Potential Transportation Customer Savings From Daily Price Swings
Month-End Inventory Remains Constant Throughout the Year
Full-MDQ Daily Injection and Withdrawal Rights All Year
Contract Years Similar to Rosenberg Schedules 3 and 4
Actual Daily Chicago Citygate Prices from Gas Daily

Days of INJ & WD Per Month:	**10**
Daily Volume dth (MDQ):	**10,000**

	Avg WD $/dth	Avg Inj $/dth	Spread	Daily Inj/WD Volume	Total Value	
04/01/2005	($7.386)	$6.795	($0.591)	10,000	($59,150)	
05/01/2005	($6.617)	$6.248	($0.369)	10,000	($36,882)	
06/01/2005	($7.395)	$6.718	($0.676)	10,000	($67,636)	
07/01/2005	($7.785)	$7.030	($0.755)	10,000	($75,450)	
08/01/2005	($9.613)	$8.359	($1.253)	10,000	($125,341)	
09/01/2005	($12.153)	$10.196	($1.957)	10,000	($195,700)	
10/01/2005	($12.955)	$11.408	($1.547)	10,000	($154,650)	
11/01/2005	($10.267)	$7.316	($2.951)	10,000	($295,127)	
12/01/2005	($14.288)	$10.583	($3.705)	10,000	($370,510)	
01/01/2006	($9.034)	$8.054	($0.980)	10,000	($98,025)	
02/01/2006	($7.710)	$7.092	($0.618)	10,000	($61,825)	
03/01/2006	($6.733)	$6.008	($0.724)	10,000	($72,432)	($1,612,729)
04/01/2006	($7.087)	$6.053	($1.034)	10,000	($103,400)	
05/01/2006	($6.680)	$5.622	($1.059)	10,000	($105,850)	
06/01/2006	($6.573)	$5.828	($0.745)	10,000	($74,467)	
07/01/2006	($6.602)	$5.601	($1.001)	10,000	($100,057)	
08/01/2006	($7.572)	$6.589	($0.984)	10,000	($98,358)	
09/01/2006	($5.462)	$4.296	($1.166)	10,000	($116,600)	
10/01/2006	($7.490)	$4.225	($3.266)	10,000	($326,591)	
11/01/2006	($7.496)	$6.973	($0.523)	10,000	($52,300)	
12/01/2006	($7.781)	$5.917	($1.864)	10,000	($186,391)	
01/01/2007	($7.132)	$5.809	($1.323)	10,000	($132,300)	
02/01/2007	($8.770)	$7.350	($1.419)	10,000	($141,933)	
03/01/2007	($7.204)	$6.595	($0.609)	10,000	($60,871)	($1,499,118)

Volume and Cost Subsidies Caused By Dr. Rosenberg's Storage Diversity Factor (SDF)
Testing Various Potential SDF Values for Dr. Rosenberg's USB Storage Program
Assuming 2 BCF of Storage Available at $1/Dth
SDF Applied Consistent With Dr. Rosenberg's Testimony Including Schedules 1 and 2
No Over-Subscribing of Storage Allowed

	No SDF	SDF 0.9	SDF 0.8	SDF 0.7	SDF 0.6	SDF 0.5
Total Program						
Storage Capacity (Dth)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Annual Capacity Cost ($)	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000
Average Capacity Cost ($/Dth)	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00
USB Customers						
Storage Capacity (Dth)	1,000,000	1,111,111	1,250,000	1,428,571	1,666,667	2,000,000
Annual Capacity Cost ($)	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Average Capacity Cost ($/Dth)	$1.00	$0.90	$0.80	$0.70	$0.60	$0.50
Sales Customers						
Storage Capacity (Dth)	1,000,000	888,889	750,000	571,429	333,333	0
Annual Capacity Cost ($)	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Average Capacity Cost ($/Dth)	$1.00	$1.13	$1.33	$1.75	$3.00	Infinite

