

**The Peoples Gas Light and Coke Company
Revenue Shortfall Illustration
AG/CUB/CITY Witness Rubin Residential Tiered Rate Proposal**

Line	Rubin Proposed Tiers (Therms)	Rubin		Potential			Customer Difference	Rubin Proposed Monthly Charge	Rubin Assumed Distribution Revenues	Potential Distribution Revenues	Difference in Distribution Revenues	
	[A]	Sub-set Customers By Tier [B]	% of Customers [C]	Test Year Customers [D]	Variance From Sub-set [E]	% of Customers [F]		Test Year Customers [G] [D], Line 8 x [F]	[H] [G] - [D]	[I]	[J] [D] x [I] x 12	[K] [G] x [I] x 12
1	0-500	120,654	22.717%	174,943	4.0%	26.717%	205,747	30,804	\$ 18.95	\$ 39,782,038	\$ 46,786,868	\$ 7,004,830
2	501-1000	121,979	22.967%	176,865	4.0%	26.967%	207,668	30,803	\$ 28.70	60,912,306	71,520,859	10,608,553
3	1001-1500	151,454	28.517%	219,602	2.0%	30.517%	235,004	15,402	\$ 33.80	89,070,571	95,317,622	6,247,051
4	1501-2000	84,497	15.910%	122,517	-5.0%	10.910%	84,013	(38,504)	\$ 38.30	56,308,813	38,612,375	(17,696,438)
5	2000-3500	48,524	9.136%	70,358	-5.0%	4.136%	31,854	(38,504)	\$ 44.75	37,782,246	17,105,598	(20,676,648)
6	3500-5000	3,552	0.669%	5,150	0.1%	0.719%	5,535	385	\$ 57.70	3,565,860	3,832,434	266,574
7	>5000	446	0.084%	647	-0.1%	0.034%	262	(385)	\$ 76.50	593,946	240,516	(353,430)
8		<u>531,106</u>	<u>100.000%</u>	<u>770,082</u>	<u>0.0%</u>	<u>100.00%</u>	<u>770,083</u>	<u>1</u>		<u>\$ 288,015,781</u>	<u>\$ 273,416,272</u>	<u>\$ (14,599,508)</u>

Note: There may be differences due to roundings.

**North Shore Gas Company
Revenue Shortfall Illustration
AG/CUB/CITY Witness Rubin Residential Tiered Rate Proposal**

Line	Rubin Proposed Tiers (Therms)	Rubin		Potential			Customer Difference [H]	Rubin Proposed Monthly Charge [I]	Rubin Assumed Distribution Revenues [J]	Potential Distribution Revenues [K]	Difference Distribution Revenues [L]	
	[A]	Sub-set Customers By Tier [B]	% of Customers [C]	Test Year Customers [D]	Variance From Sub-set [E]	% of Customers [F]		Test Year Customers [G]	[I]	[D] x [I] x 12	[G] x [I] x 12	[K] - [J]
						[D], Line 8 x [F]	[G] - [D]					
1	0-500	3,928	3.782%	5,663	4.0%	7.782%	11,652	5,989	\$ 18.25	\$ 1,240,197	\$ 2,551,788	\$ 1,311,591
2	501-1000	28,180	27.133%	40,627	4.0%	31.133%	46,616	5,989	\$ 23.25	11,334,933	13,005,864	1,670,931
3	1001-1500	38,794	37.353%	55,929	2.0%	39.353%	58,924	2,995	\$ 26.20	17,584,078	18,525,706	941,628
4	1501-2000	18,490	17.803%	26,657	-5.0%	12.803%	19,170	(7,487)	\$ 29.20	9,340,613	6,717,168	(2,623,445)
5	2000-3500	11,656	11.223%	16,804	-5.0%	6.223%	9,318	(7,486)	\$ 33.55	6,765,290	3,751,427	(3,013,864)
6	3500-5000	1,800	1.733%	2,595	0.1%	1.783%	2,670	75	\$ 42.25	1,315,665	1,353,690	38,025
7	>5000	1,010	0.972%	1,456	-0.1%	0.922%	1,381	(75)	\$ 59.30	1,036,090	982,720	(53,370)
8		<u>103,858</u>	<u>100.000%</u>	<u>149,731</u>	<u>0.0%</u>	<u>100.00%</u>	<u>149,731</u>	<u>-</u>		<u>\$ 48,616,865</u>	<u>\$ 46,888,362</u>	<u>\$ (1,728,503)</u>

Note: There may be differences due to roundings.

