

**ILLINOIS GAS COMPANY**

ILL. C.C. DOCKET 10-0687

THIRTY-THIRD ANNUAL RECONCILIATION OF PGA  
GAS REVENUE WITH RELATED COST OF GAS

TWELVE MONTHS ENDED DECEMBER 31, 2010

RESPONDENT'S EXHIBIT AND TESTIMONY  
OF  
LORI A. UHL

PREPARED TESTIMONY OF

LORI A. UHL

FOR

ILLINOIS GAS COMPANY

DOCKET NO. 10-0687

1  
2  
3 PREPARED DIRECT TESTIMONY OF

4  
5 LORI A. UHL

6  
7 ILL. C. C. DOCKET NO. 10-0687

8  
9 Q. Please state your name and business address.

10 A. My name is Lori A. Uhl. My business address is 1927 Miller Drive, PO Box 490, Olney,  
11 Illinois 62450.

12 Q. Ms. Uhl, by whom are you employed and in what capacity?

13 A. I am employed by Illinois Gas Company, "Illinois Gas" or the "Company", as CFO and  
14 Treasurer.

15 Q. How long have you been associated with Illinois Gas?

16 A. Since September 2002.

17 Q. Will you generally describe your responsibilities with the Company?

18 A. I am responsible for all finance functions of Illinois Gas, including but not limited to,  
19 accounting, financial reporting, cash management and the gas supply management.

20 Q. What year is this testimony generally applicable to?

21 A. Calendar year 2010.

22 Q. Have you previously testified before the Illinois Commerce Commission?

23 A. Yes.

24 Q. Will you please describe the business of Illinois Gas Company?

25 A. Illinois Gas is a corporation organized and existing under the laws of the State of Illinois,  
26 with its office in Olney, Illinois. The Company provides gas service to the communities of

1 Lawrenceville, Bridgeport, Sumner, Pinkstaff, Birds and Russellville in Lawrence County,  
2 Illinois; Olney, Noble, Parkersburg, Calhoun, Claremont and Dundas in Richland County,  
3 Illinois; West Liberty, Saint Marie and Willow Hill in Jasper County, Illinois. The average  
4 number of customers served during 2010 was 9,727.

5 Q. I show you what has been marked for identification as Respondent's Exhibit Number 1 and  
6 ask you if this is a true and correct copy of the notice posted in your business office?

7 A. Yes, it is.

8 Q. Where is your business office located?

9 A. 1927 Miller Drive, Olney, Illinois.

10 Q. How long was the notice posted?

11 A. For over 30 days.

12 Q. Was the notice conspicuously posted?

13 A. Yes, on a wall next to the collection counter.

14 Q. I show you what has been marked for identification as Respondent's Exhibit Number 2,  
15 which consists of some five pages and ask you if these are certificates of publishers of the  
16 five newspapers used for the legal publication?

17 A. Yes, they are.

18 Q. Are the five newspapers that were used, newspapers of general circulation in the area served  
19 by Illinois Gas?

20 A. Yes, they are the only locally published newspapers in our service area.

21 Q. Have you made publication in every municipality and general area in which you provide  
22 service, provided a newspaper is published in that community?

23 A. Yes.

24 Q. Does Illinois Gas utilize cyclical billing?

1 A. Yes, the Company cyclically bills its customers monthly for service periods which generally  
2 extend over two consecutive months.

3 Q; Are you familiar with your computer's billing program for proration?

4 A. Yes.

5 Q. Is the method of proration consistent with the preceding year?

6 A. Yes, we have been using this method since 1985.

7 Q. Will you explain the proration methodology?

8 A. The computer prorates each bill, based on the number of days of service, with each bill being  
9 considered as having used an equal daily volume for the service period. For example, if you  
10 have a 30 day month with meter reading dates of the 16th for the prior month and the 16th  
11 for the current month, 15 days service is prorated at the prior month's rate and 15 days  
12 service at the current month's rate. Assuming equal daily usage for the service period, one  
13 half of the volume is assigned to each of the periods. When it is necessary to hand prorate  
14 bills, such as the billing of Interruptible service, the same method is used. In February of  
15 1997, the Company's CEO did a comparison of proration by equal daily usage versus  
16 proration by daily temperature. This was done in order to check the accuracy of the current  
17 method of calculating "Unbilled" Revenue. It was determined that the difference in the  
18 assignment of therms to either the current or prior month, was less than 1%, in a situation  
19 where December had 909 Degree Days and January 1229 Degree Days.

20 Q. How is the Company's Uniform PGA Clause structured?

21 A. The Company, with Commission approval, unbundled its' Uniform PGA Tariff for  
22 calculation of the PGA rate, to a component, D-1 Daily Demand, D-2 Annual Demand and  
23 Commodity calculation, on January 1, 1988. Texas Gas Transmission implemented Order  
24 636, November 1, 1993, and changed to a SFV Rate design with Seasonal Demand Charges.

1 Illinois Gas, with Commission approval, changed to a Winter/Seasonal Demand,  
2 Summer/Seasonal Demand and Commodity component calculation on December 1, 1993.  
3 On November 1, 1995, new PGA and Tariff Sheets effective January 1, 1996, were filed with  
4 the Illinois Commerce Commission, in order to comply with the new format for PGA  
5 Calculation, per Docket No. 94-0403.

6 Q. How are the various PGA components applied to customer bills?

7 A. The PGA rate billed is based on different combinations of components to each of 2 classes of  
8 gas usage customers. Firm usage of system supply is billed the Winter/Season Demand,  
9 Summer/Season Demand and Commodity components. Interruptible usage of system supply  
10 is billed the Winter/Season Demand, Summer/Season Demand and Commodity components,  
11 but receives credit for the Winter/Season component. Interruptible customers are not charged  
12 the Winter/Season component because they are interruptible during the Winter/Season and  
13 Firm during the Summer/Season, which allows the contractual pipeline Winter/Season or  
14 Peak Demand to be reduced so the Company is charged a minimum for this component.

