

Docket Nos. 09-0166 / 09-0167
 Consolidated
 Exhibit SM-3.1P

The Peoples Gas Light and Coke Company

Revised Schedule C-1: Jurisdictional Operating Income Summary

For the Test Year Ending December 31, 2010

Line No.	I.C.C. Acc. No.	Description	Company Proforma Present (Ex. SM-2.1P) (Col. E)	Company Revised Schedule C-2 Exhibit SM-3.2P (Col. D)	Company Proforma Present Adjusted (Col. C + D) (Col. E)	Company Requested Rate Increase (Ex. SM-2.1P) (Col. H) (Col. F)	Company Adjustment to Requested Rate Increase (Col. G)	Company Requested Rate Increase, Net Adjusted (Col. F + G) (Col. H)	Company Adjusted Proforma Under Proposed Rates (Col. I) = [E + H]	Line No.
1	480-481	Base Rate Revenues	439,293,000	-	\$ 439,293,000	\$ 119,404,000	\$ (9,187,000)	\$ 110,217,000	\$ 549,510,000	1
2	495	Other Revenues	22,841,000	(1,274,000)	\$ 21,567,000	\$ 2,961,000	\$ -	\$ 2,961,000	\$ 24,528,000	2
3	400	Operating Revenues	\$ 462,134,000	\$ (1,274,000)	\$ 460,860,000	\$ 122,365,000	\$ (9,187,000)	\$ 113,178,000	\$ 574,038,000	3
4		Operating Expenses								4
5	401	Cost of Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5
6	401 & 402	Other Operation and Maintenance:								6
7	401 & 402	Other Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	7
8	401 & 402	Storage	\$ 10,499,000	\$ (99,000)	\$ 10,400,000	\$ -	\$ -	\$ -	\$ 10,400,000	8
9	401 & 402	Transmission	\$ 4,356,000	\$ (17,000)	\$ 4,339,000	\$ -	\$ -	\$ -	\$ 4,339,000	9
10	401 & 402	Distribution	\$ 99,211,000	\$ (12,000)	\$ 99,199,000	\$ -	\$ -	\$ -	\$ 99,199,000	10
11	401	Customer Accounts	\$ 61,019,000	\$ (1,234,000)	\$ 59,785,000	\$ 3,108,000	\$ (233,000)	\$ 2,875,000	\$ 62,660,000	11
12	401	Customer Services and Informational Services	\$ 3,711,000	\$ -	\$ 3,711,000	\$ -	\$ -	\$ -	\$ 3,711,000	12
13	401	Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	13
14	401 & 402	Administrative and General	\$ 126,703,000	\$ (6,998,000)	\$ 119,705,000	\$ -	\$ -	\$ -	\$ 119,705,000	14
15		Total Other Operation and Maintenance	\$ 305,499,000	\$ (8,360,000)	\$ 297,139,000	\$ 3,108,000	\$ (233,000)	\$ 2,875,000	\$ 300,014,000	15
16	403	Depreciation	\$ 75,971,000	\$ (14,000)	\$ 75,957,000	\$ -	\$ -	\$ -	\$ 75,957,000	16
17	404	Amortization	\$ 5,527,000	\$ -	\$ 5,527,000	\$ -	\$ -	\$ -	\$ 5,527,000	17
18	408.1	Taxes Other than Income	\$ 21,776,000	\$ (43,000)	\$ 21,733,000	\$ -	\$ -	\$ -	\$ 21,733,000	18
19		Income Taxes				\$ -	\$ -	\$ -	\$ -	19
20	409.1	Federal Income Taxes - Current	\$ 9,267,000	\$ 998,000	\$ 10,265,000	\$ 38,693,000	\$ (2,905,000)	\$ 35,788,000	\$ 46,053,000	20
21	409.1	State Income Taxes - Current	\$ 618,000	\$ 222,000	\$ 840,000	\$ 8,706,000	\$ (654,000)	\$ 8,052,000	\$ 8,892,000	21
22	410.1 & 411.1	Deferred Income Taxes	\$ (5,237,000)	\$ 2,423,000	\$ (2,814,000)	\$ -	\$ -	\$ -	\$ (2,814,000)	22
23	411.4	Investment Tax Credit	\$ 178,000	\$ -	\$ 178,000	\$ -	\$ -	\$ -	\$ 178,000	23
24		Total Operating Expenses	\$ 413,599,000	\$ (4,774,000)	\$ 408,825,000	\$ 50,507,000	\$ (3,792,000)	\$ 46,715,000	\$ 455,540,000	24
25		Jurisdictional Operating Income (Loss)	\$ 48,535,000	\$ 3,500,000	\$ 52,035,000	\$ 71,858,000	\$ (5,395,000)	\$ 66,463,000	\$ 118,498,000	25

