>	<u>104,474,000</u>	<u>1,500,600,000</u>
4	B-8	131	Cash Working Capital	30,896,000	-	30,896,000
5	B-8.1	151, 154, 163, 228.4, 232	Materials and Supplies (2)	8,796,000	-	8,796,000
6	B-8.1	164.1, 164.2, 165	Gas in Storage (2)	86,667,000	-	86,667,000
7			Subtotal (Lines 4 through 6)	<u>126,359,000</u>	<u>-</u>	<u>126,359,000</u>
8	B-9	182.3, 190, 282, 283	Accumulated Deferred Income Taxes	(289,292,000)	(6,696,000)	(295,988,000)
9	B-13	235	Customer Deposits	(32,176,000)	-	(32,176,000)
10	B-14	142, 242	Budget Plan Balances (2)	14,080,000	-	14,080,000
11	B-1.1	252	Customer Advances for Construction	(392,000)	-	(392,000)
12	B-1.2	255	Pre-1971 Investment Tax Credits	(54,000)	-	(54,000)
13	B-1.3	228.2	Reserve for Injuries and Damages	(4,422,000)	-	(4,422,000)
14			Subtotal (Lines 8 through 13)	<u>(312,256,000)</u>	<u>(6,696,000)</u>	<u>(318,952,000)</u>
15			Total Rate Base (Lines 3 + 7 +14)	<u>\$ 1,210,229,000</u>	<u>\$ 97,778,000</u>	<u>\$ 1,308,007,000</u>

Notes: (1) Excludes Asset Retirement Obligation (ARO) as follows: Account 101 (\$22,205,000) and Account 108 (\$7,939,000); see Schedules B-5 & B-6 for details.

(2) Based on 13 month average balance.

(3) Excludes \$1,396,000 applicable to Work Asset Management project in Account 107 because this project will not be completed until Summer 2008, see B-7 and B-7.1.

The Peoples Gas Light and Coke Company

Customer Advances for Construction

Item: Customer Advances for Construction

Dollars by Account	<u>Account</u>	<u>Balance at September 30, 2006</u>
	252	\$ (392,000)

Reason for Deduction: In accordance with prior Commission treatment, this amount is deducted from rate base.

The Peoples Gas Light and Coke Company

Pre-1971 Investment Tax Credits

Item: Pre-1971 Investment Tax Credits

Dollars by Account

<u>Account</u>	<u>Balance at September 30, 2006</u>
255	\$ (54,000)

Reason for Deduction: In accordance with prior Commission treatment, this amount is deducted from rate base.

The Peoples Gas Light and Coke Company

Reserve for Injuries and Damages

Item: Reserve for Injuries and Damages

Dollars by Account	Account	Balance at September 30, 2006
	228.2	\$ (4,422,000)

Reason for Deduction: In accordance with prior Commission treatment, this amount is deducted from rate base.

The Peoples Gas Light and Coke Company

Summary of Utility Adjustments to Rate Base

Test Year Ended September 30, 2006

Line No.	Rate Base Component [A]	Supporting Schedule			Total of Adjustments [E]
		B-2.1 Fiscal 2007 Net Capital Expenditures [B]	B-2.2 City of Chicago Resurfacing Requirement [C]	B-2.3 Merger - Related Meter Purchases [D]	
1	Gross Utility Plant	\$ 104,524,000	\$ 1,400,000	\$ 1,000,000	\$ 106,924,000
2	Accumulated Provision for Depreciation and Amortization	2,387,000	34,000	29,000	2,450,000
3	Net Utility Plant (Line 1 minus Line 2)	<u>102,137,000</u>	<u>1,366,000</u>	<u>971,000</u>	<u>104,474,000</u>
4	Cash Working Capital	0	0	0	0
5	Materials and Supplies	0	0	0	0
6	Gas in Storage	0	0	0	0
7	Subtotal (Lines 4 through 6)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
8	Accumulated Deferred Income Taxes -	(6,673,000)	(14,000)	(9,000)	(6,696,000)
9	Customer Deposits	0	0	0	0
10	Budget Plan Balances	0	0	0	0
11	Customer Advances for Construction	0	0	0	0
12	Pre-1971 Investment Tax Credits	0	0	0	0
13	Reserve for Injuries and Damages	0	0	0	0
14	Subtotal (Lines 8 through 13)	<u>(6,673,000)</u>	<u>(14,000)</u>	<u>(9,000)</u>	<u>(6,696,000)</u>
15	Total Rate Base (Lines 3 + 7 +14)	<u>\$ 95,464,000</u>	<u>\$ 1,352,000</u>	<u>\$ 962,000</u>	<u>\$ 97,778,000</u>

The Peoples Gas Light and Coke Company

Detailed Adjustments to Rate Base

Line
 No.

- 1 Adjustment B-2.1
- 2 Title of Adjustment: Fiscal 2007 Net Capital Expenditures
- 3 Description of Adjustment: Fiscal 2007 Net Capital Expenditures represents fiscal 2007 budgeted capital expenditures less related depreciation reserve and accumulated deferred income taxes.
- 4 Summary Calculation to Support Adjustment:

<u>ICC Account</u>	<u>Adjustments to Test Year [A]</u>
Account 101 Dr	\$ 104,524,000
Account 108 Cr	(2,387,000)
Sub-Total	\$ <u>102,137,000</u>
Account 282 Cr	\$ (987,000)
Account 283 Cr	(5,686,000)
Sub-total	\$ <u>(6,673,000)</u>
Total	\$ <u><u>95,464,000</u></u>

Tie to B-2, Col. B

The Peoples Gas Light and Coke Company

Detailed Adjustments to Rate Base

Line
 No.

- 1 Adjustment B-2.2
- 2 Title of Adjustment: City of Chicago Resurfacing Requirements
- 3 Description of Adjustment: City of Chicago resurfacing requirements
 which will be implemented in fiscal 2007.
- 4 Summary Calculation to Support Adjustment:

<u>ICC Account</u>		<u>Adjustments to Test Year</u>
		[A]
Account 101	Dr	\$ 1,400,000
Account 108	Cr	(34,000)
Sub-Total		\$ 1,366,000
Account 282	Cr	\$ (17,000)
Account 283	Dr	3,000
Sub-Total		\$ (14,000)
Total		\$ <u>1,352,000</u>

Tie to B-2, Col. C.

The Peoples Gas Light and Coke Company

Detailed Adjustments to Rate Base

Line
 No.

- 1 Adjustment B-2.3
- 2 Title of Adjustment: Merger - Related Meter Purchases
- 3 Description of Adjustment: Merger - Related Meter Purchases represents additional meter purchases required as a condition (#24) of the merger, Docket #06-0540.
- 4 Summary Calculation to Support Adjustment:

<u>ICC Account</u>		<u>Adjustments to Test Year</u>
		[A]
Account 101	Dr	\$ 1,000,000
Account 108	Cr	(29,000)
Sub-Total		\$ 971,000
Account 282	Cr	\$ (13,000)
Account 283	Dr	4,000
Sub-Total		\$ (9,000)
Total		\$ <u>962,000</u>

Tie to B-2, Col. D.