15 Q. Did you have any "Rider A" Firm Transportation customers on and after January 1, 2010?

16 A. Yes, we had one customer, Richland Memorial Hospital, using this service in 2010. The  
17 Rate for gas supplied Richland Memorial from our System Supply, when they have a  
18 shortfall, is calculated at the appropriate monthly Commodity PGA Rate. When Richland  
19 Memorial nominates more than they use, the tariff states we will credit the customer at the  
20 Texas Gas Transmission posted cash-out price for the appropriate month. Thus **Statement 5**  
21 **(Rider A PGA Revenue)** is required to list all the various charges and/or credits, applicable  
22 to PGA costs and/or Gas Purchases.

23 Q. Is Texas Gas Transmission, LLC your only pipeline supplier?

24 A. Yes, Texas Gas is the only Pipeline Company serving our area.

- 1 Q. Has the Company investigated the possibility of an alternative pipeline supply?
- 2 A. Yes, the nearest alternate pipeline is Trunkline Gas Company, which is approximately 50  
3 miles west of our primary gate station. We feel the cost of securing the necessary Contract's  
4 and installing the transmission lines cannot be justified to our customers at this time.
- 5 Q. Does the Company purchase gas on the spot market for system supply?
- 6 A. Yes, we have been purchasing gas on the spot market since August 1986. From November  
7 2003 through October 2006, all purchases were made through our agent ATMOS ENERGY  
8 MARKETING, who was also selected by competitive bidding. Since November 2006, all  
9 purchases have been made through our agent BP CANADA ENERGY MARKETING  
10 CORP, who was also selected by competitive bidding. Through these marketers, we have  
11 also purchased futures contracts.
- 12 Q. How did the average cost of gas for 2010 compare with 2009?
- 13 A. The average book cost of all purchases including both Seasonal/Demand and Commodity  
14 charges divided by the total MMBtu delivered into our system during 2010 was \$6.1047.  
15 The average cost for 2009 was \$6.5709. This is approximately a \$.47 decrease.
- 16 Q. Does, the Company have a large space heating load?
- 17 A. Yes, the Company's sales for 2010 consisted of approximately 84% to Residential and  
18 Commercial Space Heating customers. Thus the daily volume and make up of gas  
19 throughput varies primarily with the daily atmospheric temperature and day of week.
- 20 Q. What was the Company's mix of gas throughput for calendar year 2010?
- 21 A. The total gas throughput for 2010 was 1,149,704 MMBtu, all transported under the Texas  
22 Gas NNS rate. The whole SFT contract capacity was released during 2010.
- 23 Q. How does the 2010 total throughput compare with prior years?
- 24 A. The throughput for 2009 was 1,146,483 MMBtu, 2008 was 1,183,163MMBtu, 2007 was

1 1,075,950 MMBtu, 2006 was 1,007,358 MMBtu and 2005 was 1,156,805 MMBtu.

2 Q. What was the Company's maximum daily contract demand for 2010?

3 A. Under an STF agreement, we are allotted 2,200 MMBtu per day during the Winter Season,  
4 under the NNS agreement we are allotted 14,950 MMBtu per day during the Winter Season,  
5 or a total of 17,150 MMBtu per day.

6 Q. What was the peak day during 2010?

7 A. The peak day was 11,180 MMBtu on December 13, 2010.

8 Q. What was the mean temperature on December 13, 2010?

9 A. The mean temperature on December 13, 2010 was 9.1 degrees, for a total of 56 Heating  
10 Degree Days. Our gas demand and supply system is designed for 70 Heating Degree Days.

11 Q. Do you believe Illinois Gas Company's gas purchases for calendar year 2010 were prudently  
12 made?

13 A. Yes, in my opinion, the Company prudently purchased gas for its' customers.

14 Q. Has the Company employed Kemper CPA Group, an independent Certified Public  
15 Accounting Firm, in Vincennes, Indiana, to audit the financial information included in  
16 Respondent's Exhibit 3, which is presented in this proceeding?

17 A. Yes.

18 Q. Did you prepare Respondent's Exhibit 3, and do you believe it accurately represents PGA  
19 revenue billed under the Company's uniform PGA clause and the related recoverable gas  
20 costs as shown in the Company's financial records and in compliance with I.C.C. Docket No.  
21 10-0687?

22 A. Yes, I prepared Exhibit 3, which was audited by Kemper CPA Group.

23 Q. I show you a document previously marked for identification as Respondent's Exhibit 3 and  
24 ask you to describe this document.

1 A. Respondent's Exhibit 3 contains a cover page, table of contents, the auditor's report and ten  
2 statements.

3 Q. Please describe the purpose of Respondents Exhibit 3.

4 A. This Exhibit is submitted in compliance with I.C.C. Docket No.10-0687 which requires that  
5 gas companies under the Commission's jurisdiction reflect actual costs of gas prudently  
6 purchased and to reconcile any revenues collected, under the Uniform PGA Clause with the  
7 actual gas costs as recorded, including Adjustment's, in the Company's financial records.  
8 Accordingly, this Exhibit reflects the Company's Thirty-Third Annual PGA Reconciliation  
9 for the year ending December 31, 2010, of gas revenue billed under its PGA clause,  
10 including Adjustment's, with the related cost of gas, as recorded in the Company's financial  
11 records for the same period then ended.

12 Q. What is the total Adjusted Under (Over) recovery of PGA revenue reflected in this Exhibit?

13 A. Statement 1, Line 10 of this Exhibit reflects a total \$129,810 Under (Over) recovery for the  
14 twelve months ended December 31, 2010. Line 11 is the sum of Line 10 added to the Line 4  
15 Balance to Be Collected (Refunded) from Prior Periods of (\$128,314) equals \$1,496  
16 Adjusted Under (Over) Recovery, which was Amortized to Schedule I.