**AG/CUB/City Witness Rubin Tiered Rate Proposals
Annual Customer Bill Impacts**

The Peoples Gas Light and Coke Company

Tiers (Therms)	Present Rates (1)			Proposed Tiers (2)	Increase/Decrease		
	Low	Median	High		Low	Median	High
	[A]	[B]	[C]		[D]	[E]	[F]
					{[D] - [A]} / [A]	{[D] - [B]} / [B]	{[D] - [C]} / [C]
0 - 500	\$ 186	\$ 218	\$ 354	\$ 310.20	67%	42%	-12%
500 - 1,000	\$ 263	\$ 363	\$ 430	\$ 469.80	79%	29%	9%
1,000 - 1,500	\$ 313	\$ 426	\$ 483	\$ 554.40	77%	30%	15%
1,500 - 2,000	\$ 364	\$ 483	\$ 536	\$ 626.40	72%	30%	17%
2,000 - 3,500	\$ 429	\$ 555	\$ 694	\$ 732.60	71%	32%	6%
3,500 - 5,000	\$ 570	\$ 722	\$ 853	\$ 945.00	66%	31%	11%
More than 5,000	\$ 717	\$ 915	\$ 1,991	\$ 1,245.00	74%	36%	-37%

North Shore Gas Company

Tiers (Therms)	Present Rates (1)			Proposed Tiers (3)	Increase/Decrease		
	Low	Median	High		Low	Median	High
	[A]	[B]	[C]		[D]	[E]	[F]
					{[D] - [A]} / [A]	{[D] - [B]} / [B]	{[D] - [C]} / [C]
0 - 500	\$ 162	\$ 236	\$ 279	\$ 294.00	81%	25%	5%
500 - 1,000	\$ 235	\$ 290	\$ 329	\$ 374.40	59%	29%	14%
1,000 - 1,500	\$ 271	\$ 325	\$ 362	\$ 421.80	56%	30%	17%
1,500 - 2,000	\$ 299	\$ 360	\$ 394	\$ 469.80	57%	31%	19%
2,000 - 3,500	\$ 358	\$ 409	\$ 489	\$ 540.00	51%	32%	10%
3,500 - 5,000	\$ 457	\$ 519	\$ 584	\$ 680.40	49%	31%	17%
More than 5,000	\$ 565	\$ 663	\$ 2,738	\$ 955.20	69%	44%	-65%

(1) Source: Direct Testimony of Scott J. Rubin - AG/CUB/City Exhibit 2.0, page 34

(2) Source: Direct Testimony of Scott J. Rubin - AG/CUB/City Exhibit 2.0, page 41

(3) Source: Direct Testimony of Scott J. Rubin - AG/CUB/City Exhibit 2.0, page 42

ICC Docket No. 09-0166
North Shore Gas Company
Response to Staff Data Request CLH 1.01
Dated: March 20, 2009

SC 2 Meter Class 3 Sales
Therm Usage

<u>Frequency</u> <u>Range</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Annual</u>	<u>Annual %</u>	<u>Annual %</u>	<u>Annual %</u>
														<u>Change Fixed</u>	<u>Change Variable</u>	<u>Change Total</u>
1%	0.00	17.00	0.00	7.93	0.00	31.71	0.00	0.00	0.00	3.40	4.53	15.89	80.46	195.77%	-3.89%	170.57%
20%	998.17	767.47	957.58	1,117.56	935.89	572.22	870.87	910.72	841.85	409.72	842.93	820.51	10,045.49	195.77%	-0.58%	10.53%
50%	4,253.30	3,256.60	2,554.34	1,254.96	592.01	52.54	53.64	62.83	57.74	443.68	1,645.12	2,794.86	17,021.62	195.77%	-0.08%	6.67%
80%	5,935.69	10,186.68	5,457.33	2,727.19	159.86	1,271.93	1.13	0.00	2.26	791.00	2,564.79	4,976.37	34,074.23	195.77%	1.05%	4.52%
100%	25,009.45	21,177.11	19,132.82	14,980.68	6,766.23	9,051.86	7,498.92	5,973.20	7,316.89	7,810.23	13,790.98	24,211.71	162,720.08	195.77%	2.20%	2.95%

Notes: Used the present rate retail gas charge as a proxy for Transportation customers cost of gas supply at present and proposed rates.
 The gas charges rates used reflect the weighted average gas charge forecasted by month in Fiscal 2010.