	Company Rebuttal	Adjustments	Company Surrebuttal
a Original Cost Rate Base	Revised Sch. B-1 1,298,740,000	2,010,000	1,300,750,000
b Operating Income at Present Rates	Revised Sch. C-1 \$ 48,535,000	3,500,000	52,035,000
c Current Rate of Return	line b / line a 3.74%	0.26%	4.00%
d Cost of Capital	Revised Sch. D-1 9.27%	-0.16%	9.11%
e Operating Income at Proposed Rates	Revised Sch. C-1 line a x line d 120,393,000	(1,895,000)	118,498,000
f Income Deficiency	line e - line b 71,858,000	(5,395,000)	66,463,000
g Gross Revenue Conversion Factor	ICC Staff Exh.1.0 Sch. 1.6P 1.70286700	-	1.70286700
h Revenue Increase Required	Revised Sch. C-1 line f x line g 122,365,000	(9,187,000)	113,178,000

The Peoples Gas Light and Coke Company
Revised Schedule C-2
Company Ratemaking Adjustments to Operating Income
For the Test Year Ending December 31, 2010

Line No.	I.C.C. Acc. No.	Description	Injuries & Damages (ICC Sch. 17.2P)	Regulatory Asset-Welfare Correction (ICC Ex. 16.0/AG Sch C-2)	Regulatory Asset-Pension Correction (Ex. SM-3.3P)	Adjusted Accounting Charge Revenues Company Rebuttal (Ex. SM-3.4P)	Adjusted Uncollectibles Expense Update (Ex. CMG-3.1P)	Adjusted Accounting Charge Revenues Update (Ex. SM-3.5P)	Adjusted Company Gas Use Update (Ex. CMG-3.2P)	Subtotal Operating Statement Adjustments (J)
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
1	480-481	Base Rate Revenues	-	-	-	-	-	-	-	-
2	495	Other Revenues	-	-	-	(1,157,000)	-	(117,000)	-	(1,274,000)
3		Operating Revenues	-	-	-	(1,157,000)	-	(117,000)	-	(1,274,000)
4		Operating Expenses								-
5	401	Cost of Gas								-
6	401 & 402	Other Operation and Maintenance								-
7	401 & 402	Other Production								-
8	401 & 402	Storage							(99,000)	(99,000)
9	401 & 402	Transmission							(17,000)	(17,000)
10	401 & 402	Distribution							(12,000)	(12,000)
11	401	Customer Accounts					(1,234,000)			(1,234,000)
10	401	Customer Service and Informational Services								-
11	401	Sales								-
12	401 & 402	Administrative and General	(864,000)	(3,489,000)	(2,645,000)	-	-	-	-	(6,998,000)
13		Total Other Operations and Maintenance	(864,000)	(3,489,000)	(2,645,000)	-	(1,234,000)	-	(128,000)	(8,360,000)
14	403	Depreciation	-							-
15	404	Amortization								-
16	408.1	Taxes Other than Income								-
17		Income Taxes								-
18	409.1	Federal Income Taxes - Current	280,000	-	-	(376,000)	400,000	(38,000)	42,000	308,000
19	409.1	State Income Taxes - Current	63,000	-	-	(84,000)	90,000	(9,000)	9,000	69,000
20	410.1 & 411.1	Deferred Income Taxes		1,387,000	1,051,000					2,438,000
21	411.4	Investment Tax Credit	-	-	-	-	-	-	-	-
22		Total Operating Expenses	(521,000)	(2,102,000)	(1,594,000)	(460,000)	(744,000)	(47,000)	(77,000)	(5,545,000)
23		Net Operating Income	\$ 521,000	\$ 2,102,000	\$ 1,594,000	\$ (697,000)	\$ 744,000	\$ (70,000)	\$ 77,000	\$ 4,271,000