The Peoples Gas Light and Coke Company

Comparative Balance Sheets

Line No.	Description [A]	Test Year Ended September 30, 2006 [B]	Historical Year Ended September 30, 2005 [C]	Historical Year Ended September 30, 2004 [D]	Historical Year Ended September 30, 2003 [E]	Line No.
Assets						
1	Utility Plant, Net	\$1,411,974,000	\$1,367,258,000	\$1,356,308,000	\$1,344,768,000	1
2	Investment in Subsidiary Companies	5,329,000	6,360,000	7,093,000	6,950,000	2
3	Other Property and Investments	6,069,000	7,673,000	10,096,000	9,868,000	3
4	Current Assets	284,987,000	427,685,000	286,277,000	317,421,000	4
5	Other Assets	655,209,000	463,595,000	396,203,000	358,279,000	5
6	Total Assets	<u>\$2,363,568,000</u>	<u>\$2,272,571,000</u>	<u>\$2,055,977,000</u>	<u>\$2,037,286,000</u>	6
Capitalization and Liabilities						
7	Proprietary Capital	\$636,105,000	\$613,272,000	\$629,520,000	\$626,483,000	7
8	Long Term Debt	501,188,000	501,111,000	501,033,000	348,955,000	8
9	Current Liabilities	543,974,000	316,384,000	312,203,000	505,221,000	9
10	Deferred Credits and Other Liabilities	682,301,000	841,804,000	613,221,000	556,627,000	10
11	Total Capitalization and Liabilities	<u>\$2,363,568,000</u>	<u>\$2,272,571,000</u>	<u>\$2,055,977,000</u>	<u>\$2,037,286,000</u>	11

The Peoples Gas Light and Coke Company

Gross Additions, Retirements and Transfers

Fiscal Years 2003 and 2004

Line No.	Plant Function (1) [A]	Historical Year Ended September 30, 2003				Historical Year Ended September 30, 2004				Line No.	
		Balance at 9-30-2002 [B]	Gross Additions [C]	Retirements [D]	Transfers/Sundries(3) [E]	Balance at 9-30-2003 [F]	Gross Additions [G]	Retirements [H]	Transfers/Sundries(3) [I]		Balance at 9-30-2004 [J]
1	Distribution	\$1,570,342,000	\$35,227,000	(\$12,139,000)	(\$10,000)	\$1,593,420,000	\$44,005,000	(\$14,759,000)	(\$3,000)	\$1,622,663,000	1
2	Underground Storage	217,997,000	202,000	0	0	218,199,000	14,971,000	(237,000)	0	232,933,000	2
3	Liquefied Natural Gas	22,892,000	0	0	0	22,892,000	0	0	0	22,892,000	3
4	Transmission - Not Leased	96,540,000	10,083,000	0	0	106,623,000	(196,000)	0	0	106,427,000	4
5	General	119,568,000	9,960,000	(2,915,000)	(13,000)	126,600,000	4,973,000	(3,897,000)	(61,000)	127,615,000	5
6	Intangible	89,456,000	10,366,000	(275,000)	0	99,547,000	4,476,000	218,000	0	104,241,000	6
7	Production	966,000	0	0	0	966,000	0	0	(5,000)	961,000	7
8	ARO Obligation	0	0	0	0	0	0	0	0	0	8
9	Total Account 101	2,117,761,000	65,838,000	(15,329,000)	(23,000)	2,168,247,000	68,229,000	(18,675,000)	(69,000)	2,217,732,000	9
10											10
11	Recoverable Natural Gas (Account 117)	3,700,000	0	0	0	3,700,000	591,000	0	0	4,291,000	11
12	Total Plant in Service	2,121,461,000	65,838,000	(15,329,000)	(23,000)	2,171,947,000	68,820,000	(18,675,000)	(69,000)	2,222,023,000	12
13	Construction Work in Progress (Account 107)	22,732,000	2,163,000	0	0	24,895,000	4,741,000	0	0	29,636,000	13
14	Total Utility Plant	<u>\$2,144,193,000</u>	<u>\$68,001,000</u>	<u>(\$15,329,000)</u> (2)	<u>(\$23,000)</u>	<u>\$2,196,842,000</u>	<u>\$73,561,000</u>	<u>(\$18,675,000)</u> (2)	<u>(\$69,000)</u>	<u>\$2,251,659,000</u>	14

- Notes: (1) Account 104, Gas Plant Leased to Others, is excluded from this Schedule.
(2) Retirements differ from Schedule B-6 primarily due to sales and retirement activity that resulted in losses.
(3) Transfers may include normal, routine transfers between categories, corrections and intercompany transfers of assets.

The Peoples Gas Light and Coke Company

Gross Additions, Retirements and Transfers

Fiscal Years 2005 and 2006

Line No.	Plant Function (1) [A]	Historical Year Ended September 30, 2005				Test Year Ended September 30, 2006				Line No.	
		Balance at 9-30-2004 [B]	Gross Additions [C]	Retirements [D]	Transfers/Sundries(3) [E]	Balance at 9-30-2005 [F]	Gross Additions [G]	Retirements [H]	Transfers/Sundries(3) [I]		Balance at 9-30-2006 [J]
1	Distribution	\$1,622,663,000	\$58,098,000	(\$11,617,000)	(\$7,000)	\$1,669,137,000	\$60,091,000	(\$11,868,000)	\$40,000	\$1,717,400,000	1
2	Underground Storage	232,933,000	9,534,000	(328,000)	(27,000)	242,112,000	11,780,000	(394,000)	3,000	253,501,000	2
3	Liquefied Natural Gas	22,892,000	133,000	0	0	23,025,000	0	0	0	23,025,000	3
4	Transmission - Not Leased	106,427,000	2,235,000	(13,000)	8,000	108,657,000	294,000	(860,000)	225,000	108,316,000	4
5	General	127,615,000	8,342,000	(43,592,000)	74,000	92,439,000	11,769,000	(9,601,000)	(2,000)	94,605,000	5
6	Intangible	104,241,000	451,000	0	0	104,692,000	3,019,000	0	92,000	107,803,000	6
7	Production	961,000	0	0	0	961,000	0	0	0	961,000	7
8	ARO Obligation	0	0	0	0	0	0	0	22,205,000	22,205,000	(4) 8
9	Total Account 101	2,217,732,000	78,793,000	(55,550,000)	48,000	2,241,023,000	86,953,000	(22,723,000)	22,563,000	2,327,816,000	9
10											10
11	Recoverable Natural Gas (Account 117)	4,291,000	198,000	0	0	4,489,000	419,000	0	0	4,908,000	11
12	Total Plant in Service	2,222,023,000	78,991,000	(55,550,000)	48,000	2,245,512,000	87,372,000	(22,723,000)	22,563,000	2,332,724,000	12
13	Construction Work in Progress (Account 107)	29,636,000	(10,289,000)	0	0	19,347,000	(480,000)	0	0	18,867,000	13
14	Total Utility Plant	<u>\$2,251,659,000</u>	<u>\$68,702,000</u>	<u>(\$55,550,000)</u> (2)	<u>\$48,000</u>	<u>\$2,264,859,000</u>	<u>\$86,892,000</u>	<u>(\$22,723,000)</u> (2)	<u>\$22,563,000</u>	<u>\$2,351,591,000</u>	14