17 Q. Was any part of this Under (Over) collection of gas costs for 2009 Collected (Refunded)  
18 through monthly PGA filings during 2010?

19 A. Yes, the Under (Over) Recovery for the last three months of 2009, was Collected  
20 (Refunded), January through March 2010. The first nine months of 2010, was Collected  
21 (Refunded) April through December of 2010. The last three months of 2010 Under (Over)  
22 Recovery will be Collected (Refunded), January through March 2011. This is in accordance  
23 with the PGA Format effective January 1, 1996, per I.C.C. Docket No 94-0403.

24 Q. What accounting methods are used by the Company to account for its gas costs and PGA

1 revenues?

2 A. The "unbilled revenue" method is used to account for PGA revenues. This method reflects  
3 PGA revenue billed for the gas delivered from the first day of the year through the last day of  
4 the same year. The Company records all gas costs under the accrual basis of accounting,  
5 which reflects the cost of all gas purchases delivered for the calendar year ending December  
6 31.

7 Q. Are these methods consistent with the preceding year and in compliance with Commission  
8 policy?

9 A. Yes, they are.

10 Q. Will you explain the information contained in this Exhibit?

11 A. This Exhibit contains ten statements, which in total provides a reconciliation of recoverable  
12 gas cost with the revenue billed under the Company's Uniform PGA Clause, including  
13 Adjustment's, for the twelve month period ended December 31, 2010.

14 **Statement 1** summarizes the reconciliation and contains 6 columns. The 1st column  
15 contains the Line No., The 2nd column contains a description of each Line No., the 3rd  
16 column reflects the Winter Seasonal Demand component, the 4th column reflects the  
17 Summer Seasonal Demand component, the 5th column reflects the Commodity component,  
18 and the 6th column reflects the totals of Column's 3, 4 and 5.

19 Line #

- 20 1. Shows the Unamortized Balance as of 12/31/09 per the 2009 Reconciliation.  
21 2. Contains the Factor A Adjustments amortized to Schedule I at 12/31/09 per the 2009  
22 reconciliation.  
23 3. Reflects the Factor O Collected (Refunded) during 2010.  
24 4. Shows the balance to be Collected (Refunded) from prior periods, (Sum of lines 1 -

- 1                    3).
- 2                    5.     Shows the 2010 Recoverable costs.
- 3                    6.     Reflects the PGA revenue collected during 2010.
- 4                    7.     Shows the total of any Pipeline Surcharges (Refunds).
- 5                    8.     Shows the total of any other adjustments.
- 6                    9.     Shows the Interest for 2010.
- 7                    10.    Reflects the 2010 Recovery Under(Over)(Sum of lines 5-9).
- 8                    11.    Balance of Recovery Under (Over) at 12/31/10, (Line 4 + Line 10)
- 9                    12.    Factor A Adjustments amortized to Schedule I at 12/31/10.
- 10                   13.    Unamortized Balance at 12/31/10, (per Filing truing up actuals for December 2010).
- 11                   14.    Requested Factor O (Line 11 - Line 12 - Line 13).

12

13                    **Statement 2** is a summary of the monthly Invoice Cost and Adjustment's compared to PGA

14                    revenue from the Winter/Season PGA clause billings, for the year ended December 31, 2010,

15                    and consists of eighteen columns. The 1st column indicates the billing month. The 2nd

16                    indicates the calculated (A) volume of gas delivered on and after the 1st day of the month to

17                    which the current monthly PGA rate is billed. The calculated (B) volume of gas in the

18                    current month's billing, applicable to the prior month's consumption and billed at the prior

19                    month's PGA Rate. The 3rd reflects the Vendor's identity. The 4th reflects the monthly

20                    invoice cost of the applicable component. The 5th reflects the monthly Commodity volume

21                    delivered into the Illinois Gas system. The 6th reflects the average cost per therm, calculated

22                    by dividing column 4 by column 5 and dividing by 10. The 7th reflects the volume in

23                    therm's of Company Use and Franchise gas applicable to each month. The 8th reflects

24                    column 6 times column 7, or the monthly cost of Company Use and Franchise. The 9th

1 reflects column 4 plus column 8 or the recoverable cost. The 10th reflects the calculated  
2 sales term (A) or (B) applicable to each month's billing. The 11th reflects the monthly PGA  
3 rate applicable to the (A) or (B) term sales. The 12th reflects the prorated recovery  
4 applicable to the (A) and (B) term, column 10 times column 11. The 13<sup>th</sup> reflects the  
5 revenue applicable to the PGA recovery from Rider A Billings. The 14th reflects the total of  
6 column 12 and 13 or the monthly PGA recovery. The 15<sup>th</sup> reflects the monthly Under (Over)  
7 recovery, calculated by subtracting column 14 from column 9. The 16th is the Adjustment  
8 "Factor O" from monthly PGA filings. The 17<sup>th</sup> is the Adjustment "Factor A" from monthly  
9 PGA filings. The 18th reflects the adjusted Under (Over) recovery, or column 15 plus  
10 column 16 and column 17.

11 **Statement 3** is a summary of the monthly Invoice Cost and Adjustment's compared to PGA  
12 revenue from the Summer/Season PGA clause billings, for the year ended December 31,  
13 2010, and consists of eighteen columns. (See Statement 2 above for a description of each  
14 column).

15 **Statement 4** is a summary of the monthly Invoice Cost and Adjustment's compared to PGA  
16 revenue from the Commodity PGA clause billings for the year ended December 31, 2010,  
17 and consists of eighteen columns. (See Statement 2 above for a description of each column).