The Peoples Gas Light and Coke Company
 Revised Schedule C-2
 Company Ratemaking Adjustments to Operating Income
 For the Test Year Ending December 31, 2010

Line No.	I.C.C. Acc. No.	Description	Subtotal Operating Statement Adjustments	Depreciation on NonRecoverable Cushion Gas (Ex. SM-3.9P)	Net Dismantling on NonRecoverable Cushion Gas (Ex. SM-3.10P)	-	-	Invested Capital Tax Adjustment (Ex. SM-3.6P)	Interest Synchronization Adjustment (Ex. SM-3.7P)	Total Operating Statement Adjustments
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
1	480-481	Base Rate Revenues	-	-	-	-	-	-	-	-
2	495	Other Revenues	(1,274,000)	-	-	-	-	-	-	(1,274,000)
3		Operating Revenues	(1,274,000)	-	-	-	-	-	-	(1,274,000.00)
4		Operating Expenses	-	-	-	-	-	-	-	-
5	401	Cost of Gas	-	-	-	-	-	-	-	-
6	401 & 402	Other Operation and Maintenance	-	-	-	-	-	-	-	-
7	401 & 402	Other Production	-	-	-	-	-	-	-	-
8	401 & 402	Storage	(99,000)	-	-	-	-	-	-	(99,000)
9	401 & 402	Transmission	(17,000)	-	-	-	-	-	-	(17,000)
10	401 & 402	Distribution	(12,000)	-	-	-	-	-	-	(12,000)
11	401	Customer Accounts	(1,234,000)	-	-	-	-	-	-	(1,234,000)
10	401	Customer Service and Informational Services	-	-	-	-	-	-	-	-
11	401	Sales	-	-	-	-	-	-	-	-
12	401 & 402	Administrative and General	(6,998,000)	-	-	-	-	-	-	(6,998,000)
13		Total Other Operations and Maintenance	(8,360,000)	-	-	-	-	-	-	(8,360,000)
14	403	Depreciation	-	(13,000)	(1,000)	-	-	-	-	(14,000)
15	404	Amortization	-	-	-	-	-	-	-	-
16	408.1	Taxes Other than Income	-	-	-	-	-	(43,000)	-	(43,000)
17		Income Taxes	-	-	-	-	-	-	-	-
18	409.1	Federal Income Taxes - Current	308,000	17,000	-	-	-	14,000	659,000	998,000
19	409.1	State Income Taxes - Current	69,000	3,000	-	-	-	2,000	148,000	222,000
20	410.1 & 411.1	Deferred Income Taxes	2,438,000	(15,000)	-	-	-	-	-	2,423,000
21	411.4	Investment Tax Credit	-	-	-	-	-	-	-	-
22		Total Operating Expenses	(5,545,000)	(8,000)	(1,000)	-	-	(27,000)	807,000	(4,774,000)
23		Net Operating Income	\$ 4,271,000	\$ 8,000	\$ 1,000	\$ -	\$ -	\$ 27,000	\$ (807,000)	\$ 3,500,000

The Peoples Gas Light and Coke Company
 Correction on Expensed Portion - Amortization of Regulatory Asset - Pension Costs
 Test Year ended December 31, 2010

Docket Nos. 09-0166 / 09-0167
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 NS-PGL Ex. SM-3.3P