- Notes: (1) Account 104, Gas Plant Leased to Others, is excluded from this Schedule.
(2) Retirements differ from Schedule B-6 primarily due to sales and retirement activity that resulted in losses.
(3) Transfers may include normal, routine transfers between categories, corrections and intercompany transfers of assets.
(4) Asset Retirement Obligation (ARO) is excluded from Schedule B-1, Rate Base (\$2,351,591,000 less \$22,205,000 is \$2,329,386,000).

The Peoples Gas Light and Coke Company

Leased Property Included in Rate Base

At September 30, 2006

Line No.	Identification or Reference Number [A]	Description of Type and Use of Property [B]	Name of Lessor [C]	Frequency of Payments [D]	Amount of Lease Payment [E]	Annual Lease Payment (1) [F]	Amount in Test Year Rate Base (2) [G]	Amount in Test Year Operating Expense (3) [H]	Line No.
1	N / A	IBM Servers - Z Series 890	IBM Credit Corporation	Monthly	\$ 10,553	\$ 126,636	\$ 456,892	\$ 61,283	1

- Notes: (1) Only 11 lease payments made in test year (\$116,083)
(2) Does not include Accumulated Amortization.
(3) Amortization amount only, interest amount of lease payment is recorded in interest expense

The Peoples Gas Light and Coke Company

Depreciation Reserve

Fiscal Year 2003

Line No.	Plant Function (1) [A]	Historical Year Ended September 30, 2003						Balance at 9-30-2003 [H]	Line No.
		Balance at 9-30-2002 [B]	Depreciation Expense [C]	Transportation Depreciation Expense / Capitalized Depr. Transfer [D]	Retirements [E]	Dismantling Cost Net of Salvage [F]	Sundries [G]		
1	Distribution	\$558,438,000	\$41,519,000	\$54,000	(\$12,123,000)	\$4,941,000	\$91,000	\$583,038,000	1
2	Underground Storage	110,720,000	3,121,000	0	0	29,000	0	113,812,000	2
3	Liquefied Natural Gas	14,246,000	490,000	0	0	0	0	14,736,000	3
4	Transmission - Not Leased	41,978,000	1,138,000	0	0	0	0	43,116,000	4
5	General	63,390,000	6,426,000	4,388,000	(2,913,000)	(152,000)	17,000	71,460,000	5
6	Intangible	19,108,000	7,702,000	0	(277,000)	0	0	26,533,000	6
7	Production	(355,000)	112,000	0	0	0	0	(243,000)	7
8	Asset Retirement Obligation	0	0	0	0	0	0	0	8
9	Total	<u>\$807,525,000</u>	<u>\$60,508,000</u>	<u>\$4,442,000</u>	<u>(\$15,313,000)</u> (2)	<u>\$4,818,000</u>	<u>\$108,000</u>	<u>\$852,452,000</u>	9

Notes: (1) Includes Account 108.01 Accumulated Provision for Depreciation of Gas Utility Plant and Account 111 Accumulated Provision for Amortization and Depletion of Gas Utility Plant, but excludes Account 108.02, Gas Plant Leased to Others.
(2) Retirements differ from Schedule B-5 due to the sale of land.

The Peoples Gas Light and Coke Company

Depreciation Reserve

Fiscal Year 2004

Historical Year Ended September 30, 2004									
Line No.	Plant Function (1) [A]	Balance at 9-30-2003 [B]	Depreciation Expense [C]	Transportation Depreciation Expense / Capitalized Depr. Transfer [D]	Retirements [E]	Dismantling Cost Net of Salvage [F]	Sundries [G]	Balance at 9-30-2004 [H]	Line No.
1	Distribution	\$583,038,000	42,476,000	\$94,000	(\$14,720,000)	\$4,895,000	\$3,000	\$605,996,000	1
2	Underground Storage	113,812,000	3,279,000	0	(237,000)	29,000	0	116,825,000	2
3	Liquefied Natural Gas	14,736,000	476,000	0	0	0	0	15,212,000	3
4	Transmission - Not Leased	43,116,000	1,322,000	0	0	26,000	0	44,412,000	4
5	General	71,460,000	5,958,000	4,451,000	(3,851,000)	(248,000)	11,000	78,277,000	5
6	Intangible	26,533,000	8,253,000	0	182,000	0	(12,000)	34,956,000	6
7	Production	(243,000)	103,000	0	0	0	0	(140,000)	7
8	Asset Retirement Obligation	0	0	0	0	0	0	0	8
9	Total	<u>\$852,452,000</u>	<u>\$61,867,000</u>	<u>\$4,545,000</u>	<u>(\$18,626,000) (2)</u>	<u>\$4,702,000</u>	<u>\$2,000</u>	<u>\$895,538,000</u>	9

Notes: (1) Includes Account 108.01 Accumulated Provision for Depreciation of Gas Utility Plant and Account 111 Accumulated Provision for Amortization and Depletion of Gas Utility Plant, but excludes Account 108.02, Gas Plant Leased to Others.

(2) Retirements differ from Schedule B-5 primarily due to sales and retirement activity that resulted in losses

The Peoples Gas Light and Coke Company

Depreciation Reserve

Fiscal Year 2005

Historical Year Ended September 30, 2005									
Line No.	Plant Function (1) [A]	Balance at 9-30-2004 [B]	Depreciation Expense [C]	Transportation Depreciation Expense / Capitalized Depr. Transfer [D]	Retirements [E]	Dismantling Cost Net of Salvage [F]	Sundries [G]	Balance at 9-30-2005 [H]	Line No.
1	Distribution	\$605,996,000	\$39,157,000	\$83,000	(\$11,611,000)	\$4,454,000	\$0	\$629,171,000	1
2	Underground Storage	116,825,000	2,594,000	0	(328,000)	58,000	0	119,033,000	2
3	Liquefied Natural Gas	15,212,000	244,000	0	0	9,000	0	15,447,000	3
4	Transmission - Not Leased	44,412,000	1,039,000	0	(13,000)	0	0	45,438,000	4
5	General	78,277,000	4,655,000	4,380,000	(41,666,000)	(339,000)	13,000	45,998,000	5
6	Intangible	34,956,000	8,400,000	0	(608,000)	0	4,000	42,752,000	6
7	Production	(140,000)	89,000	0	0	0	0	(51,000)	7
8	Asset Retirement Obligation	0	0	0	0	0	0	0	8
9	Total	<u>\$895,538,000</u>	<u>\$56,178,000</u>	<u>\$4,463,000</u>	<u>(\$54,226,000)</u> (2)	<u>\$4,182,000</u>	<u>\$17,000</u>	<u>\$897,788,000</u>	9

Notes: (1) Includes Account 108.01 Accumulated Provision for Depreciation of Gas Utility Plant and Account 111 Accumulated Provision for Amortization and Depletion of Gas Utility Plant, but excludes Account 108.02, Gas Plant Leased to Others.