Volume and Cost Subsidies Caused By Dr. Rosenberg's Storage Diversity Factor (SDF)
Testing Various Potential SDF Values for Dr. Rosenberg's USB Storage Program
Assuming 2 BCF of Storage Available at $1/Dth
SDF Applied Consistent With Dr. Rosenberg's Testimony Including Schedules 1 and 2
Storage Over-Subscribing Allowed

	No SDF	SDF 0.9	SDF 0.8	SDF 0.7	SDF 0.6	SDF 0.5
Total Program						
Storage Capacity (Dth)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Annual Capacity Cost ($)	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000
Average Capacity Cost ($/Dth)	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00
USB Customers						
Storage Capacity (Dth)	1,000,000	1,111,111	1,250,000	1,428,571	1,666,667	2,000,000
Annual Capacity Cost ($)	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Average Capacity Cost ($/Dth)	$1.00	$0.90	$0.80	$0.70	$0.60	$0.50
Sales Customers						
Storage Capacity (Dth)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Annual Capacity Cost ($)	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Average Capacity Cost ($/Dth)	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00
Total Storage Inventory						
Available	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Subscribed	2,000,000	2,111,111	2,250,000	2,428,571	2,666,667	3,000,000
Over-Subscribed	0	111,111	250,000	428,571	666,667	1,000,000

Hypothetical Example of Impact of Banking Service on Cost of Sales Gas
Transportation Customers Keep Month End AB Constant

Line	Month	Cost of Gas (A)	Storage Balance End of Month (B)	Physical Withdrawal/ Injection (C)	Implied Sales Purchases (D)	Transportation Bank (E)	Transport Imbalance (F)	Sales Cost (G)
Assumed Beginning Balances			40,000			10,000		
1	Apr-05	$ 7.14	42,392	2,392	2,392	10,000	-	$ 17,079
2	May-05	$ 6.96	47,964	5,572	5,572	10,000	-	$ 38,781
3	Jun-05	$ 6.30	53,532	5,568	5,568	10,000	-	$ 35,078
4	Jul-05	$ 7.15	59,169	5,637	5,637	10,000	-	$ 40,305
5	Aug-05	$ 7.21	63,286	4,117	4,117	10,000	-	$ 29,684
6	Sep-05	$ 9.68	66,112	2,826	2,826	10,000	-	$ 27,356
7	Oct-05	$ 12.20	71,601	5,489	5,489	10,000	-	$ 66,966
8	Nov-05	$ 12.89	72,518	917	917	10,000	-	$ 11,820
9	Dec-05	$ 10.37	63,660	(8,858)	(8,858)	10,000	-	$ (91,857)
10	Jan-06	$ 10.65	56,934	(6,726)	(6,726)	10,000	-	$ (71,632)
11	Feb-06	$ 7.92	45,486	(11,448)	(11,448)	10,000	-	$ (90,668)
12	Mar-06	$ 6.87	40,000	(5,486)	(5,486)	10,000	-	$ (37,689)
13	Total							$ (24,778)

Notes: Volumes not identical to IIEC/CNE/VES Jt. Exhibit 1 Schedule 4 due to rounding.
(A) Natural Gas Intelligence Chicago Citygate First of Month Prices
(B) Equal to previous month balance plus (minus) that month injection (withdrawal)
(C) Typical operation of working gas
(D) Incremental flow gas purchases made by Utility: (Column (C) less Column (F))
(E) Assumed to be constant
(F) Current month transportation bank less previous month bank.
(G) Cost of Sales gas (PGA) avoided by storage equal to Column (D) times Column (A)

Hypothetical Example of Impact of Banking Service on Cost of Sales Gas
Transportation Customers Follow Same Pattern as Physical Injections/Withdrawals