OPERATING EXPENSES		Surrebuttal Adjustment
A) Correct calculation Incremental Increase (Decrease) Adjustment calculated -Pension costs		
ICC 926	Forecast 2010 Test Year Budget - Pension Costs (Decrease)/increase in OPERATING EXPENSES - Pension Costs	Response to AG 7.12 & Exh. WP SM-3.3P <u>(1,576,000)</u> (1,576,000)
B) Total O&M ratemaking adjustments:		
ICC 926	Company Direct - Pension Costs	Sch C-2.9 (3,435,000)
ICC 926	Company Rebuttal -Pension Costs (Decrease)/increase in OPERATING EXPENSES - Pension Costs	Exh WP SM-2.5P & Exh SM-2.6P <u>4,504,000</u> 1,069,000
ICC 926	Net incremental (decrease)/increase in OPERATING EXPENSES-Pension Costs A) +B) to reflect in Surrebuttal	Exh. WP SM-3.3P (2,645,000)
Income Taxes	- State (7.3% x (2,645,000)) \$193,000	
	- Federal (35.0% x (2,452,000)) <u>858,000</u>	
		<u>\$1,051,000</u>
	Current (409.1) - State	-
	- Federal	-
	Deferred (410.1)	<u>1,051,000</u> 1,051,000
TOTAL OPERATING EXPENSES		(1,594,000)
EFFECT ON OPERATING INCOME	Schedule C-2 ratemaking adjustment	<u>\$1,594,000</u>

The Peoples Gas Light and Coke Company
 Incremental Adjustment on Accounting Charge Revenues based on July 2009 Gas Charge Cost filing
 Test Year ended December 31, 2010

Docket Nos. 09-0166 / 09-0167
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 NS-PGL Ex. SM-3.4P

Rate making adjustment

OPERATING REVENUES

	ICC 495	Accounting Charge Revenues	Company Rebuttal	3,802,000
	ICC 495	Accounting Charge Revenues	Company Direct	4,959,000
		Adjustment	Exh. WP SM-3.4P and WP SM-3.5P	<u>(1,157,000)</u>
INCOME TAXES				
Income Taxes	- State	(7.3% x (1,157,000))	(\$84,000)	
	- Federal	(35.0% x (1,073,000))	<u>(376,000)</u>	
			<u>(\$460,000)</u>	
			Current (409.1)	- State [7.3%] (84,000)
				- Federal [35.0%] (376,000)
			Deferred (411.1)	<u>-</u>
				(460,000)
			TOTAL NET OPERATING INCOME	(697,000)
EFFECT ON OPERATING INCOME			Schedule C-2 ratemaking adjustment	<u><u>(\$697,000)</u></u>

The Peoples Gas Light and Coke Company
 Incremental Adjustment on Accounting Charge Revenues based on August 2009 Gas Charge Cost filing
 Test Year ended December 31, 2010

Docket Nos. 09-0166 / 09-0167
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 NS-PGL Ex. SM-3.5P

Rate making adjustment

OPERATING REVENUES				Amount
	ICC 495	Accounting Charge Revenues	Company Surrebuttal	3,685,000
	ICC 495	Accounting Charge Revenues	Company Rebuttal	3,802,000
		Adjustment	Exh. WP SM-3.4P and WP SM-3.5P	(117,000)
INCOME TAXES				
Income Taxes	- State	(7.3% x (117,000))	(\$9,000)	
	- Federal	(35.0% x (108,000))	(38,000)	
			(\$47,000)	
		Current (409.1)	- State [7.3%]	(9,000)
			- Federal [35.0%]	(38,000)
		Deferred (411.1)		0
				(47,000)
		TOTAL NET OPERATING INCOME		(70,000)
EFFECT ON OPERATING INCOME				Schedule C-2 ratemaking adjustment <u><u>(\$70,000)</u></u>

The Peoples Gas Light & Coke Company
 Adjustment to Invested Capital Tax
 Test Year ended December 31, 2010

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 NS-PGL Ex. SM-3.6P

Rate-making adjustment

NET OPERATING INCOME REQUIREMENT CALCULATED IN FIRST PASS:

				<u>\$66,144,000</u>	WP Ex. SM-3.6P				
				Company Rebuttal	Company Direct Sch C-2.6	Company Rebuttal Ex. SM-2.8P			Company Surrebuttal Adjust Ex. SM-3.6P
OPERATING EXPENSES									
Invested Capital Tax	(	0.8% x	66,144,000)	\$529,000	757,000	(185,000)			(43,000)
Income Taxes	- State	(	7.3% x \$529,000)	(\$39,000)	(55,000)	14,000			2,000
	- Federal	(	35.0% x \$490,000)	<u>(172,000)</u>	<u>(246,000)</u>	<u>60,000</u>			<u>14,000</u>
Total Operating Expenses				<u>318,000</u>	<u>456,000</u>	<u>(111,000)</u>			<u>(27,000)</u>
EFFECT ON OPERATING INCOME				<u>(\$318,000)</u>	<u>(\$456,000)</u>	<u>\$111,000</u>			<u>\$27,000</u>
Schedule C-2 ratemaking adjustment									
Company Direct Sch C-2.6 Company Direct on Invested Capital Tax				(456,000)					
Company Ex. SM-2.8P Company Rebuttal Adjustment on Invested Capital Tax				<u>111,000</u>					
Company Ex. 3.6P Company Rebuttal Adjustment on Invested Capital Tax				27,000					