(2) Retirements differ from Schedule B-5 primarily due to sales and retirement activity that resulted in losses.

The Peoples Gas Light and Coke Company

Depreciation Reserve

Fiscal Year 2006

Line No.	Plant Function (1) [A]	Test Year Ended September 30, 2006						Balance at 9-30-2006 [H]	Line No.
		Balance at 9-30-2005 [B]	Depreciation Expense [C]	Transportation Depreciation Expense / Capitalized Depr. Transfer [D]	Retirements [E]	Dismantling Cost Net of Salvage [F]	Sundries [G]		
1	Distribution	\$629,171,000	\$40,782,000	\$91,000	(\$12,242,000)	\$5,263,000	\$13,000	\$652,552,000	1
2	Underground Storage	119,033,000	2,695,000	0	(394,000)	25,000	0	121,309,000	2
3	Liquefied Natural Gas	15,447,000	246,000	0	0	10,000	0	15,683,000	3
4	Transmission - Not Leased	45,438,000	1,064,000	0	(235,000)	24,000	67,000	46,310,000	4
5	General	45,998,000	3,795,000	4,371,000	(9,593,000)	(382,000)	89,000	45,042,000	5
6	Intangible	42,752,000	8,185,000	0	0	0	0	50,937,000	6
7	Production	(51,000)	82,000	0	0	0	0	31,000	7
8	Asset Retirement Obligation	0	0	0	0	0	7,939,000	7,939,000	(3) 8
9	Total	<u>\$897,788,000</u>	<u>\$56,849,000</u>	<u>\$4,462,000</u>	<u>(\$22,464,000)</u> (2)	<u>\$4,940,000</u>	<u>\$8,108,000</u>	<u>\$939,803,000</u>	9

Note: (1) Includes Account 108.01 Accumulated Provision for Depreciation of Gas Utility Plant and Account 111 Accumulated Provision for Amortization and Depletion of Gas Utility Plant, but excludes Account 108.02, Gas Plant Leased to Others.
(2) Retirements differ from Schedule B-5 primarily due to sales and retirement activity that resulted in losses.
(3) Asset Retirement Obligation (ARO) is excluded from Schedule B-1, Rate Base (\$939,803,000 less \$7,939,000 is \$931,864,000).

The Peoples Gas Light and Coke Company

Construction Work In Progress

At September 30, 2006

<u>Line No.</u>	<u>Project Number</u> [A]	<u>Description of Project</u> [B]	<u>Direct Costs Through end of Test Year</u> [C]	<u>AFUDC Capitalized Through end of Test Year</u> [D]	<u>Other Indirect Costs Through end of Test Year</u> [E]	<u>Total Cost Through end of Test Year</u> [F]	<u>Amount in Test Year Rate Base (2)</u> [G]	<u>Line No.</u>
1	AP-1100.10023	Crawford Heater Replacement	\$ 1,877,000	\$ -	\$ 1,000	\$ 1,878,000	\$ 1,878,000	1
2	AL-1100.10003	Install Upgraded Electric Power Lines	1,091,000	-	-	1,091,000	1,091,000	2
3	AI-1100.10035	GIS Project	1,055,000	-	-	1,055,000	1,055,000	3
4	AI-1100.10043	Work & Asset Management (1)	1,396,000	-	-	1,396,000	1,396,000	4

Note: (1) Project eliminated from Rate Base (see Schedule B-1, Note 3).

(2) No other individual projects were unfinished and exceeded 5% of the total Construction Work in Progress at September 30, 2006.

The Peoples Gas Light and Coke Company

Construction Work in Progress Percent Complete

At September 30, 2006

Line No.	Project Number [A]	Description of Project [B]	Project Start Date [C]	Estimated Completion Date [D]	Original Budget Estimate [E]	Revised Budget Estimate [F]	Accumulated Construction Costs [G]	Percent Complete [H]	Line No.
1	AP-1100.10023	Crawford Heater Replacement	February, 2006	October, 2006 (1)	\$ 1,700,000	\$ 2,290,000	\$ 1,878,000	82%	1
2	AL-1100.10003	Install Upgraded Electric Power Lines	October, 2005	May, 2007	2,300,000	2,300,000	1,091,000	47%	2
3	AI-1100.10035	GIS Project	December, 2005	October, 2006 (1)	1,818,000	1,818,000	1,055,000	58%	3
4	AI-1100.10043	Work&Asset Management (2)	June, 2006	Summer, 2008	14,300,000	14,300,000	1,396,000	10%	4

Notes: (1) Project completed and placed in service in October, 2006.
 (2) Project eliminated from Rate Base (see Schedule B-1, Note 3).

**PEOPLES GAS LIGHT AND COKE COMPANY
LEAD LAG STUDY
CASH WORKING CAPITAL REQUIREMENT - NET LAG APPROACH**

Line	Description (A)	Revenue Lag (B)	Expense Lead (Lag) (C)	Net Lag (Lead) (D) = (B) - (C)	CWC Factor (E) = (D)/365	Operations and Maintenance Expenses per Books (F)	Proforma Adjustments (G)	Total Expenses at Present Rates (H) = (F) + (G)	Cash Working Capital Requirement (I) = (H) * (E)
1	Pensions and Benefits	49.44	28.50	20.93	5.73%	\$ 27,987,000 [1]	\$ 3,024,000	\$ 31,011,000	\$ 1,778,000
2	Payroll and Withholdings	49.44	14.23	35.21	9.65%	65,526,000	(7,303,000)	58,223,000	5,616,000
3	Inter Company Billings	49.44	36.22	13.21	3.62%	48,189,000		48,189,000	1,744,000
4	Natural Gas	49.44	42.05	7.38	2.02%	1,052,333,000	31,993,000	1,084,326,000	21,932,000
5	Other Operations and Maintenance	49.44	49.51	(0.07)	-0.02%	200,804,000 [2]	(94,133,000)	106,671,000	(22,000)
6	Taxes Other Than Income	49.44	43.67	5.76	1.58%	167,279,000 [3]	(149,636,000)	17,643,000	279,000
7	Interest Expense	49.44	76.99	(27.55)	-7.55%	27,043,000		27,043,000	(2,041,000)
8	Federal Income Tax	49.44	37.88	11.56	3.17%	10,982,000 [4]	33,345,000	44,327,000	1,404,000
9	State Income Tax	49.44	37.88	11.56	3.17%	(1,292,000) [5]	7,797,000	6,505,000	206,000
10	Total					<u>\$ 1,598,851,000</u>	<u>\$ (174,913,000)</u>	<u>\$ 1,423,938,000</u>	<u>\$ 30,896,000</u>

NOTES

[1] Consists of amounts charged to FERC 926 less OPEB's

[2] Consists of Total Operations and Maintenance Expense from the Company's FY06 P/L Statement, less pensions and benefits, less payroll and withholdings, less intercompany billings, less uncollectibles

[3] Consists of amounts charged to Taxes Other than Income Taxes plus Chicago Gas Use Tax and Illinois Gas Use Tax amounts not in expenses

[4] See Schedule C-5 - Page 2

[5] See Schedule C-5 - Page 2

See the Direct Testimony of Michael J. Adams (Peoples Gas Ex. MJA 1.0) regarding the methodology used to calculate each component.