Line	Month	Monthly Cost of Gas (A)	Storage Balance End of Month (B)	Physical Withdrawal/ Injection (C)	Implied Sales Purchases (D)	Transportation Bank (E)	Transport Imbalance (F)	Monthly Pricing Sales Cost (G)
Assumed Beginning Balances			40,000			10,000		
1	Apr-05	$ 7.14	42,392	2,392	1,794	10,598	598	$ 12,809
2	May-05	$ 6.96	47,964	5,572	4,179	11,991	1,393	$ 29,086
3	Jun-05	$ 6.30	53,532	5,568	4,176	13,383	1,392	$ 26,309
4	Jul-05	$ 7.15	59,169	5,637	4,228	14,792	1,409	$ 30,230
5	Aug-05	$ 7.21	63,286	4,117	3,088	15,821	1,029	$ 22,264
6	Sep-05	$ 9.68	66,112	2,826	2,119	16,528	707	$ 20,512
7	Oct-05	$ 12.20	71,601	5,489	4,117	17,900	1,372	$ 50,227
8	Nov-05	$ 12.89	72,518	917	688	18,129	229	$ 8,868
9	Dec-05	$ 10.37	63,660	(8,858)	(6,644)	15,915	(2,214)	$ (68,898)
10	Jan-06	$ 10.65	56,934	(6,726)	(5,044)	14,233	(1,682)	$ (53,719)
11	Feb-06	$ 7.92	45,486	(11,448)	(8,586)	11,371	(2,862)	$ (68,001)
12	Mar-06	$ 6.87	40,000	(5,486)	(4,115)	10,000	(1,371)	$ (28,270)
13	Total							$ (18,582)

Notes: Volumes not identical to IIEC/CNE/VES Jt. Exhibit 1 Schedule 3 due to rounding.
(A) Natural Gas Intelligence Chicago Citygate First of Month Prices
(B) Equal to previous month balance plus (minus) that month injection (withdrawal)
(C) Typical operation of working gas
(D) Incremental flow gas purchases made by Utility: (Column (C) less Column (F))
(E) Assumed to follow total system injections and withdrawals.
(F) Current month transportation bank less previous month bank.
(G) Cost of Sales gas (PGA) avoided by storage equal to Column (D) times Column (A)

Hypothetical Example of Impact of Banking Service on Cost of Sales Gas
Transportation Customers Maximize Value of Physical Injections/Withdrawals

