The Peoples Gas Light and Coke Company
Allocation of Rate Increase Using the Equal Percentage of Embedded Cost Method
Does Not Reflect Storage Service Proposal
Test Year Ending December 31, 2012

		Present Rate Revenue							Proposed					
Line No.	Service Classification	Present Rate Revenue (1)	Less: Ratemaking Adjustments (2)	Adjusted Present Rate Revenue	Embedded Cost of Service @ Proposed (3)	Over/ (Under) Cost of Service	Percent Increase Before EPECM	S.C. 1 & S.C. 2 Proportion of Embedded Cost (4)	Increase (5)	Revenue	Percent Increase After EPECM	Revenue/ Cost	Over/(Under) Cost of Service	Line No.
	[A]	[B]	[C]	[D] [C] + [B]	[E]	[F] [D] - [E]	[G] [F] / [D]	[H]	[I]	[J] [D] + [I]	[K] [I] / [D]	[L] [J] / [E]	[M] [J] - [E]	
1	No. 1	$ 326,379,818	$ (6,343,205)	$ 320,036,613	$ 408,959,754	$ (88,923,141)	27.79%	70.050573%	$ 83,125,138	$ 403,161,751	25.97%	98.6%	$ (5,798,003)	1
2	No. 2	$ 145,804,690	$ (699,334)	$ 145,105,356	174,846,681	(29,741,325)	20.50%	29.949427%	$ 35,539,328	180,644,684	24.49%	103.3%	$ 5,798,003	2
3	Sub-Total	$ 472,184,508	$ (7,042,539)	$ 465,141,969	$ 583,806,435	$ (118,664,466)		100.000000%	$ 118,664,466	$ 583,806,435			$ -	3
4	No. 4	$ 23,371,169	$ (646,557)	$ 22,724,612	$ 27,708,493	$ (4,983,881)	21.93%		$ 4,983,881	$ 27,708,493	21.93%	100.0%	$ -	4
5	No. 8	11,588	(294)	11,294	15,164	(3,870)	34.26%		3,870	15,164	34.26%	100.0%	-	5
6	Total	$ 495,567,265	$ (7,689,390)	$ 487,877,875	$ 611,530,091	$ (123,652,216)	25.34%		$ 123,652,216	$ 611,530,091	25.34%		$ -	6
7	No. 5 & 7	2,248,607		2,248,607					-	2,248,607				7
8	Grand Total	$ 497,815,872		$ 490,126,482					$ 123,652,216	$ 613,778,698				8

NOTES:

(1) Reflects revenue under present rates before ratemaking adjustments. See PGL Ex. 12.2, Col. C, Lines 15-21.
(2) Ratemaking adjustments for each service classificaiton arising from Rider VBA, Rider UEA and Rider ICR. See PGL Ex. 12.2, Column D, lines 15-21.
(3) From Embedded Cost of Service Study (PGL Ex. 13.7, Page 1 of 7, Line 42) . Service Classification Nos. 5 and 7, contract service rates are not included in the cost study.
(4) Column E, Lines 1 and 2, divided by Column E, Line 3.
(5) For Service Classification Nos. 1 and 2, Column F, Line 3 x -1 x Column H.
Service Classification Nos. 4 and 8 are shown at cost. Service Classification Nos. 5 and 7, contract service rate are not included in the cost study.

There may be some differences due to rounding.

( ) Denotes negative.

The Peoples Gas Light and Coke Company
Allocation of Rate Increase Using the Equal Percentage of Embedded Cost Method
Reflects Storage Proposal and Rider SSC Revenues Assuming Currently Subscribed Transportation Storage Levels
Test Year Ending December 31, 2012

Line No.	Service Classification	Present Rate Revenue (1)	Embedded Cost of Service @ Proposed (2)	Less: Embedded Storage Costs (3)	Add: Embedded Subscribed Storage Costs (4)	Embedded Cost With Subscribed Storage	Revenues Per Proposed Rates	Over/ (Under) Cost of Service	Proposed Increase/ (Decrease)	Percent Increase/ (Decrease)	Revenue/ Cost	Line No.
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	
						[C] + [D] + [E]		[G] - [F]	[G] - [B]	[I] / [B]	[G] / [F]	
1	No. 1	$ 320,036,613	$ 408,959,754	$ (24,105,264)	$ 30,963,347	$ 415,817,838	$ 410,361,968	$ (5,455,870)	90,325,355	28.22%	98.7%	1
2	No. 2	145,105,356	174,846,681	(23,031,614)	19,001,505	170,816,571	176,272,782	5,456,211	31,167,426	21.48%	103.2%	2
3	Sub-Total	$ 465,141,969	$ 583,806,435	$ (47,136,878)	$ 49,964,852	$ 586,634,409	$ 586,634,750	$ 341				3
4	No. 4	22,724,612	27,708,493	(4,661,052)	1,834,061	$ 24,881,501	$ 24,881,529	28	2,156,917	9.49%	100.0%	4
5	No. 8	11,294	15,164	(2,152)	2,633	15,645	15,645	(0)	4,351	38.52%	100.0%	5
6	Total	$ 487,877,875	$ 611,530,091	$ (51,800,082)	$ 51,801,546	$ 611,531,555	$ 611,531,924	$ 369	$ 123,654,049	25.35%		6
7	No. 5 & 7	2,248,607					2,248,607					7
8	Grand Total	$ 490,126,482					$ 613,780,531					8

NOTES:

(1) Reflects revenue under present rates net of ratemaking adjustments. See PGL Ex. 12.3, Page 1, Column D.
(2) From Embedded Cost of Service Study (PGL Ex. 13.7, Page 1 of 7, Line 42). Service Classification Nos. 5 and 7, contract service rates are not included in the cost study.
(3) From Embedded Cost of Service Study (PGL Ex. 13.7, Page 1 of 7, Line 11 + Line 17). Service Classification Nos. 5 and 7, contract service rates are not included in the cost study.
(4) Embedded costs assuming test year transportation storage capacity subscription amounts based upon currently subscribed storage bank levels.

There may be some differences due to rounding.

( ) Denotes negative.