18 **Statement 5** is a summary of the Revenue applicable to Demand and Commodity charges or  
19 Gas Supply Cost's in the event of a Cash-Out situation, from monthly Rider A billing  
20 records, and consists of 10 columns. Column 1 is the Billing Month. Column 2 reflects the  
21 "A" terms in the billing month which are applicable to the current month's PGA Rate. The  
22 "B" terms in the current month's billing are billed at the Prior Month's PGA Rate. Column  
23 3 reflects the amount of Recovery applicable to the Winter Season Demand. Column 4  
24 reflects the amount of Recovery applicable to the Summer Season Demand. Column 5

1 reflects the amount of Recovery from the sale of System supply Gas to the Transport  
2 Customer, in the event of a shortfall. Column 6 reflects the amount of Recovery applicable  
3 to the Transport Therm's delivered to the customer. Column 7 reflects the number of  
4 Transport Therm's delivered to the Customer. Column 8 reflects the number of System  
5 Supply Therm's delivered to the Transport Customer. Column 9 reflects the number of  
6 MMBtu purchased from the transport customer. Column 10 reflects the Cost paid the  
7 Transport Customer for excess Gas.

8 **Statement 6** is an analysis of the Winter Demand component as filed on Schedule II of the  
9 monthly PGA filings.

10 Line#

- 11 1. Shows the monthly Recoverable Cost.
- 12 2. Shows the monthly Actual Recovery.
- 13 3. Shows the monthly Under (Over) Recovery.
- 14 4. Shows the Amount of Factor A included in the Gas Charge Calculation (Schedule I).
- 15 5. Shows the Amount of Factor O included in the Gas Charge Calculation.
- 16 6. Shows the monthly Adjusted Under (Over) Recovery.
- 17 7. Shows the monthly Refunds/Surcharges.
- 18 7.1. Shows the monthly Other Adjustments.
- 19 8. Shows the Unamortized Balance of Adjustment Factor including interest (Previous  
20 Filing Month Schedule II).
- 21 9. Shows the monthly Total Adjustments Before Amortization.
- 22 10. Shows the monthly Factor A Amount to Schedule I.
- 23 11. Shows the monthly Unamortized Balance of Factor A.
- 24 12. Shows the monthly Unamortized Balance of Factor O.

- 1           13.     Shows the monthly Total Unamortized Balance.
- 2           14.     Shows the Monthly Interest for 1 Month at .50% Annual Rate.
- 3           15.     Shows the monthly Total Unamortized Balance including Interest.
- 4           19.     Indicates the Annual Interest rate for the reconciliation year.

5           **Statement 7** is an analysis of the Summer Demand component as filed on Schedule II of the  
6           monthly PGA filings. (See Statement 6 above for a description of each line).

7           **Statement 8** is an analysis of the Commodity component as filed on Schedule II of the  
8           monthly PGA filings. (See Statement 6 above for a description of each line).

9           **Statement 9** is an analysis of all adjustments included in the monthly calculation of Factor  
10          A, for each of the three components, Winter Demand, Summer Demand and Commodity.  
11          The schedule is self explanatory, and was compiled from the monthly PGA Filings.

12          **Statement 10** is a summary of the purchased gas adjustment charges applicable to the three  
13          components of the PGA rates (including adjustments) for gas service rendered on or after  
14          January 1, 2010 through December 31, 2010. The total PGA rates shown are cumulative  
15          totals of the components for each month.

- 16    Q.     Does this conclude your testimony?
- 17    A.     Yes, it does.

## **NOTICE TO OUR CUSTOMERS**

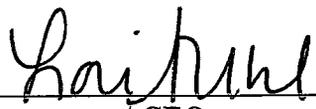
### **NOTICE OF HEARING ON COST OF FUEL ADJUSTMENT CHARGES**

**TO: The Patrons of Illinois Gas Company**

Illinois Gas Company hereby gives notice to the Public that it has filed with the Illinois Commerce Commission a report which provides a summary of the reconciliation of revenue billed under its Uniform Purchased Gas Adjustment Clause charges, with the cost of gas incurred for the twelve months ended December 31, 2010.

All parties interested in this matter may obtain information with respect thereto either directly from this Company or by addressing the Chief Clerk of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois, 62701.

ILLINOIS GAS COMPANY

By:   
Treasurer / CFO

**NOTICE TO OUR  
CUSTOMERS**

**NOTICE OF HEARING ON  
COST OF FUEL ADJUSTMENT  
CHARGES**

TO: The patrons of Illinois Gas Company

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All parties interested in this matter may obtain information with respect thereto either directly from this Company or by addressing the Chief Clerk of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois, 62701.

**ILLINOIS GAS COMPANY  
BY LORI A. UHL  
Treasurer / CFO**

Note:

Publish in Legal Notice Section.

To be published once each week for two consecutive weeks.

First publication to be during week of April 4, 2011.

Second publication to be during week of April 11, 2011.

Certificate of Publication required.

Send to:

Lori A. Uhl  
Illinois Gas Company  
PO Box 490  
Olney, IL 62450

**ILLINOIS GAS COMPANY**

ILL. C.C. DOCKET NO. 10-0687

THIRTY-THIRD ANNUAL RECONCILIATION OF PGA  
GAS REVENUE WITH RELATED COST OF GAS

TWELVE MONTHS ENDED DECEMBER 31, 2010

RESPONDENT'S EXHIBIT 3

# ILLINOIS GAS COMPANY

ILL. C.C. DOCKET NO. 10-0687

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## INDEPENDENT AUDITOR'S REPORT

Illinois Gas Company  
Olney, Illinois

We have audited the accompanying statements 1 through 10 described in the preceding table of contents of Illinois Gas Company for the year ended December 31, 2010. These statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statements were prepared to present the reconciliation of revenue billed under uniform PGA charges with the adjusted cost of gas incurred of Illinois Gas Company pursuant to the Illinois Commerce Commission's Order 10-0687 dated December 2, 2010 and General Order 212, and is not intended to be a complete presentation of the Company's income and expenses.