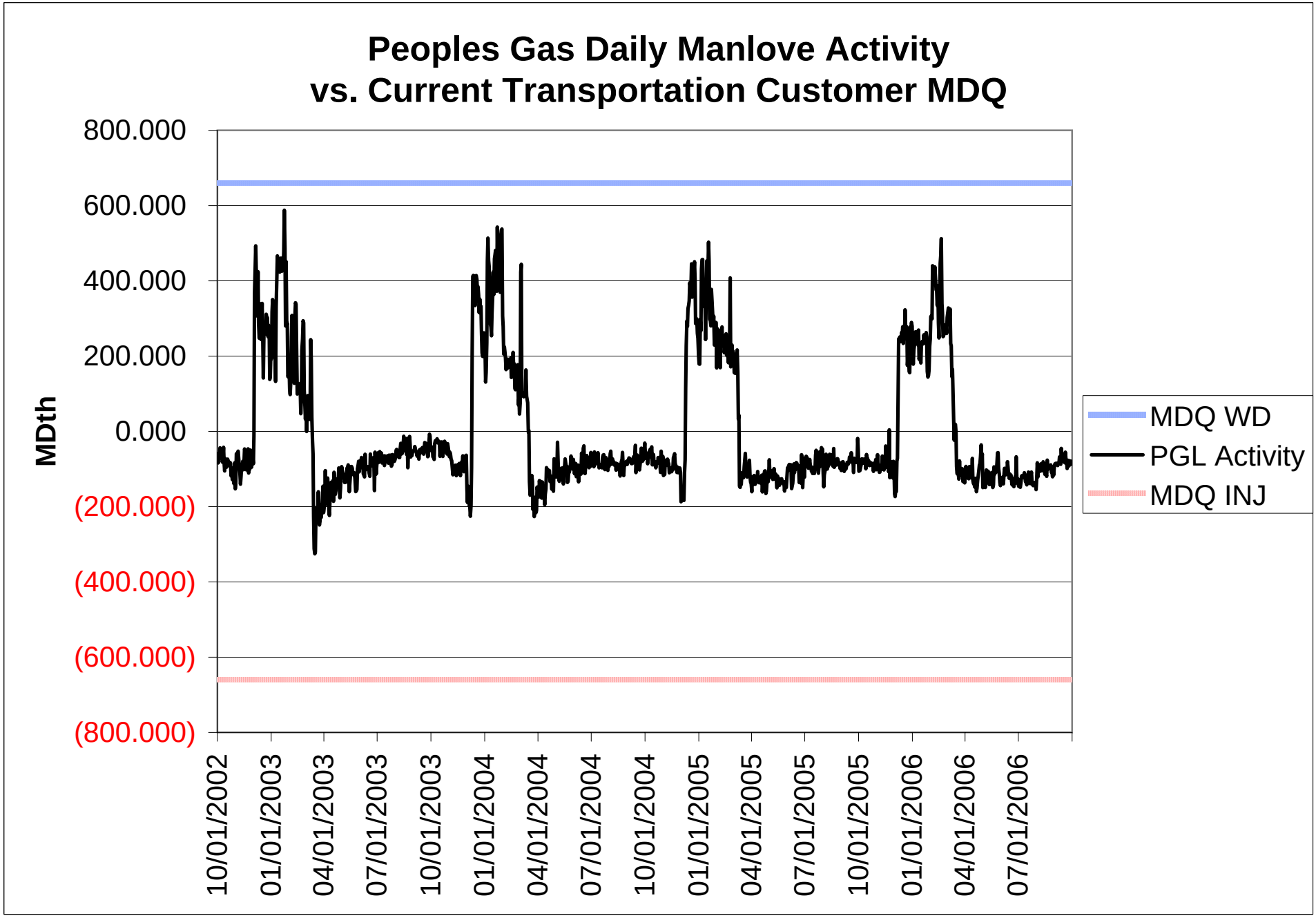
Line	Month	Monthly Cost of Gas (A)	Storage Balance End of Month (B)	Physical Withdrawal/ Injection (C)	Implied Sales Purchases (D)	Transportation Bank (E)	Transport Imbalance (F)	Monthly Pricing Sales Cost (G)
Assumed Beginning Balances			40,000			10,000		
1	Apr-05	$ 7.14	42,392	2,392	1,515	10,877	877	$ 10,816
2	May-05	$ 6.96	47,964	5,572	1,946	14,503	3,626	$ 13,546
3	Jun-05	$ 6.30	53,532	5,568	1,942	18,129	3,626	$ 12,235
4	Jul-05	$ 7.15	59,169	5,637	5,637	18,129	-	$ 40,305
5	Aug-05	$ 7.21	63,286	4,117	4,117	18,129	-	$ 29,684
6	Sep-05	$ 9.68	66,112	2,826	2,826	18,129	-	$ 27,356
7	Oct-05	$ 12.20	71,601	5,489	5,489	18,129	-	$ 66,966
8	Nov-05	$ 12.89	72,518	917	19,046	0	(18,129)	$ 245,503
9	Dec-05	$ 10.37	63,660	(8,858)	(16,110)	7,252	7,252	$ (167,057)
10	Jan-06	$ 10.65	56,934	(6,726)	526	0	(7,252)	$ 5,598
11	Feb-06	$ 7.92	45,486	(11,448)	(11,448)	0	-	$ (90,668)
12	Mar-06	$ 6.87	40,000	(5,486)	(15,486)	10,000	10,000	$ (106,389)
13	Total							$ 87,892

Notes:
(A) Natural Gas Intelligence Chicago Citygate First of Month Prices
(B) Equal to previous month balance plus (minus) that month injection (withdrawal)
(C) Typical operation of working gas
(D) Incremental flow gas purchases made by Utility: (Column (C) less Column (F))
(E) Changes to maximize monthly value subject to Dr. Rosenberg's proposals, assuming no Critical Days.
(F) Current month transportation bank less previous month bank.
(G) Additional Cost of Sales Gas (PGA) equal to Column (D) times Column (A)