PEOPLES GAS LIGHT AND COKE COMPANY
LEAD LAG STUDY
CASH WORKING CAPITAL REQUIREMENTS - GROSS LAG APPROACH

Line	Description (A)	Lag (Lead) (B)	CWC Factor (C) = (B)/365	Revenues and Expenses per Books (D)	Proforma Adjustments (E)	Total Revenues and Expenses at Present Rates (F) = (D) + (E)	Cash Working Capital Requirement (G) = (F) * (C)
1	Revenues			\$ 1,622,291,000			
2	Less Depreciation & Amortization			(56,849,000)			
3	Less OPEB's			(1,456,000) [1]			
4	Less ROE			35,611,000 [2]			
5	Less Deferred Income Taxes			37,312,000			
6	Less Investment Tax Credits			416,000			
7	Less Uncollectibles			(40,776,000)			
8	Plus Pass Through Taxes			458,000 [3]			
9	Less Other Income			1,844,000 [4]			
10	Total	49.44	13.54%	<u>1,598,851,000</u>	-	<u>1,598,851,000</u>	<u>216,548,000</u>
11	Expenses						
12	Pensions and Benefits	(28.50)	-7.81%	27,987,000 [5]		27,987,000	(2,186,000)
13	Payroll and Withholdings	(14.23)	-3.90%	65,526,000		65,526,000	(2,554,000)
14	Inter Company Billings	(36.22)	-9.92%	48,189,000		48,189,000	(4,782,000)
15	Natural Gas	(42.05)	-11.52%	1,052,333,000		1,052,333,000	(121,243,000)
16	Other Operations and Maintenance	(49.51)	-13.56%	200,804,000 [6]		200,804,000	(27,238,000)
17	Taxes Other Than Income	(43.67)	-11.96%	167,279,000 [7]		167,279,000	(20,015,000)
18	Interest Expense	(76.99)	-21.09%	27,043,000		27,043,000	(5,704,000)
19	Federal Income Tax	(37.88)	-10.38%	10,982,000 [8]		10,982,000	(1,140,000)
20	State Income Tax	(37.88)	-10.38%	(1,292,000) [9]		(1,292,000)	134,000
21	Sub-Total - Expenses			<u>1,598,851,000</u>	-	<u>1,598,851,000</u>	<u>(184,728,000)</u>
22	Total			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,820,000</u>

NOTES

[1] From Detail on FERC 926 account - consists of FAS 106 and FAS 112 expenses for FY06

[2] From PGLC P/L statement for FY06; Company reported an Operating Loss

[3] Consists of amounts associated with the Chicago Gas Use Tax and the Illinois Gas Use Tax which need to be backed out of both revenues and expenses

[4] Other Income consists of the sum of Other Income and Income from Plant leased to Others from PGLC's FY06 P/L Statement

[5] Consists of amounts charged to FERC account 926 less OPEB's (Exh Col D Line 3)

[6] Consists of Total Operations and Maintenance Expense from the Company's FY06 P/L Statement, less pensions and benefits, less payroll and withholdings, less intercompany billings, less un

[7] Consists of amounts charged to Taxes Other than Income Taxes less amounts associated with pass-through taxes

[8] See Schedule C-5 - Page 2

[9] See Schedule C-5 - Page 2

See the Direct Testimony of Michael J. Adams (Peoples Gas Ex. MJA 1.0) regarding the methodology used to calculate each component.

The Peoples Gas Light & Coke Company

Materials and Supplies and Gas in Storage

Month-End Balances

Fiscal Years 2003 - 2006

Line No.	Date	Actual Thirteen Months Ended												Line No.
		Historical Year Ended September 30, 2003			Historical Year Ended September 30, 2004			Historical Year Ended September 30, 2005			Test Year Ended September 30, 2006			
		Materials and Supplies	Associated Accounts Payable (1)	Gas In Storage	Materials and Supplies	Associated Accounts Payable (1)	Gas In Storage	Materials and Supplies	Associated Accounts Payable (1)	Gas In Storage	Materials and Supplies	Associated Accounts Payable (1)	Gas In Storage	
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]		
1	September 30	\$9,642,000	(\$733,000)	\$65,364,000	\$8,097,000	(\$733,000)	\$111,992,000	\$9,172,000	(\$733,000)	\$107,275,000	\$9,305,000	(\$733,000)	\$106,242,000	1
2	October 31	9,439,000	(733,000)	88,146,000	20,913,000	(733,000)	142,097,000	9,263,000	(733,000)	143,746,000	9,453,000	(733,000)	168,295,000	2
3	November 30	8,879,000	(733,000)	86,388,000	8,638,000	(733,000)	145,135,000	9,524,000	(733,000)	170,457,000	9,354,000	(733,000)	176,346,000	3
4	December 31	9,258,000	(733,000)	49,871,000	8,754,000	(733,000)	108,626,000	9,506,000	(733,000)	98,028,000	9,778,000	(733,000)	96,437,000	4
5	January 31	7,890,000	(733,000)	25,193,000	8,314,000	(733,000)	74,560,000	9,691,000	(733,000)	37,955,000	10,045,000	(733,000)	64,392,000	5
6	February 28	7,699,000	(733,000)	13,469,000	8,446,000	(733,000)	28,911,000	9,638,000	(733,000)	26,458,000	10,151,000	(733,000)	37,532,000	6
7	March 31	8,194,000	(733,000)	14,032,000	8,433,000	(733,000)	21,993,000	9,315,000	(733,000)	22,094,000	9,584,000	(733,000)	30,992,000	7
8	April 30	7,928,000	(733,000)	19,387,000	8,459,000	(733,000)	23,589,000	9,028,000	(733,000)	25,652,000	9,829,000	(733,000)	34,066,000	8
9	May 31	7,888,000	(733,000)	28,243,000	8,677,000	(733,000)	30,941,000	9,087,000	(733,000)	34,214,000	9,832,000	(733,000)	41,224,000	9
10	June 30	8,243,000	(733,000)	36,847,000	8,884,000	(733,000)	40,197,000	9,133,000	(733,000)	41,603,000	9,489,000	(733,000)	58,086,000	10
11	July 31	8,047,000	(733,000)	52,898,000	8,924,000	(733,000)	47,385,000	9,170,000	(733,000)	61,063,000	9,276,000	(733,000)	81,918,000	11
12	August 31	8,277,000	(733,000)	77,314,000	9,331,000	(733,000)	79,673,000	9,241,000	(733,000)	85,308,000	9,067,000	(733,000)	103,394,000	12
13	September 30	8,097,000	(733,000)	111,992,000	9,172,000	(733,000)	107,275,000	9,305,000	(733,000)	106,242,000	8,713,000	(733,000)	127,746,000	13
14	13 Month Total	<u>\$109,481,000</u>	<u>(\$9,529,000)</u>	<u>\$669,143,000</u>	<u>\$125,043,000</u>	<u>(\$9,529,000)</u>	<u>\$962,374,000</u>	<u>\$121,071,000</u>	<u>(\$9,529,000)</u>	<u>\$960,095,000</u>	<u>\$123,875,000</u>	<u>(\$9,529,000)</u>	<u>\$1,126,669,000</u>	14
15	13 Month Avg	<u>\$8,422,000</u>	<u>(\$733,000)</u>	<u>\$51,473,000</u>	<u>\$9,619,000</u>	<u>(\$733,000)</u>	<u>\$74,029,000</u>	<u>\$9,313,000</u>	<u>(\$733,000)</u>	<u>\$73,853,000</u>	<u>\$9,529,000</u>	<u>(\$733,000)</u>	<u>\$86,667,000</u>	15