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The Peoples Gas Light & Coke Company
Adjustment to Interest Synchronization
Test Year ended December 31, 2010

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Consolidated
NS-PGL Ex. SM-3.7P

Rate-making adjustment

AVERAGE RATE BASE	Exhibit JH-3.1P	\$1,300,750,000
WEIGHTED COST OF LONG-TERM DEBT	Exhibit BAJ-3.1P	<u>2.46%</u>
SYNCHRONIZED INTEREST		31,998,000
LESS: PER BOOK INTEREST AS ADJUSTED		<u>35,939,000</u>
INCREASE IN INTEREST EXPENSE		<u><u>(\$3,941,000)</u></u>

OPERATING EXPENSES				Company Rebuttal	Company Direct Sch C-2.8	Company Rebuttal Ex. SM-2.9P	Company Surrebuttal Adjust Ex. SM-3.7N
Income Taxes	- State	(7.3% x	(3,941,000)	\$288,000	(47,000)	187,000	148,000
	- Federal	(35.0% x	(3,653,000)	<u>1,279,000</u>	<u>(207,000)</u>	<u>827,000</u>	<u>659,000</u>
Total Operating Expenses				<u>1,567,000</u>	<u>(254,000)</u>	<u>1,014,000</u>	<u>807,000</u>
EFFECT ON OPERATING INCOME		Schedule C-2 ratemaking adjustment		<u>(\$1,567,000)</u>	<u>\$254,000</u>	<u>(\$1,014,000)</u>	<u>(\$807,000)</u>
Company Direct Sch C-2.8				254,000			
Exh. SM-2.9P, page 4, col. J				<u>(1,014,000)</u>			
Exh. SM-3.7P, page 2, col. J				<u>(807,000)</u>			

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**For The Peoples Gas Light and Coke Company and North Shore Gas Company
Actual Costs through July 2009 and Remaining Costs using July Forecast**

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NS-PGL Ex. SM-3.8N and SM-3.8P -Page 1 of 3

Peoples Gas Light & Coke	Allocation Percentage	2006 Actual			2007 Total			2008 Total			Jan 09			Feb 09		
		Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total
Costs to Achieve																
Separation costs		0	0	0	0	1,957,451	1,957,451	0	597,804	597,804	0	2,847	2,847	0	19,783	19,783
Retention costs	3.38%	0	83,951	83,951	0	206,659	206,659	0	70,359	70,359	0	0	0	0	0	0
Relocation costs	3.38%	0	0	0	0	47,097	47,097	0	78,508	78,508	0	57	57	0	69	69
Separation, Retention, Relocation	3.38%	0	83,951	83,951	0	2,211,208	2,211,208	0	746,670	746,670	0	2,905	2,905	0	19,852	19,852
System integration costs		0	73,119	73,119	0	1,620,195	1,620,195	0	1,170,626	1,170,626	0	(2,456)	(2,456)	0	40,710	40,710
System write-off costs	4.12%	0	0	0	0	3,901,946	3,901,946	0	0	0	0	0	0	0	0	0
System Integration & Write Off costs	12.16%	0	73,119	73,119	0	5,522,141	5,522,141	0	1,170,626	1,170,626	0	(2,456)	(2,456)	0	40,710	40,710
Regulatory process costs		0	1,354,886	1,354,886	0	(18,989)	(18,989)	0	(207)	(207)	0	0	0	0	0	0
Facilities integration	3.30%	0	453	453	0	513,112	513,112	0	311,288	311,288	0	0	0	0	0	0
Internal/external communications	3.38%	0	40,939	40,939	0	84,993	84,993	0	53,119	53,119	0	0	0	0	0	0
Transition costs	4.39%	0	614,893	614,893	0	2,333,891	2,333,891	27,891	1,009,622	1,037,513	37,278	0	37,278	1,179	0	1,179
Total Reg Process, Facilities, Communications & Transition over cap*	4.39%	0	0	0	0	0	0	0	1,314,755	1,314,755	-	90,147	90,147	-	80,272	80,272
D&O, Reg Process, Facilities, Communicat, Integration		0	2,011,172	2,011,172	0	2,913,007	2,913,007	27,891	2,688,577	2,716,468	37,278	90,147	127,425	1,179	80,272	81,451
Total Non-Labor CTA		0	2,168,242	2,168,242	0	10,646,355	10,646,355	27,891	4,605,873	4,633,764	37,278	90,596	127,874	1,179	140,834	142,013
Transition Internal Labor*	3.38%	0	0	0	0	4,292,809	4,292,809	15,436	2,285,586	2,301,022	11,664	60,050	71,715	20,055	73,704	93,759
Total CTA		\$0	\$2,168,242	\$2,168,242	\$0	\$14,939,165	\$14,939,165	\$43,327	\$6,891,459	\$6,934,786	\$48,942	\$150,646	\$199,589	\$21,234	\$214,538	\$235,772