In our opinion, the statements referred to above present fairly, in all material respects, the reconciliation of revenue billed under uniform PGA charges with the adjusted cost of gas incurred of Illinois Gas Company for the year ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America and the Illinois Commerce Commission's 10-0687 dated December 2, 2010 and General Order 212.

This report is intended solely for the information and use of the Board of Directors and Management of Illinois Gas Company and the Illinois Commerce Commission and is not intended to be and should not be used by anyone other than these specified parties.

*Kemper CPA Group LLP*

Certified Public Accountants and Consultants

Vincennes, Indiana  
March 01, 2011

**RECONCILIATION OF REVENUE BILLED UNDER UNIFORM PGA CHARGES  
WITH THE ADJUSTED COST OF GAS INCURRED  
FOR THE RECONCILIATION PERIOD ENDED DECEMBER 31, 2010**

<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Winter Seasonal Demand</u> (3)	<u>Summer Seasonal Demand</u> (4)	<u>Commodity</u> (5)	<u>Total</u> (6)
1	Unamortized Balance as of 12/31/09 per 2009 Reconciliation	\$0	\$0	\$0	\$0
2	Factor A Adjustments Amortized to Schedule I at 12/31/09 per 2009 Reconciliation	(34,054)	(52,628)	(41,632)	(128,314)
3	Factor O Collected (Refunded) During 2010	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4	Balance to Be Collected(Refunded) During 2010 From Prior Periods, (Sum of lines 1-3)	(34,054)	(52,628)	(41,632)	(128,314)
5	2010 Recoverable Gas Costs	908,614	443,911	5,524,038	6,876,563
6	2010 PGA Revenues	(970,036)	(356,229)	(5,420,769)	(6,747,034)
7	Pipeline Surcharges (Refunds)	0	0	0	0
8	Other Adjustments	0	0	481	481
9	Interest	(7)	0	(193)	(200)
10	2010 Under/(Over) Recovery (Sum of lines 5-9)	<u>(61,429)</u>	<u>87,682</u>	<u>103,557</u>	<u>129,810</u>
11	Under/(Over) Recovery Balance at 12/31/2010 (Line 4 + Line 10)	(95,483)	35,054	61,925	1,496
12	Factor A Adjustments Amortized to Schedule I at 12/31/2010	(95,483)	35,054	61,925	1,496
13	Unamortized Balance at 12/31/10 (per Filing truing up actuals for Dec 2010)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14	Requested Factor O (Line 11 - Line 12 - Line 13)	0	0	0	0

WINTER/D INVOICE COST AND ADJUSTMENTS VERSUS RECOVERY OF COSTS FOR SYSTEM GAS, CALENDAR YEAR 2011

Month	Vendor	Winter Invoice Cost	Commodity Volume MMBtu	Avg Cost Therm	Co Use & Franchise Therm	Co Use & Franchise Cost	Recoverable Cost	Winter Therm	Winter Pga Rate	Prorated Recovery	Rider A FT Revenue	Monthly PGA & Rider A Recovery	Under (Over) Recovery	Adjustments Factor O	Adjustments Factor A	Adjusted Under (Over) Recovery
(1)	(2)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Jan	(A) Texas Gas	\$187,259	250,757	\$0.0747	(12,287)	(\$918)	\$186,341	878,389	\$0.0965	\$84,764.54		\$216,263	(\$29,922)	\$0	(\$13,799)	(\$43,721)
	(B)							1,362,676	0.0965	131,498.23	\$0					
Feb	(A) Texas Gas	169,137	203,733	0.0830	(11,510)	(955)	168,182	702,976	0.1061	74,585.75		201,078	(32,896)	0	494	(32,402)
	(B)							1,192,196	0.1061	126,492.00	0					
Mar	(A) Texas Gas	187,259	117,162	0.1598	(5,528)	(883)	186,376	416,752	0.1473	61,387.57		155,908	30,468	0	(20,749)	9,719
	(B)							641,688	0.1473	94,520.64	0					
April	(A) Texas Gas	0	41,851	0.0000	(870)	0	0	240,375	0.0067	1,610.51		3,134	(3,134)	0	(43,721)	(46,855)
	(B)							227,362	0.0067	1,523.33	0					
May	(A) Texas Gas	0	33,244	0.0000	(486)	0	0	99,086	0.0152	1,506.11		4,219	(4,219)	0	(16,481)	(20,700)
	(B)							178,498	0.0152	2,713.17	0					
June	(A) Texas Gas	0	24,896	0.0000	(299)	0	0	53,631	0.0295	1,582.11		5,476	(5,476)	0	(6,209)	(11,685)
	(B)							131,988	0.0295	3,893.65	0					
July	(A) Texas Gas	0	22,281	0.0000	(313)	0	0	62,291	0.0352	2,192.64		6,132	(6,132)	0	(46,855)	(52,987)
	(B)							111,917	0.0352	3,939.48	0					
Aug	(A) Texas Gas	0	24,915	0.0000	(281)	0	0	61,176	0.0371	2,269.63		6,611	(6,611)	0	(20,700)	(27,311)
	(B)							117,030	0.0371	4,341.81	0					
Sep	(A) Texas Gas	0	30,497	0.0000	(297)	0	0	61,998	0.0373	2,312.53		8,438	(8,438)	0	(11,685)	(20,123)
	(B)							164,218	0.0373	6,125.33	0					
Oct	(A) Texas Gas	0	46,287	0.0000	(911)	0	0	84,794	0.0710	6,020.37		30,644	(30,644)	0	(52,987)	(83,631)
	(B)							346,814	0.0710	24,623.79	0					
Nov	(A) Texas Gas	181,548	110,569	0.1642	(3,940)	(647)	180,901	184,976	0.1350	24,971.76		151,621	29,280	0	(27,311)	1,969
	(B)							938,140	0.1350	126,648.90	0					
Dec	(A) Texas Gas	187,600	224,891	0.0834	(9,427)	(786)	186,814	492,555	0.0869	42,803.03		180,512	6,302	0	(20,123)	(13,821)
	(B)							1,584,688	0.0869	137,709.39	0	0				(95,483)
Jan	(B)														Sum of Jan, Feb, Mar->	
Total		\$912,803	1,131,083		(46,149)	(\$4,189)	\$908,614	10,336,214		\$970,036.27	\$0	\$970,036	(\$61,422)	\$0	(\$280,126)	(\$341,548)