Hypothetical Example of Impact of Banking Service on Cost of Sales Gas
Transportation Customers Maximize Value Following Proposed SST Rules With 100% SSP

Line	Month	Monthly Cost of Gas (A)	Storage Balance End of Month (B)	Physical Withdrawal/ Injection (C)	Implied Sales Purchases (D)	Transportation Bank (E)	Transport Imbalance (F)	Monthly Pricing Sales Cost (G)
Assumed Beginning Balances			40,000			10,000		
1	Apr-05	$ 7.14	42,392	2,392	2,392	10,000	-	$ 17,079
2	May-05	$ 6.96	47,964	5,572	2,497	13,075	3,075	$ 17,377
3	Jun-05	$ 6.30	53,532	5,568	2,390	16,253	3,178	$ 15,059
4	Jul-05	$ 7.15	59,169	5,637	3,761	18,129	1,876	$ 26,891
5	Aug-05	$ 7.21	63,286	4,117	4,117	18,129	-	$ 29,684
6	Sep-05	$ 9.68	66,112	2,826	2,826	18,129	-	$ 27,356
7	Oct-05	$ 12.20	71,601	5,489	6,329	17,289	(840)	$ 77,213
8	Nov-05	$ 12.89	72,518	917	5,516	12,690	(4,599)	$ 71,098
9	Dec-05	$ 10.37	63,660	(8,858)	(7,525)	11,357	(1,333)	$ (78,031)
10	Jan-06	$ 10.65	56,934	(6,726)	(683)	5,314	(6,043)	$ (7,274)
11	Feb-06	$ 7.92	45,486	(11,448)	(12,938)	6,804	1,490	$ (102,469)
12	Mar-06	$ 6.87	40,000	(5,486)	(8,682)	10,000	3,196	$ (59,645)
13	Total							$ 34,337

Notes:
(A) Natural Gas Intelligence Chicago Citygate First of Month Prices
(B) Equal to previous month balance plus (minus) that month injection (withdrawal)
(C) Typical operation of working gas
(D) Incremental flow gas purchases made by Utility: (Column (C) less Column (F))
(E) Changes to maximize monthly value subject to proposed tariffs, assuming no Critical Days.
(F) Current month transportation bank less previous month bank.
(G) Additional Cost of Sales Gas (PGA) equal to Column (D) times Column (A)