ICC Docket No. 09-0167
The Peoples Gas Light and Coke Company
Response to Staff Data Request CLH 1.01
Dated: March 20, 2009

Rate 2 Meter Class 3 Sales accounts
Therm Usage

<u>Frequency</u>														<u>Annual %</u>	<u>Annual %</u>	<u>Annual %</u>
<u>Range</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Annual Usage</u>	<u>Change</u>	<u>Change</u>	<u>Change Total</u>
														<u>Fixed</u>	<u>Variable</u>	<u>Charges</u>
														<u>Charges</u>	<u>Charges</u>	<u>Charges</u>
1%	74.88	51.61	63.76	56.67	43.42	34.37	8.08	36.39	35.38	35.38	64.70	35.45	540.09	223.42%	0.32%	109.93%
20%	2,985.40	3,241.43	2,406.53	1,191.12	359.22	135.47	66.72	74.81	73.80	386.19	991.79	4,009.56	15,922.04	223.42%	1.01%	9.22%
50%	5,820.01	5,627.73	3,747.43	2,085.73	728.24	722.86	447.87	458.99	514.60	1,301.15	3,479.86	5,134.97	30,069.44	223.42%	1.17%	5.61%
80%	10,143.27	9,763.77	7,774.18	3,417.51	1,232.87	859.34	690.51	763.30	768.36	1,965.38	5,895.13	9,428.62	52,702.24	223.42%	2.01%	4.60%
100%	118,722.40	117,263.70	72,676.78	30,292.20	1,558.38	44.48	41.74	3.30	140.64	2,773.25	46,822.33	79,513.05	469,852.25	223.42%	3.79%	4.09%

Notes: Used the present rate retail gas charge as a proxy for Transportation customers cost of gas supply at present and proposed rates.
The gas charges rates used reflect the weighted average gas charge booked by month in Fiscal 2010.

**The Peoples Gas Light and Coke Company
North Shore Gas Company
Docket Nos. 09-0166 / 09-0167
S.C. No. 2 - Meter Class 3 Bill Impact Analysis
Based on Company's Direct Testimony Proposed Rates vs. Present Rates**

The Peoples Gas Light and Coke Company

S.C. No. 2 Medium to Large Meter 100% cumulative frequency range

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Annual</u>
Therms	118,722	117,264	72,677	30,292	1,558	44	42	3	141	2,773	46,822	79,513	469,852
Revenue Change	\$ 5,853.64	\$ 5,781.35	\$ 3,571.62	\$ 1,471.04	\$ 169.89	\$ 149.42	\$ 149.41	\$ 149.22	\$ 150.25	\$ 186.72	\$ 2,290.28	\$ 3,910.42	\$ 23,833.26
Percentage change - Total Bill	4.01%	3.94%	3.80%	3.97%	7.90%	108.34%	110.25%	206.65%	54.22%	4.99%	3.96%	4.14%	4.09%

North Shore Gas Company

S. C. No. 2 Medium to Large Meter 80% cumulative frequency range

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Annual</u>
Therms	5,936	10,187	5,457	2,727	160	1,272	1	0	2	791	2,565	4,976	34,074
Revenue Change	\$ 227.93	\$ 382.91	\$ 210.48	\$ 121.18	\$ 123.99	\$ 122.77	\$ 129.53	\$ 129.60	\$ 129.48	\$ 123.29	\$ 121.36	\$ 192.95	\$ 2,015.47
Percentage change - Total Bill	2.84%	2.92%	2.95%	3.55%	43.42%	6.92%	190.85%	195.77%	186.44%	11.57%	3.66%	3.06%	4.52%

North Shore Gas Company
Derivation of Storage Inventory Credits
SC No. 2 Large Volume Transportation Customers (Riders FST and SST)
Fiscal 2010 Forecast

Line No.	Description		
1	Base Rate Days ⁽¹⁾		5
2	Gas Charge Days ⁽²⁾		21
3	Diversity Factor ⁽³⁾		73%
4	Return (proposed Rate Case Rate of Return) ⁽⁴⁾		9.18%
5	Gas Cost (\$/therm) - 2010 LIFO rate ⁽⁵⁾	\$	0.6280
6	Normal % of max capacity utilized (normal based on 2010)		50%
7	November 30th Inventory Requirement		75%
8	Annual Credit on Base Rate Days per MDQ (line 1 x line 4 x line 5 x line 6 x line 7)	\$	0.10809
9	Annual Credit on Gas Charge Days per SSQ (line 2 x line 3 x line 4 x line 5 x line 6 x line 7)	\$	0.33142
10	Monthly Credit (Company Savings) on Base Rate Days per MDQ (line 8 / 12)	\$	0.00901
11	Monthly Credit (Company Savings) on Gas Charge Days per SSQ (line 9 / 12)	\$	0.02762
12	MDQ of SC No. 2 Large Volume Transportation Customers (based on 2010 forecast)		465,217
13	SSQ of SC No. 2 Large Volume Transportation Customers (based on 2010 forecast)		222,798
14	Base Rate Days Annual Credit (line 8 x line 12)	\$	50,285
15	Gas Charge Days Annual Credit (line 9 x line 13)	\$	73,840
16	Annual Credit to SC No. 2 Rider FST and SST Customers (line 14 + line 15) ⁽⁶⁾	\$	124,125