NOTE A: This is the calculated volume of gas delivered on and after the first day of the month to which the current monthly PGA rate is applied  
 B: This is the calculated volume of gas in current month's billing, applicable to the prior month's consumption and billed at the prior month's PGA rate

SUMMER/D INVOICE COST AND ADJUSTMENTS VERSUS RECOVERY OF COSTS FOR SYSTEM GAS, CALENDAR YEAR 2010

Month (1)	(2)	Vendor (3)	Summer Invoice Cost (4)	Commodity Volume MMBtu (5)	Avg Cost Therm (6)	Co Use & Franchise Therm (7)	Co Use & Franchise Cost (8)	Recoverable Cost (9)	Summer Therm (10)	Summer Pga Rate (11)	Prorated Recovery (12)	Rider A FT Revenue (13)	Monthly PGA & Rider A Recovery (14)	Under (Over) Recovery (15)	Adjustments Factor O (16)	Adjustments Factor A (17)	Adjusted Under (Over) Recovery (18)
Jan	(A)	Texas Gas	\$0	250,757	\$0.0000	(12,287)	\$0	\$0	878,389	(\$0.0042)	(\$3,689.23)		(\$9,723)	\$9,723	\$0	(\$46,889)	(\$37,166)
	(B)								1,436,556	(0.0042)	(6,033.54)	\$0					
Feb	(A)	Texas Gas	0	203,733	0.0000	(11,510)	0	0	702,976	(0.0007)	(492.08)		(1,369)	1,369	0	(6,555)	(5,186)
	(B)								1,252,361	(0.0007)	(876.65)	0					
Mar	(A)	Texas Gas	0	117,162	0.0000	(5,528)	0	0	416,752	0.0001	41.68		111	(111)	0	816	705
	(B)								692,590	0.0001	69.26	0					
April	(A)	Texas Gas	108,249	41,851	0.2587	(870)	(225)	108,024	240,375	0.1087	26,128.76		56,705	51,319	0	(37,166)	14,153
	(B)								281,290	0.1087	30,576.22	0					
May	(A)	Texas Gas	41,092	33,244	0.1236	(486)	(60)	41,032	99,086	0.1091	10,810.28		35,944	5,088	0	(5,186)	(98)
	(B)								230,371	0.1091	25,133.48	0					
June	(A)	Texas Gas	39,766	24,896	0.1597	(299)	(48)	39,718	53,631	0.1607	8,618.50		40,422	(704)	0	705	1
	(B)								197,904	0.1607	31,803.17	0					
July	(A)	Texas Gas	41,092	22,281	0.1844	(313)	(58)	41,034	62,291	0.2123	13,224.38		46,999	(5,965)	0	14,153	8,188
	(B)								159,089	0.2123	33,774.59	0					
Aug	(A)	Texas Gas	41,092	24,915	0.1649	(281)	(46)	41,046	61,176	0.1623	9,928.86		39,480	1,566	0	(98)	1,468
	(B)								182,075	0.1623	29,550.77	0					
Sep	(A)	Texas Gas	39,766	30,497	0.1304	(297)	(39)	39,727	61,998	0.1272	7,886.15		41,036	(1,309)	0	1	(1,308)
	(B)								260,609	0.1272	33,149.46	0					
Oct	(A)	Texas Gas	133,593	46,287	0.2886	(911)	(263)	133,330	84,794	0.2136	18,112.00		107,441	25,889	0	8,188	34,077
	(B)								418,207	0.2136	89,329.02	0					
Nov	(A)	Texas Gas	0	110,569	0.0000	(3,940)	0	0	184,976	0.0004	73.99		473	(473)	0	1,468	995
	(B)								997,391	0.0004	398.96	0					
Dec	(A)	Texas Gas	0	224,891	0.0000	(9,427)	0	0	492,555	(0.0006)	(295.53)		(1,290)	1,290	0	(1,308)	(18)
	(B)								1,657,217	(0.0006)	(994.33)	0	0.00				
Jan	(B)																35,054
Total			\$444,650	1,131,083		(46,149)	(\$739)	\$443,911	11,104,659		\$356,228.17	\$0	\$356,229	\$87,682	\$0	Sum of Jan, Feb, Mar-> (-\$71,871)	\$15,811

NOTE A: This is the calculated volume of gas delivered on and after the first day of the month to which the current monthly PGA rate is applied  
B: This is the calculated volume of gas in current month's billing, applicable to the prior month's consumption and billed at the prior month's PGA rate