Peoples Gas Daily Manlove Activity
vs. Current Transportation Customer MDQ
MDth
800.000
600.000
400.000
200.000
0.000
(200.000)
(400.000)
(600.000)
(800.000)
10/01/2002
01/01/2003
04/01/2003
07/01/2003
10/01/2003
01/01/2004
04/01/2004
07/01/2004
10/01/2004
01/01/2005
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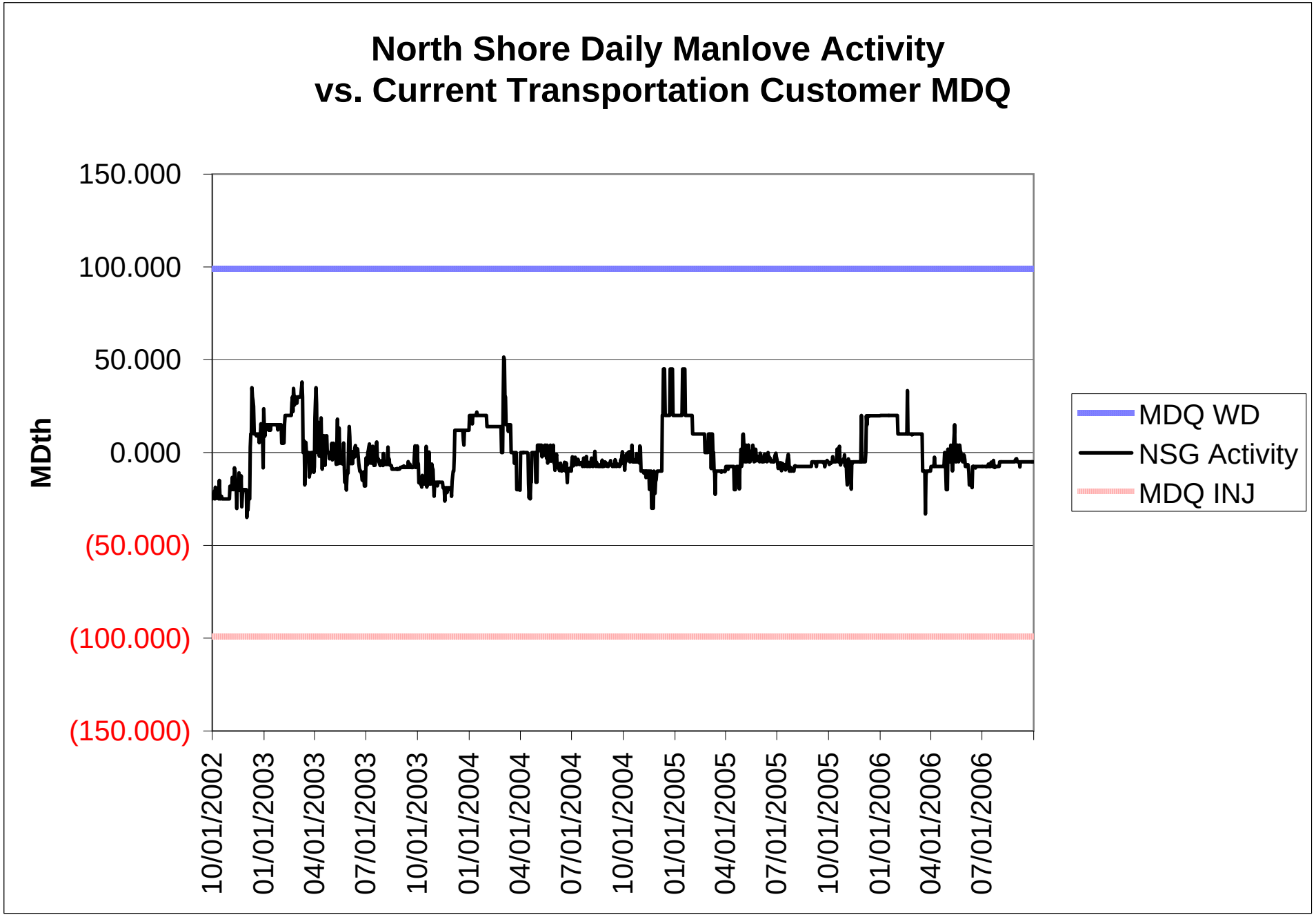
01/01/2006
04/01/2006
07/01/2006
MDQ WD
PGL Activity
MDQ INJ


North Shore Daily Manlove Activity
vs. Current Transportation Customer MDQ
MDth
150.000
100.000
50.000
0.000
(50.000)
(100.000)
(150.000)
10/01/2002
01/01/2003
04/01/2003
07/01/2003
10/01/2003
01/01/2004
04/01/2004
07/01/2004
10/01/2004
01/01/2005
04/01/2005
07/01/2005
10/01/2005
01/01/2006
04/01/2006
07/01/2006
MDQ WD
NSG Activity
MDQ INJ

Rider P Pools - Peoples Gas
as of July 1, 2007

Company	Accounts in pool	Pool
PGL	1	53403
PGL	4	50143
PGL	4	50424
PGL	4	52963
PGL	5	50119
PGL	7	50123
PGL	12	40262
PGL	12	41588
PGL	12	40866
PGL	12	42450
PGL	14	40288
PGL	16	40154
PGL	18	51026
PGL	21	50116
PGL	23	50110
PGL	26	50109
PGL	26	42414
PGL	29	51485
PGL	32	52599
PGL	32	50108
PGL	34	52987
PGL	35	52598
PGL	36	41311
PGL	37	50117
PGL	39	50122
PGL	39	41318
PGL	41	51042
PGL	44	40119
PGL	50	42412
PGL	51	40248
PGL	55	40115
PGL	56	43191
PGL	58	40156
PGL	58	43190
PGL	61	40148
PGL	61	43056