North Shore Gas	Allocation Percentage	2006 Actual			2007 Total			2008 Total			Jan 09			Feb 09		
		Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total
Costs to Achieve																
Separation costs	27.50%	0	0	0	0	240,944	240,944	0	73,584	73,584	0	350	350	0	2,435	2,435
Retention costs	27.50%	0	10,334	10,334	0	25,438	25,438	0	8,661	8,661	0	0	0	0	0	0
Relocation costs	27.50%	0	0	0	0	5,797	5,797	0	9,664	9,664	0	7	7	0	8	8
Separation, Retention, Relocation		0	10,334	10,334	0	272,179	272,179	0	91,908	91,908	0	358	358	0	2,444	2,444
System integration costs	29.75%	0	10,122	10,122	0	224,289	224,289	0	162,054	162,054	0	(340)	(340)	0	5,636	5,636
System write-off costs	87.84%	0	0	0	0	540,370	540,370	0	0	0	0	0	0	0	0	0
System Integration & Write Off costs		0	10,122	10,122	0	764,659	764,659	0	162,054	162,054	0	(340)	(340)	0	5,636	5,636
Regulatory process costs	22.04%	0	202,633	202,633	0	(2,840)	(2,840)	0	(31)	(31)	0	0	0	0	0	0
Facilities integration	27.50%	0	56	56	0	63,159	63,159	0	38,317	38,317	0	0	0	0	0	0
Internal/external communications	32.04%	0	5,609	5,609	0	11,645	11,645	0	7,278	7,278	0	0	0	0	0	0
Transition costs	32.04%	0	84,246	84,246	0	319,766	319,766	0	157,911	157,911	0	0	0	0	0	0
Total Reg Process, Facilities, Communications & Transition over cap*		0	0	0	0	0	0	0	164,372	164,372	0	17,458	17,458	0	11,160	11,160
D&O, Reg Process, Facilities, Communicat, Integration		0	292,544	292,544	0	391,730	391,730	0	367,847	367,847	0	17,458	17,458	0	11,160	11,160
Total Non-Labor CTA	27.50%	0	313,000	313,000	0	1,428,568	1,428,568	0	621,809	621,809	0	17,476	17,476	0	19,239	19,239
Transition Internal Labor*		0	0	0	0	528,405	528,405	0	283,234	283,234	0	8,827	8,827	0	11,541	11,541
Total CTA		\$0	\$313,000	\$313,000	\$0	\$1,956,974	\$1,956,974	\$0	\$905,044	\$905,044	\$0	\$26,303	\$26,303	\$0	\$30,780	\$30,780