COMMODITY INVOICE COST AND ADJUSTMENTS VERSUS RECOVERY OF COSTS FOR SYSTEM GAS, CALENDAR YEAR 2011

Month		Vendor	Commodity Invoice Cost	Commodity Volume MMBtu	Avg Cost Therm	Co Use & Franchise Therm	Co Use & Franchise Cost	Recoverable Cost	Commodity Therm	Commodity Pga Rate	Prorated Recovery	Rider A FT Revenue	Monthly PGA & Rider A Recovery	Under (Over) Recovery	Adjustments Factor O	Adjustments Factor A	Adjusted Under (Over) Recovery
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Jan	(A)	Texas Gas & BP	\$1,445,320	250,757	\$0.5764	(12,287)	(\$7,082)	\$1,438,238	878,389	\$0.6051	\$531,513.18		\$1,400,773	\$37,465	\$0	\$66,162	\$103,627
	(B)								1,436,556	0.6051	869,260.04	\$0					
Feb	(A)	Texas Gas & BP	1,081,200	203,733	0.5307	(11,510)	(6,108)	1,075,092	702,976	0.5877	413,139.00		1,149,213	(74,121)	0	(58,991)	(133,112)
	(B)								1,252,361	0.5877	736,012.56	61	600,187	(6,572)	0	(48,803)	(55,375)
Mar	(A)	Texas Gas & BP	596,429	117,162	0.5091	(5,528)	(2,814)	593,615	416,752	0.5407	225,337.81		285,837	(139,761)	0	51,007	(88,754)
	(B)								692,590	0.5407	374,483.41	366	156,031	(22,508)	0	(20,315)	(42,823)
April	(A)	Texas Gas & BP	146,380	41,851	0.3498	(870)	(304)	146,076	240,375	0.5468	131,437.05		88,181	14,893	0	(28,462)	(13,569)
	(B)								281,290	0.5468	153,809.37	591	156,031	(22,508)	0	(20,315)	(42,823)
May	(A)	Texas Gas & BP	133,718	33,244	0.4022	(486)	(195)	133,523	99,086	0.4736	46,927.13		88,181	14,893	0	(28,462)	(13,569)
	(B)								230,371	0.4736	109,103.71	0	156,031	(22,508)	0	(20,315)	(42,823)
June	(A)	Texas Gas & BP	103,198	24,896	0.4145	(299)	(124)	103,074	53,631	0.3502	18,781.58		88,181	14,893	0	(28,462)	(13,569)
	(B)								197,904	0.3502	69,305.98	93	88,181	14,893	0	(28,462)	(13,569)
July	(A)	Texas Gas & BP	101,154	22,281	0.4540	(313)	(142)	101,012	62,291	0.2580	16,071.08		75,213	40,421	0	(44,378)	(3,957)
	(B)								159,089	0.2580	41,044.96	0	75,213	40,421	0	(44,378)	(3,957)
Aug	(A)	Texas Gas & BP	115,765	24,915	0.4646	(281)	(131)	115,634	61,176	0.3079	18,836.09		97,763	17,429	0	(35,371)	(17,942)
	(B)								182,075	0.3079	56,060.89	316	97,763	17,429	0	(35,371)	(17,942)
Sep	(A)	Texas Gas & BP	115,304	30,497	0.3781	(297)	(112)	115,192	61,998	0.3030	18,785.39		111,616	80,986	0	(108,784)	(27,798)
	(B)								260,609	0.3030	78,964.53	13	111,616	80,986	0	(108,784)	(27,798)
Oct	(A)	Texas Gas & BP	192,982	46,287	0.4169	(911)	(380)	192,602	84,794	0.2219	18,815.79		480,671	(2,955)	0	(3,957)	(6,912)
	(B)								418,207	0.2219	92,800.13	0	480,671	(2,955)	0	(3,957)	(6,912)
Nov	(A)	Texas Gas & BP	479,424	110,569	0.4336	(3,940)	(1,708)	477,716	184,976	0.4065	75,192.74		918,168	114,096	0	(17,942)	96,154
	(B)								997,391	0.4065	405,439.44	39	918,168	114,096	0	(17,942)	96,154
Dec	(A)	Texas Gas & BP	1,036,609	224,891	0.4609	(9,427)	(4,345)	1,032,264	492,555	0.4271	210,370.24		0				
	(B)								1,657,217	0.4271	707,797.38	0	0				61,444
Jan	(B)																
Total			\$5,547,483	1,131,083		(46,149)	(\$23,445)	\$5,524,038	11,104,659		\$5,419,289.48	\$1,479	\$5,420,769	\$103,269	\$0	(\$294,237)	(\$190,968)

NOTE A: This is the calculated volume of gas delivered on and after the first day of the month to which the current monthly PGA rate is applied  
 B: This is the calculated volume of gas in current month's billing, applicable to the prior month's consumption and billed at the prior month's PGA rate

**Rider A Firm Transportation Pga Revenue**

Billing Month		Winter Reservation Revenue	Summer Reservation Revenue	Commodity Sales Revenue	Commodity T'port Revenue	Transport Therms	Commodity Sales Therms	Cashout Purchase MMBtu	Cashout Purchase Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Jan	(A)	\$0.00	\$0.00	\$0.00	0.00	0	0	0	\$0.00
	(B)	0.00	0.00	0.00	0.00	16,520	0	75	404.62
Feb	(A)	0.00	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	0.00	61.12	0.00	14,481	104	0	0.00
Mar	(A)	0.00	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	0.00	365.51	0.00	16,441	676	0	0.00
April	(A)	0.00	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	0.00	591.09	0.00	17,306	1,081	0	0.00
May	(A)	0.00	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	0.00	0.00	0.00	18,158	0	56	219.52
June	(A)	0.00	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	0.00	92.80	0.00	12,532	265	0	0.00
July	(A)	0.00	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	0.00	0.00	0.00	12,740	0	21	94.19
Aug	(A)	0.00	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	0.00	315.60	0.00	12,641	1,025	0	0.00
Sep	(A)	0.00	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	0.00	12.73	0.00	17,008	42	0	0.00
Oct	(A)	0.00	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	0.00	0.00	0.00	16,444	0	85	279.23
Nov	(A)	0.00	0.00	0.00	0.00	0	0	0	0.00
	(B)	0.00	0.00	38.62	0.00	14,621	95	0	0.00
Dec	(A)	0.00	0.00	0.00	0.00	0	0	0	0.00
Jan	(B)	0.00	0.00	0.00	0.00	16,338	0	31	126.48
Total		0.00	0.00	1,477.47	0.00	185,230	3,288	268	1,124.04

NOTE A: This is the calculated volume of gas delivered on and after the first day of the of the month to which the current monthly PGA rate is applied.

B: This is the calculated volume of gas in current month's billing, applicable to the prior month,s consumption and billed at the prior month,s PGA rate.