Rider P Pools - Peoples Gas
as of July 1, 2007

Company	Accounts in pool	Pool
PGL	63	42417
PGL	64	40122
PGL	74	51020
PGL	92	40057
PGL	102	40230
PGL	106	52032
PGL	107	40144
PGL	107	52014
PGL	109	42411
PGL	109	52908
PGL	114	40055
PGL	114	42399
PGL	115	41967
PGL	116	42422
PGL	118	42398
PGL	122	40263
PGL	123	40153
PGL	124	52128
PGL	125	51668
PGL	125	51950
PGL	127	50624
PGL	128	52393
PGL	130	50753
PGL	130	40176
PGL	130	40720
PGL	136	52028
PGL	141	41739
PGL	144	40189
PGL	146	41483
PGL	146	42416
PGL	181	42426

Median pool size	58	67
Average pool Size	71	

Rider P Pools - North Shore Gas
as of July 1, 2007

Company	Accounts in pool	Pool
NSG	1	51484
NSG	8	50141
NSG	9	52600
NSG	10	51025
NSG	11	40045
NSG	15	53391
NSG	16	41315
NSG	17	52597
NSG	17	42425
NSG	21	52492
NSG	24	52056
NSG	28	52498
NSG	29	52127
NSG	32	52490
NSG	37	43029
NSG	44	43095
NSG	48	41316
NSG	49	40054
NSG	78	40242
NSG	84	43134
NSG	88	43133
NSG	91	42413
NSG	117	40294
NSG	130	52465
NSG	143	51982
NSG	148	41430

Median pool size	31	26
Average pool Size	50	

The Peoples Gas Light and Coke Company
Intrinsic Storage Value Given to CFY Customer

Volume (Dth)	
36,500	Estimated Usage (@25% Load Factor)
25	Number of Days of Storage Used to Cycle Gas
400	MDQ
10,000	Storage Cycled

	Price ($/Dth)*					
Date	Henry Hub	Chicago Basis	Chicago Price	Injection and Withdrawl Percentages**	Injection/Withdawal (Dth)	Cash Flow
	A	B	C = A + B	D	E = D * Storage Cycled	F = - E * C
Apr-08	$ 7.98	$ (0.10)	$ 7.8825	12%	1,200	$ (9,459)
May-08	$ 7.94	$ (0.10)	$ 7.8405	17%	1,700	$ (13,329)
Jun-08	$ 8.02	$ (0.10)	$ 7.9245	16%	1,600	$ (12,679)
Jul-08	$ 8.12	$ (0.10)	$ 8.0205	15%	1,500	$ (12,031)
Aug-08	$ 8.19	$ (0.10)	$ 8.0905	15%	1,500	$ (12,136)
Sep-08	$ 8.24	$ (0.10)	$ 8.1435	12%	1,200	$ (9,772)
Oct-08	$ 8.36	$ (0.10)	$ 8.2585	13%	1,300	$ (10,736)
Nov-08	$ 8.80	$ (0.02)	$ 8.7735	-7%	(700)	$ 6,141
Dec-08	$ 9.25	$ (0.02)	$ 9.2285	-24%	(2,400)	$ 22,148
Jan-09	$ 9.52	$ (0.02)	$ 9.4985	-30%	(3,000)	$ 28,496
Feb-09	$ 9.53	$ (0.02)	$ 9.5035	-23%	(2,300)	$ 21,858
Mar-09	$ 9.28	$ (0.02)	$ 9.2585	-16%	(1,600)	$ 14,814
Total					**-**	**$ 13,315**

Weighted Average Seasonal Price Spread	**$**	**1.33**	Per Dth of Storage Cycled
Weighted Average Seasonal Price Spread	**$**	**0.36**	Per Dth of Estimated Usage

* Forward Curve from NYMEX (Henry Hub) and NYMEX Clearport (Chicago Basis) as of 7-20-2007.
** Percentages are based on current injection and withdrawal percentages given to CFY customers.