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Mar 09			Apr 09			May 09			June 2009			July 2009			2009 Through July		
Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total
0	10,464	10,464	0	10,442	10,442	0	(16,786)	(16,786)	0	27,233	27,233	0	0.00	0	0	53,983	53,983
0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0	0	0
0	95	95	0	17,992	17,992	0	18,884	18,884	0	(18,625)	(18,625)	0	(146)	(146)	0	18,326	18,326
0	10,559	10,559	0	28,433	28,433	0	2,098	2,098	0	8,608	8,608	0	(146)	(146)	0	72,309	72,309
0	21,686	21,686	0	109,463	109,463	0	35,805	35,805	0	55,892	55,892	0	60,110	60,110	0	321,211	321,211
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	21,686	21,686	0	109,463	109,463	0	35,805	35,805	0	55,892	55,892	0	60,110	60,110	0	321,211	321,211
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	9,624	9,624	0	0	0	0	9,624	9,624
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70,180	0	70,180	1,507	(0)	1,507	42,828	0	42,828	14,500	182,290	196,790	29,594	163,343	192,937	197,065	345,633	542,698
-	187,187	187,187	-	153,130	153,130	0	67,651	67,651	0	191,913	191,913	0	163,343	163,343	0	933,643	933,643
70,180	187,187	257,366	1,507	153,130	154,637	42,828	67,651	110,479	14,500	191,913	206,413	29,594	163,343	192,937	197,065	933,643	1,130,709
70,180	219,432	289,611	1,507	291,026	292,534	42,828	105,555	148,383	14,500	256,413	270,913	29,594	223,307	252,901	197,065	1,327,163	1,524,229
13,526	71,831	85,357	7,609	73,209	80,818	30,140	99,546	129,687	21,743	48,876	70,619	18,342	57,587	75,929	123,080	484,803	607,882
\$83,705	\$291,263	\$374,968	\$9,117	\$364,235	\$373,351	\$72,968	\$205,101	\$278,069	\$36,243	\$305,289	\$341,532	\$47,936	280,894	\$328,830	\$320,145	\$1,811,966	\$2,132,111

Mar 09			Apr 09			May 09			June 2009			July 2009			2009 Through July		
Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total	Capital	Expense	Total
0	1,288	1,288	0	1,285	1,285	0	(2,066)	(2,066)	0	3,352	3,352	0	0	0	0	6,645	6,645
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	12	12	0	2,215	2,215	0	2,324	2,324	0	(2,293)	(2,293)	0	(18)	(18)	0	2,256	2,256
0	1,300	1,300	0	3,500	3,500	0	258	258	0	1,060	1,060	0	(18)	(18)	0	8,901	8,901
0	3,002	3,002	0	15,153	15,153	0	4,957	4,957	0	7,737	7,737	0	8,321	8,321	0	44,466	44,466
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	3,002	3,002	0	15,153	15,153	0	4,957	4,957	0	7,737	7,737	0	8,321	8,321	0	44,466	44,466
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	1,185	1,185	0	0	0	0	1,185	1,185
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	(0)	(0)	0	0	0	0	0	0	0	0	0	0	26,434	26,434	0	26,434	26,434
0	35,262	35,262	0	21,187	21,187	0	15,137	15,137	0	26,962	26,962	0	26,434	26,434	0	153,599	153,599
0	35,262	35,262	0	21,187	21,187	0	15,137	15,137	0	28,147	28,147	0	26,434	26,434	0	154,784	154,784
0	39,563	39,563	0	39,840	39,840	0	20,352	20,352	0	36,944	36,944	0	34,737	34,737	0	208,151	208,151
0	10,507	10,507	0	9,948	9,948	0	15,963	15,963	0	8,693	8,693	0	9,346	9,346	0	74,825	74,825
\$0	\$50,070	\$50,070	\$0	\$49,788	\$49,788	\$0	\$36,315	\$36,315	\$0	\$45,636	\$45,636	\$0	\$44,084	\$44,084	\$0	\$282,976	\$282,976