Note: (1) Accounts payable associated with materials and supplies data is estimated based on a 13-month average ending January 31, 2003.

The Peoples Gas Light and Coke Company

Accumulated Deferred Income Taxes

Line No.	Component of Deferred Taxes (Timing/Temporary Difference) [A]	ICC Account [B]	Utility Account Number [C]	Event [D]	Balance at 9/30/05 [E]	Balance at 9/30/06 [F]	Line No.
1	Deferred Taxes - FAS 109 - Federal	282	9500000	(1)	8,682,000	\$ 7,649,000	1
2	Deferred Taxes - FAS 109 - State	282	9500300,9500600	(1)	(1,622,000)	(1,520,000)	2
3	Liberalized Depreciation - Federal	282	9500000	(1)	(205,896,000)	(212,897,000)	3
4	Liberalized Depreciation - State	282	9500300,9500600	(1)	(38,249,000)	(40,511,000)	4
5	Sub-total Account 282				<u>(237,085,000)</u>	<u>(247,279,000)</u>	5
6	Book Depreciation Vs. Tax Straight Line Depreciation - Pre 1983 - Federal	283	9500100	(1)	(17,000)	(10,000)	6
7	Book Depreciation Vs. Tax Straight Line Depreciation - Pre 1983 - State	283	9500400,9500700	(1)	(1,000)	(1,000)	7
8	Book Depreciation Vs. Tax Straight Line Depreciation - Post 1983, and CWIP - Federal	283	9500100	(1)	(42,141,000)	(40,294,000)	8
9	Book Depreciation Vs. Tax Straight Line Depreciation - Post 1983, and CWIP - State	283	9500400,9500700	(1)	(8,890,000)	(8,517,000)	9
10	Book Depreciation Vs. Tax Straight Line Depreciation - FAS109 - Federal	283	9500100	(1)	(37,507,000)	(35,418,000)	10
11	Book Depreciation Vs. Tax Straight Line Depreciation - FAS109 - State	283	9500400,9500700	(1)	(9,061,000)	(8,517,000)	11
12	Alternative Minimum Tax	283	9500100	(2)	4,318,000	18,101,000	12
13	Customer Advances - Federal	283	9500100	(1)	102,000	102,000	13
14	Customer Advances - State	283	9500400,9500700	(1)	23,000	23,000	14
15	Deferred Compensation - Federal	283	9500100	(1)	387,000	357,000	15
16	Deferred Compensation - State	283	9500400,9500700	(1)	88,000	71,000	16
17	Environmental Costs - Federal	283	9500100	(1)	(4,836,000)	(7,502,000)	17
18	Environmental Costs - State	283	9500400,9500700	(1)	(1,095,000)	(1,688,000)	18
19	Environmental Insurance Recoveries - Federal	283	9500100	(1)	0	0	19
20	Environmental Insurance Recoveries - State	283	9500400,9500700	(1)	123,000	0	20
21	Gas Costs Reconciliation - Federal	283	9500100	(1)	(7,318,000)	4,692,000	21
22	Gas Costs Reconciliation - State	283	9500400,9500700	(1)	(1,647,000)	1,056,000	22
23	Group Insurance Expense - Federal	283	9500100	(1)	14,203,000	19,660,000	23
24	Group Insurance Expense - State	283	9500400,9500700	(1)	3,196,000	4,423,000	24
25	Imputed Interest on Refundable Amounts to Customers - Federal	283	9500100	(1)	(32,000)	(5,000)	25
26	Imputed Interest on Refundable Amounts to Customers - State	283	9500400,9500700	(1)	(7,000)	(1,000)	26
27	Injuries and Damages	283	9500100	(1)	1,856,000	1,435,000	27
28	Injuries and Damages	283	9500400,9500700	(1)	418,000	323,000	28
29	Intercompany Gain on SNG - Federal	283	9500100	(1)	(873,000)	(739,000)	29
30	Intercompany Gain on SNG - State	283	9500400,9500700	(1)	(196,000)	(166,000)	30
31	Inventory Costs Capitalized - Federal	283	9500100	(1)	(17,000)	0	31
32	Inventory Costs Capitalized - State	283	9500400,9500700	(1)	(4,000)	0	32
33	Loss on Reacquired Debt - Federal	283	9500100	(1)	(3,961,000)	(3,814,000)	33
34	Loss on Reacquired Debt - State	283	9500400,9500700	(1)	(891,000)	(858,000)	34
35	Prepaid Insurance - Federal	283	9500100	(1)	(289,000)	(240,000)	35
36	Prepaid Insurance - State	283	9500400,9500700	(1)	(65,000)	(54,000)	36
37	Non Depreciable Property Basis Differences - Federal	283	9500100	(1)	81,000	81,000	37
38	Non Depreciable Property Basis Differences - State	283	9500400,9500700	(1)	18,000	18,000	38
39	Post Employee Benefits - SFAS112 - Federal	283	9500100	(1)	889,000	419,000	39
40	Post Employee Benefits - SFAS112 - State	283	9500400,9500700	(1)	200,000	94,000	40
41	SFAS133 G/L Interest Swap - Federal	283	9500100	(1)	230,000	848,000	41
42	SFAS133 G/L Interest Swap - State	283	9500400,9500700	(1)	51,000	190,000	42
43	Short Term Incentive Compensation - Federal	283	9500100	(1)	83,000	79,000	43
44	Short Term Incentive Compensation - State	283	9500400,9500700	(1)	19,000	18,000	44
45	State Tax Deduction - Federal	283	9500100	(1)	(1,323,000)	78,000	45
46	Misc - Federal	283	9500100	(1)	374,000	15,000	46
47	Misc - State	283	9500400,9500700	(1)	84,000	3,000	47
48	Vacation Pay - Federal	283	9500100	(1)	1,635,000	2,294,000	48
49	Vacation Pay - State	283	9500400,9500700	(1)	368,000	516,000	49
50	Hub Imputed Interest - Federal	283	9500100	(1)	0	138,000	50
51	Hub Imputed Interest - State	283	9500400,9500700	(1)	0	31,000	51
52	Deferred Rate Case Expense - Federal	283	9500100	(1)	0	(92,000)	52
53	Deferred Rate Case Expense - State	283	9500400,9500700	(1)	0	(21,000)	53
54	Sub-total Account 283				<u>(91,425,000)</u>	<u>(52,872,000)</u>	54