North Shore Gas
Intrinsic Storage Value Given to CFY Customer

Volume (Dth)	
39,674	Estimated Usage (@25% Load Factor)
23	Number of Days of Storage Used to Cycle Gas
435	MDQ
10,000	Storage Cycled

	Price ($/Dth)*					
Date	Henry Hub	Chicago Basis	Chicago Price	Injection and Withdrawl Percentages**	Injection/Withdawal (Dth)	Cash Flow
	A	B	C = A + B	D	E = D * Storage Cycled	F = - E * C
Apr-08	$ 7.98	$ (0.10)	$ 7.8825	9%	900	$ (7,094)
May-08	$ 7.94	$ (0.10)	$ 7.8405	14%	1,400	$ (10,977)
Jun-08	$ 8.02	$ (0.10)	$ 7.9245	15%	1,500	$ (11,887)
Jul-08	$ 8.12	$ (0.10)	$ 8.0205	15%	1,500	$ (12,031)
Aug-08	$ 8.19	$ (0.10)	$ 8.0905	15%	1,500	$ (12,136)
Sep-08	$ 8.24	$ (0.10)	$ 8.1435	16%	1,600	$ (13,030)
Oct-08	$ 8.36	$ (0.10)	$ 8.2585	16%	1,600	$ (13,214)
Nov-08	$ 8.80	$ (0.02)	$ 8.7735	-9%	(900)	$ 7,896
Dec-08	$ 9.25	$ (0.02)	$ 9.2285	-22%	(2,200)	$ 20,303
Jan-09	$ 9.52	$ (0.02)	$ 9.4985	-29%	(2,900)	$ 27,546
Feb-09	$ 9.53	$ (0.02)	$ 9.5035	-22%	(2,200)	$ 20,908
Mar-09	$ 9.28	$ (0.02)	$ 9.2585	-18%	(1,800)	$ 16,665
Total					**-**	**$ 12,950**

Weighted Average Seasonal Price Spread	**$**	**1.30**	Per Dth of Storage Cycled
Weighted Average Seasonal Price Spread	**$**	**0.33**	Per Dth of Estimated Usage

* Forward Curve from NYMEX (Henry Hub) and NYMEX Clearport (Chicago Basis) as of 7-20-2007.
** Percentages are based on current injection and withdrawal percentages given to CFY customers.

The Peoples Gas Light and Coke Company
Hub Revenues Compared to Estimate of Hub Revenue Requirement

	Fiscal Year 2006
HUB Revenues	$10,051,667
HUB Operating Expenses	$2,073,351
Total Cushion Gas Capitalized (dth)	1,197,247
Cushion Gas Associated with Hub Capacity (dth)	334,032
LIFO Rate	$8.75
Cushion Gas $ Amount Associated with Hub Capacity	$2,922,780
Accumulated Cushion Gas $ Amount Associated with Hub Capacity	$8,112,873
Current Year Cushion Gas Depreciation Expense Associated with Hub Capacity (75 Year Life)	$38,970
Prior Years Cushion Gas Depreciation Expense Associated with Hub Capacity (75 Year Life)	$108,172
Accumulated Depreciation Associated with Hub Capacity	$315,366
Rate Base (Accumulated Cushion Gas less Accumulated Depreciation)	$7,797,507
Revenue Requirement Factor on Base Rate	12.16%
Return and Taxes	$948,489
Plus Operating Expense	$2,073,351
Plus Depreciation Expense	$315,366
Total Revenue Requirement	$3,337,206
Revenue less Revenue Requirement	$6,714,461

Notes:
For Simplification Purposes:
-Assumed 75 Year Depreciable Life throughout
-Deferred Income Tax impact was not included