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		Actuals	Forecast						
	total 2006+2007	2008	2009 through Jul-09	Aug-09 to Dec 09	Total	Max Cap #06-0540	over/(under) cap		
Peoples Gas Light & Coke Company									
Total Cumulative Costs to Achieve -Forecast									
Separation, Retention, Relocation	2,295,158	746,670	72,309		3,114,138	8,636,000	(5,521,862)		
System Integration & Write Off costs	5,595,260	1,170,626	321,211	591,049	7,678,146	24,629,000	(16,950,854)		
D&O, Reg Process, Facilities, Communicat, Integration	4,924,179	2,688,577	933,643	461,190	9,007,589	6,298,001	2,709,588	Forecast	
SubTotal	12,814,597	4,605,873	1,327,163	1,052,239	19,799,873	39,563,001	(19,763,128)	June 30, 2009	
Less: max cap -D&O, Reg Process, Facilities, etc	-	(1,314,755)	(933,643)	(461,190)	(2,709,588)		(2,709,588)	BAP14.01	difference
Net total	12,814,597	3,291,119	393,520	591,049	17,090,285	39,563,001	(22,472,716)	17,083,804	6,481
	BAP 1.02	BAP 1.02							
North Shore Gas Company									
Total Cumulative Costs to Achieve -Forecast									
Separation, Retention, Relocation	282,513	91,908	8,901		383,322	1,066,000	(682,678)		
System Integration & Write Off costs	774,782	162,054	44,466	81,821	1,063,123	3,409,000	(2,345,877)		
D&O, Reg Process, Facilities, Communicat, Integration	684,274	367,847	154,784	63,187	1,270,093	887,749	887,749	Forecast	
SubTotal	1,741,569	621,809	208,151	145,008	2,716,537	5,362,749	(2,646,212)	June 30, 2009	
Less: max cap -D&O, Reg Process, Facilities, etc	-	(164,372)	(154,784)	(63,187)	(382,344)		(382,344)	BAP14.01	difference
Net total	1,741,569	457,437	53,367	81,821	2,334,194	5,362,749	(3,028,555)	2,333,294	899
	BAP 1.02	BAP 1.02							

The Peoples Gas Light and Coke Company
 Adjust Calendar 2010 depreciation expense on nonrecoverable cushion gas
 Future Test Year ended December 31, 2010

Docket Nos. 09-0166 / 09-0167
 Consolidated
 NS-PGL Ex. SM-3.9P

Rate making adjustment

Adjust Calendar 2010 depreciation expense on nonrecoverable cushion gas

Account 403	Depreciation Expense		Ex. JH-3.3P	\$	(13,000)
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OPERATING EXPENSES

ICC 403	Depreciation Expense			\$	(13,000)
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Total Normalized Income Taxes	- State	(7.3% x	(13,000))	\$1,000
		()	
	- Federal	(35.0% x	(12,000))	4,000
Total						<u>\$5,000</u>
						-

			Deferred		Normalized	
Current (409.1)	- State		2,000	+	1,000	= 3,000
	- Federal		13,000	+	4,000	= 17,000
Deferred (410.1)			(15,000)	-	0	= <u>(15,000)</u>
						5,000

Total Operating Expenses						<u>(8,000)</u>
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EFFECT ON OPERATING INCOME			Schedule C-2 ratemaking adjustment		<u>\$8,000</u>
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() Denotes red figure.

The Peoples Gas Light and Coke Company
 Adjust incremental impact to net dismantling due to reduction in nonrecoverable cushion gas
 Future Test Year ended December 31, 2010

Docket Nos. 09-0166 / 09-0167
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 NS-PGL Ex. SM-3.10P

Rate making adjustment

Adjust incremental impact to net dismantling due to reduction in nonrecoverable cushion gas

Net Dismantling Costs -2010 accrual adjustment -Rebuttal	Ex. SM-2.4P	7,800,000	
(Decrease) Adjustment to Forecasted Plant Additions		(377,000)	WP Ex. SM-3.10P
Average Test Year -Revised Plant in Service (Accounts 101 + 106)		2,556,734,000	WP Ex. SM-3.10P
Percentage		-0.01%	WP Ex. SM-3.10P
Net Dismantling Adjustment			(1,000)

OPERATING EXPENSES

ICC 403	Depreciation Expense			(1,000)
Total Normalized Income Taxes	- State	(7.3% x (1,000))	\$0	
		()		
	- Federal	(35.0% x (1,000))	0	
Total			\$0	
Current (409.1)	- State			0
	- Federal			0
Deferred (410.1)				0
Total Operating Expenses				(1,000)

EFFECT ON OPERATING INCOME **Schedule C-2 ratemaking adjustment** \$1,000

() Denotes red figure.