- Notes: (1) Allowable Bank Base Rate Days (See North Shore Ex. VG 1.12 Revised)
(2) Allowable Bank Gas Charge Days (See North Shore Ex. VG 1.12 Revised)
(3) Reflects Mr. Sackett's proposed change to which the Company agrees.
(4) Rate of return as originally proposed. Does not reflect any updates.
(5) Average Commodity LIFO price updated June 2009.
(6) SC No. 2 Large Volume Transportation Customer Storage Credit. For Monthly, divide by 12.

North Shore Gas Company
Derivation of Storage Inventory Credits
SC No. 3 Large Volume Transportation Customers (Riders FST and SST)
Fiscal 2010 Forecast

Line No.	Description		
1	Base Rate Days ⁽¹⁾		5
2	Gas Charge Days ⁽²⁾		21
3	Diversity Factor ⁽³⁾		73%
4	Return (proposed Rate Case Rate of Return) ⁽⁴⁾		9.18%
5	Gas Cost (\$/therm) - 2010 LIFO rate ⁽⁵⁾	\$	0.6280
6	Normal % of max capacity utilized (normal based on 2010)		50%
7	November 30 th Inventory Requirement		75%
8	Annual Credit on Base Rate Days per SSQ (line 1 x line 4 x line 5 x line 6 x line 7)	\$	0.10809
9	Annual Credit on Gas Charge Days per SSQ (line 2 x line 3 x line 4 x line 5 x line 6 x line 7)	\$	0.33142
10	Total Annual Credit per SSQ (line 8 + line 9)	\$	0.43951
11	Monthly Credit (Company Savings) on Base Rate Days per SSQ (line 8 / 12)	\$	0.00901
12	Monthly Credit (Company Savings) on Allowable Bank Days per SSQ (line 9 / 12)	\$	0.02762
13	Total Monthly Credit per SSQ (line 11 + line 12)	\$	0.03663
14	SSQ of Rider SST SC No. 3 customers (based on 2010 forecast)		62,726
15	Annual Credit to Rider SST SC No. 3 Customers (line 10 x line 14) ⁽⁶⁾	\$	27,569

- Notes: (1) Allowable Bank Base Rate Days (See North Shore Ex. VG 1.12 Revised)
(2) Allowable Bank Gas Charge Days (See North Shore Ex. VG 1.12 Revised)
(3) Reflects Mr. Sackett's proposed change to which the Company agrees.
(4) Rate of return as originally proposed. Does not reflect any updates.
(5) Average Commodity LIFO price updated June 2009.
(6) SC No. 3 Large Volume Transportation Customer Storage Credit. For Monthly, divide by 12.

The Peoples Gas Light and Coke Company
Derivation of Storage Inventory Credits
SC No. 2 Large Volume Transportation Customers (Riders FST and SST)
Fiscal 2010 Forecast

Line No.	Description	
1	Base Rate Days ⁽¹⁾	13
2	Gas Charge Days ⁽²⁾	17
3	Diversity Factor ⁽³⁾	86%
4	Return (proposed Rate Case Rate of Return) ⁽⁴⁾	9.34%
5	Gas Cost (\$/therm) - 2010 LIFO rate ⁽⁵⁾	\$ 0.5170
6	Normal % of max capacity utilized (normal based on 2010)	50%
7	November 30 th Inventory Requirement	70%
8	Annual Credit on Base Rate Days per MDQ (line 1 x line 4 x line 5 x line 6 x line 7)	\$ 0.21971
9	Annual Credit on Gas Charge Days per SSQ (line 2 x line 3 x line 4 x line 5 x line 6 x line 7)	\$ 0.24709
10	Monthly Credit (Company Savings) on Base Rate Days per MDQ (line 8 / 12)	\$ 0.01831
11	Monthly Credit (Company Savings) on Gas Charge Days per SSQ (line 9 / 12)	\$ 0.02059
12	MDQ of SC No. 2 Large Volume Transportation Customers (based on 2010 forecast)	3,227,825
13	SSQ of SC No. 2 Large Volume Transportation Customers (based on 2010 forecast)	1,355,651
14	Base Rate Days Annual Credit (line 8 x line 12)	\$ 709,185.43
15	Gas Charge Days Annual Credit (line 9 x line 13)	\$ 334,967.81
16	Annual Credit to SC No. 2 Rider FST and SST Customers (line 14 + line 15) ⁽⁶⁾	\$ 1,044,153.24

- Notes: (1) Allowable Bank Base Rate Days (See PGL Ex. VG 1.12 Revised)
(2) Allowable Bank Gas Charge Days (See PGL Ex. VG 1.12 Revised)
(3) Reflects Mr. Sackett's proposed change to which the Company agrees.
(4) Rate of return as originally proposed. Does not reflect any updates.
(5) Average Commodity LIFO price updated June 2009.
(6) SC No. 2 Large Volume Transportation Customer Storage Credit. For Monthly, divide by 12.