Notes: (1) Amounts are recognized in income in different periods for "Book" and "Tax" purposes.
(2) The Company recognizes a deferred tax asset for its Alternative Minimum Tax Credit Carry-Forward.

The Peoples Gas Light and Coke Company

Accumulated Deferred Income Taxes

Line No.	Component of Deferred Taxes (Timing/Temporary Difference) [A]	ICC Account [B]	Utility Account Number [C]	Event [D]	Balance at 9/30/05 [E]	Balance at 9/30/06 [F]	Line No.
1	Bad Debt - Federal	190	9500200	(1)	\$ 9,885,000	\$ 11,225,000	1
2	Bad Debt - State	190	9500500,9500800	(1)	2,228,000	2,526,000	2
3	Inventory Costs Capitalized - Federal	190	9500200	(1)	754,000	733,000	3
4	Inventory Costs Capitalized - State	190	9500500,9500800	(1)	170,000	165,000	4
5	Supplemental Retirement Benefits - Federal	190	9500200	(1)	810,000	696,000	5
6	Supplemental Retirement Benefits - State	190	9500500,9500800	(1)	183,000	157,000	6
7	Pension Expense - Federal	190	9500200	(1)	(61,031,000)	(59,913,000)	7
8	Pension Expense - State	190	9500500,9500800	(1)	(13,742,000)	(13,480,000)	8
9	Illinois Replacement Tax - Investment Tax Credit - Federal	190	9500200	(1)	2,063,000	2,222,000	9
10	Illinois Replacement Tax - Investment Tax Credit - State	190	9500500	(1)	284,000	276,000	10
11	Additional Minimum Pension Liability - Federal	190	9500200	(1)	11,393,000	0	11
12	Additional Minimum Pension Liability - State	190	9500500,9500800	(1)	2,563,000	0	12
13	Net Operating Loss - Federal	190	9500200	(2)	0	5,927,000	13
14	Net Operating Loss - State	190	9500500,9500800	(2)	0	2,062,000	14
15	Deferred Taxes - FAS 109 - Federal	190	9500200	(1)	13,231,000	12,272,000	15
16	Deferred Taxes - FAS 109 - State	190	9500500,9500800	(1)	3,157,000	2,985,000	16
17	Hub Revenues - Federal	190	9500200	(1)	0	3,459,000	17
18	Hub Revenues - State	190	9500500,9500800	(1)	0	778,000	18
19	Sub-total Account 190				<u>(28,052,000)</u>	<u>(27,910,000)</u>	19
20	Total Deferred Taxes				<u>\$ (356,562,000)</u>	<u>\$ (328,061,000)</u>	20

Notes: (1) Amounts are recognized in income in different periods for "Book" and "Tax" purposes.
(2) The Company recognizes a deferred tax asset for its Net Operating Loss Carry-Forward.

The Peoples Gas Light and Coke Company

Detailed Listing Of Balance Sheet Assets And Liabilities

Line No.	Component of Deferred Taxes (Timing / Temporary Difference) [A]	Related Asset / Liability ICC Account [B]	Utility Account Number [C]	Balance of Asset or Liability		Asset / (Liability) Included in Rate Base (Yes/No) [G]	Line No.
				Balance at 9/30/05	Balance at 9/30/06		
1	Depreciation and Property Items, including Regulatory Tax Asset	101 - 117, 182.3	4000000-5000300, 7704000, 7704100, 7600000 & 7600100	\$ 1,401,929,000	\$ 1,445,738,000	(1) & (2)	1
2	Customer Advances	252	9300900	\$ (314,000)	\$ (392,000)	Yes	2
3	Deferred Compensation	242	9078700, 9078800	\$ (1,874,000)	\$ (1,100,000)	No	3
4	Deferred Rate Case Expense		7757900	\$ -	\$ 400,000	Yes	4
5	Environmental Costs	182.3	7602100, 7602300	\$ 30,910,000	\$ 42,690,000	No	5
6	Gas Costs and Transition Costs Reconciliation, and Imputed Interest on Refundable Amounts	232	9250100, 9250200, 9250300	\$ (30,000)	\$ (49,726,000)	No	6
7	Group Insurance Expense	228.30	9631225	\$ (45,248,000)	\$ (55,653,000)	No	7
8	HUB Interest	253	9140000	\$ -	\$ (426,000)	No	8
9	Injuries and Damages	228.20	9631300	\$ (2,790,000)	\$ (4,423,000)	Yes	9
10	Intercompany Gain on SNG	(3)				(3)	10
11	Loss on Reacquired Debt	189	7701000	\$ 12,208,000	\$ 11,755,000	No	11
12	Post Employee Benefits - SFAS112	228.30	9631100	\$ (2,741,000)	\$ (1,290,000)	No	12
13	Prepaid Insurance	165	7550300	\$ 910,000	\$ 996,000	No	13
14	SFAS133 Gain/Loss Interest Swap	219	8700800	\$ 537,000	\$ 466,000	No	14
15	Short Term Incentive Compensation	232	9075051	\$ (2,897,000)	\$ (1,919,000)	No	15
16	State Tax Deduction	(4)				(4)	16
17	Misc	253	9630400,9079400	\$ (408,000)	\$ (466,000)	No	17
18	Vacation Pay	242	9078600	\$ (6,804,000)	\$ (7,091,000)	No	18
19	Alternative Minimum Tax	(6)				(6)	19
20	Bad Debt	144	7020300, 7020400	\$ (31,948,000)	\$ (40,631,000)	No	20
21	Inventory Costs Capitalized	151, 164.1, 164.2, 165	7500000-7500700	\$ 106,242,000	\$ 127,746,000	Yes	21
22	Supplemental Retirement Benefits	228.3	9631000	\$ (2,496,000)	\$ (2,144,000)	No	22
23	Pension Expense	186	7700000	\$ 180,318,000	\$ 184,659,000	No	23
24	Illinois Replacement Tax-Investment Tax Credit and FAS109 Investment Credit Regulatory Asset	255, 182.3	9600000-9600200, 7704200 & 7600200	\$ (35,129,000)	\$ (34,497,000)	(5)	24
25	Additional Minimum Pension Liability	186, 228.3	7755150, 9631170	\$ (35,114,000)	\$ -	No	25
26	Net Operating Loss	(7)				(7)	26
27	HUB Revenues	253	9140000	\$ (13,332,000)	\$ (10,823,000)	No	27