**The Peoples Gas Light and Coke Company
Derivation of Storage Inventory Credits
SC No. 4 Large Volume Transportation Customers (Riders FST and SST)
Fiscal 2010 Forecast**

Line No.	Description		
1	Base Rate Days ⁽¹⁾		13
2	Gas Charge Days ⁽²⁾		17
3	Diversity Factor ⁽³⁾		86%
4	Return (proposed Rate Case Rate of Return) ⁽⁴⁾		9.34%
5	Gas Cost (\$/therm) - 2010 LIFO rate ⁽⁵⁾	\$	0.5170
6	Normal % of max capacity utilized (normal based on 2010)		50%
7	November 30 th Inventory Requirement		70%
8	Annual Credit on Base Rate Days per SSQ (line 1 x line 4 x line 5 x line 6 x line 7)	\$	0.21971
9	Annual Credit on Gas Charge Days per SSQ (line 2 x line 3 x line 4 x line 5 x line 6 x line 7)	\$	0.24709
10	Total Annual Credit per SSQ (line 8 + line 9)	\$	0.46680
11	Monthly Credit (Company Savings) on Base Rate Days per SSQ (line 8 / 12)	\$	0.01831
12	Monthly Credit (Company Savings) on Allowable Bank Days per SSQ (line 9 / 12)	\$	0.02059
13	Total Monthly Credit per SSQ (line 11 + line 12)	\$	0.03890
14	SSQ of Rider SST SC No. 4 customers (based on 2010 forecast)		380,497
15	Annual Credit to Rider SST SC No. 4 Customers (line 10 x line 14) ⁽⁶⁾	\$	177,616

- Notes: (1) Allowable Bank Base Rate Days (See PGL Ex. VG 1.12 Revised)
(2) Allowable Bank Gas Charge Days (See PGL Ex. VG 1.12 Revised)
(3) Reflects Mr. Sackett's proposed change to which the Company agrees.
(4) Rate of return as originally proposed. Does not reflect any updates.
(5) Average Commodity LIFO price updated June 2009.
(6) SC No. 4 Large Volume Transportation Customer Storage Credit. For Monthly, divide by 12.

**The Peoples Gas Light and Coke Company
North Shore Gas Company
Derivation of Storage Inventory Credit
For Rider CFY Customers
Fiscal 2010 Forecast**

<u>Line</u>	<u>Peoples Gas</u>	<u>North Shore</u>
1 MDQ of CFY Customers 2010 ⁽¹⁾	1,376,820	143,750
2 Rider CFY Customers ⁽²⁾	70,811	8,438
3 MDQ / CFY Customers (Line 1 / Line 2)	19.4	17.0
4 Proposed Number of Days of Storage ⁽³⁾ minus 2 days carry over	28	24
5 MSQ (line 3 x line 4)	543	408
6 Return (proposed Rate Case Rate of Return) ⁽⁴⁾	9.34%	9.18%
7 Gas Cost (\$/therm) - 2010 LIFO rate ⁽⁵⁾	\$ 0.5170	\$ 0.6280
8 Normal % of max capacity utilized (normal based on 2010)	50%	54%
9 Total Company Savings (Line 2 x Line 5 x Line 6 x Line 7 x Line 8)	\$ 928,342	\$ 107,176
10 Total Company Saving per Customer (Line 9 / Line 2)	\$ 13.11	\$ 12.70
11 Monthly Savings per Customer (Line 10 / 12 months)	\$ 1.0900	\$ 1.0600
12 Annual Credit per MDQ (line 9 / line 1)	\$ 0.67427	\$ 0.74557
13 Monthly Credit per MDQ (line 12 / 12)	\$ 0.05619	\$ 0.06213

Notes: (1) January 2010 Design Peak Day Demand for Rider CFY customers.
(2) Rider CFY Average Customer count 2010.
(3) Estimate for 2010 based on June 2008 estimate of 2010 peak day.
(4) Rate of return as proposed. Does not reflect any updates.
(5) Average Commodity LIFO price - Updated June, 2009.