- Notes:
- (1) Within the range of 101-117, the following ICC accounts are included in rate base: 101, 107, 108.01, 111.03, 117.
 - (2) Within ICC account 182.3 and included on this line, net income tax related regulatory assets are not included in rate base.
 - (3) For tax purposes, there is a deferred gain on the intercompany sale of SNG. There is no similar liability for book purposes.
 - (4) Deferred taxes are based on the difference between the estimated state income payment deduction on the return and the actual liability on the state return. There is no directly related asset/liability for book purposes.
 - (5) The pre-71 investment tax credit are included in rate base.
 - (6) The company records a deferred tax asset for its Alternative Minimum Tax Credit carry-forward. There is no book asset or liability which relates directly with this component.
 - (7) The company records a deferred tax asset for its Net Operating Loss carry-forward. There is no book asset or liability which relates directly with this component.

The Peoples Gas Light and Coke Company

Customer Deposits

Month-End Balances and Interest Accrued(1)

Fiscal Years 2003-2006

Line No.	Date	Actual							
		Historical Year Ended September 30, 2003		Historical Year Ended September 30, 2004		Historical Year Ended September 30, 2005		Test Year Ended September 30, 2006	
		Monthly Balance [B]	Interest Accrued [C]	Monthly Balance [D]	Interest Accrued [E]	Monthly Balance [F]	Interest Accrued [G]	Monthly Balance [H]	Interest Accrued [I]
1	October 31	\$ (7,105,000)	\$ 12,000	\$ (27,721,000)	\$ 32,000	\$ (26,256,000)	\$ 33,000	\$ (28,230,000)	\$ 59,000
2	November 30	(7,641,000)	13,000	(29,055,000)	34,000	(27,078,000)	34,000	(29,872,000)	62,000
3	December 31	(8,506,000)	14,000	(30,534,000)	36,000	(27,768,000)	35,000	(30,817,000)	64,000
4	January 31	(10,506,000)	13,000	(31,665,000)	37,000	(27,704,000)	58,000	(31,698,000)	119,000
5	February 28	(13,112,000)	-	(32,733,000)	39,000	(27,883,000)	58,000	(32,815,000)	(123,000) (3)
6	March 31	(16,167,000)	-	(30,797,000)	38,000	(28,374,000)	59,000	(34,194,000)	374,000 (3)
7	April 30	(21,406,000)	-	(28,666,000)	36,000	(28,217,000)	59,000	(36,232,000)	136,000
8	May 31	(23,080,000)	-	(27,763,000)	35,000	(28,012,000)	58,000	(34,598,000)	130,000
9	June 30	(24,107,000)	-	(26,546,000)	33,000	(27,745,000)	58,000	(33,548,000)	126,000
10	July 31	(25,184,000)	-	(25,839,000)	32,000	(27,385,000)	57,000	(33,187,000)	124,000
11	August 31	(25,893,000)	-	(25,773,000)	32,000	(27,224,000)	57,000	(32,452,000)	122,000
12	September 30	(26,340,000)	205,000 (2)	(25,692,000)	32,000	(27,367,000)	134,000	(32,176,000)	109,000

Notes: (1) Interest is charged to Account 431.

(2) Includes February - August 2003 interest of \$174,498.

(3) February 2006 Interest Expense of (\$122,859) incorrectly calculated, correction made in March, 2006.

() Denotes credit balance

The Peoples Gas Light and Coke Company

Budget Payment Plan Balances

Month-End Balances and Interest Accrued(1)

Fiscal Years 2003-2006

Line No.	Date	Actual Thirteen Months Ended							
		Historical Year Ended September 30, 2003		Historical Year Ended September 30, 2004		Historical Year Ended September 30, 2005		Test Year Ended September 30, 2006	
		Monthly Balance	Interest Accrued	Monthly Balance	Interest Accrued	Monthly Balance	Interest Accrued	Monthly Balance	Interest Accrued
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	
1	September 30	\$ (31,498,000)	\$ 45,000	\$ (9,705,000)	\$ 15,000	\$ (14,548,000)	\$ 19,000	\$ (19,471,000)	\$ 35,000
2	October 31	(40,070,000)	57,000	(23,858,000)	25,000	(28,626,000)	31,000	(34,904,000)	58,000
3	November 30	(36,455,000)	72,000	(30,343,000)	40,000	(33,819,000)	45,000	(35,236,000)	84,000
4	December 31	(19,007,000)	80,000	(18,234,000)	55,000	(18,832,000)	57,000	3,564,000	107,000
5	January 31	(709,000)	43,000	9,235,000	52,000	18,698,000	45,000	37,404,000	80,000
6	February 28	24,010,000	37,000	40,988,000	38,000	45,342,000	66,000	59,593,000	105,000
7	March 31	52,251,000	24,000	55,558,000	22,000	60,770,000	38,000	78,006,000	65,000
8	April 30	60,660,000	12,000	59,530,000	9,000	61,614,000	20,000	58,167,000	38,000
9	May 31	55,547,000	7,000	51,546,000	6,000	54,336,000	12,000	44,457,000	40,000
10	June 30	44,684,000	5,000	38,855,000	6,000	39,624,000	13,000	31,043,000	50,000
11	July 31	30,585,000	6,000	20,380,000	6,000	22,246,000	14,000	7,332,000	59,000
12	August 31	7,640,000	8,000	3,154,000	10,000	1,438,000	21,000	(12,207,000)	77,000
13	September 30	(9,705,000)	15,000	(14,548,000)	19,000	(19,471,000)	35,000	(34,710,000)	105,000
14	13 Month Total	<u>\$ 137,932,000</u>	<u>\$ 412,000</u>	<u>\$ 182,560,000</u>	<u>\$ 304,000</u>	<u>\$ 188,773,000</u>	<u>\$ 417,000</u>	<u>\$ 183,039,000</u>	<u>\$ 905,000</u>
15	13 Month Avg	<u>\$ 10,610,000</u>	<u>\$ 32,000</u>	<u>\$ 14,043,000</u>	<u>\$ 23,000</u>	<u>\$ 14,521,000</u>	<u>\$ 32,000</u>	<u>\$ 14,080,000</u>	<u>\$ 70,000</u>

Note: (1) Interest is charged to Account 431.

() Denotes credit balance