**ILLINOIS GAS COMPANY**  
ILL. C.C. DOCKET NO. 10-0687

STATEMENT 6

Winter Seasonal Demand Gas Charge - (Company Version)

ANALYSIS OF SCHEDULE II COSTS/REVENUES FROM JANUARY 2010 - DECEMBER 2010

EFFECTIVE MONTH	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	JANUARY	FEBRUARY	MARCH	TOTALS
Month for Which Actual Costs Are Determined	2009	2009	2009	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010
	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	October	November	December	TOTALS
Schedule II																			
Line # Winter Demand																			
1 Actual Recoverable Costs	0	180,656	186,395	186,341	168,182	186,376	0	0	0	0	0	0	0	180,901	186,814	908,614			
2 Actual Purchased Gas Recoveries	(2,980)	158,892	208,737	216,263	201,078	155,908	3,134	4,219	5,476	6,132	6,611	8,438	30,644	151,621	180,512	(970,036)			
3 Under/(Over) Recovery	2,980	21,764	(22,342)	(29,922)	(32,896)	30,468	(3,134)	(4,219)	(5,476)	(6,132)	(6,611)	(8,438)	(30,644)	29,280	6,302	(61,422)			
4 Amount of Factor A Included in Gas Charge Calculation Prior Period (Schedule I)	(16,779)	(21,270)	1,593	(13,799)	494	(20,749)	(43,721)	(16,481)	(6,209)	(46,855)	(20,700)	(11,685)	(52,987)	(27,311)	(20,123)	(20,123)			
5 Amount of Factor O Included in Gas Charge Calculation (Schedule I)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
6 Adjusted Under/(Over) Recovery	(13,799)	494	(20,749)	(43,721)	(32,402)	9,719	(46,855)	(20,700)	(11,685)	(52,987)	(27,311)	(20,123)	(83,631)	1,969	(13,821)	(13,821)			
7 Supplier Refunds/Surcharges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
7.1 Other Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
8 Unamortized Balance of Adjustment Factor Including Interest (Previous Filing Month Schedule II)	0	0	0	0	0	(15,928)	0	0	0	0	0	0	0	0	0	0			
9 Total Adjustments Before Amortization	(13,799)	494	(20,749)	(43,721)	(32,402)	(6,209)	(46,855)	(20,700)	(11,685)	(52,987)	(27,311)	(20,123)	(83,631)	1,969	(13,821)	(95,483)			
10 Factor A Amount to Schedule I	(13,799)	494	(20,749)	(43,721)	(16,481)	(6,209)	(46,855)	(20,700)	(11,685)	(52,987)	(27,311)	(20,123)	(83,631)	1,969	(13,821)	(95,483)			
11 Unamortized Balance of Factor A	0	0	0	0	(15,921)	0	0	0	0	0	0	0	0	0	0	0			
12 Unamortized Balance of Factor O	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
13 Total Unamortized Balances	0	0	0	0	(15,921)	0	0	0	0	0	0	0	0	0	0	0			
14 Interest for 1 Month @ 2.5% Annual Rate	0	0	0	0	(7)	0	0	0	0	0	0	0	0	0	0	(7)			
15 Total Unamortized Balances including Interest	0	0	0	0	(15,928)	0	0	0	0	0	0	0	0	0	0	0			
Winter																			
16 Number of Days in Amort Schedule	0	0	0	0	61	0	0	0	0	0	0	0	0	0	0				Winter
17 Number of Days in Effective Month	31	28	31	30	31	30	31	31	30	31	30	31	31	28	31				
18 Line 9, Total Adj Before Amortization	(13,799)	494	(20,749)	(43,721)	(32,402)	(6,209)	(46,855)	(20,700)	(11,685)	(52,987)	(27,311)	(20,123)	(83,631)	1,969	(13,821)				
19 Annual Interest Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%				
20 Effective Month Principal	0	0	0	0	(16,467)	0	0	0	0	0	0	0	0	0	0				
21 Effective Month Interest	0	0	0	0	(14)	0	0	0	0	0	0	0	0	0	0				
22 Total to Line 10, Factor A	(13,799)	494	(20,749)	(43,721)	(16,481)	(6,209)	(46,855)	(20,700)	(11,685)	(52,987)	(27,311)	(20,123)	(83,631)	1,969	(13,821)				

**ILLINOIS GAS COMPANY**  
ILL. C.C. DOCKET NO. 10-0687

Summer Seasonal Demand Gas Charge - (Company Version)

STATEMENT 7

ANALYSIS OF SCHEDULE II COSTS/REVENUES FROM JANUARY 2010 - DECEMBER 2010

EFFECTIVE MONTH	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2011	2011	2011	2009
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTALS	
Month for Which Actual Costs Are Determined	2009	2009	2009	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2009
	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December		
Schedule II																	
Line # - Summer Demand																	
1 Actual Recoverable Costs	132,203	0	0	0	0	0	108,024	41,032	39,718	41,034	41,046	39,727	133,330	0	0	443,911	
2 Actual Purchased Gas Recoveries	<u>167,342</u>	<u>(3,876)</u>	<u>(14,843)</u>	<u>(9,723)</u>	<u>(1,369)</u>	<u>111</u>	<u>56,705</u>	<u>35,944</u>	<u>40,422</u>	<u>46,999</u>	<u>39,480</u>	<u>41,036</u>	<u>107,441</u>	<u>473</u>	<u>(1,290)</u>	<u>(356,229)</u>	
3 Under/(Over) Recovery	<u>(35,139)</u>	<u>3,876</u>	<u>14,843</u>	<u>9,723</u>	<u>1,369</u>	<u>(111)</u>	<u>51,319</u>	<u>5,088</u>	<u>(704)</u>	<u>(5,965)</u>	<u>1,566</u>	<u>(1,309)</u>	<u>25,889</u>	<u>(473)</u>	<u>1,290</u>	<u>87,682</u>	
4 Amount of Factor A Included in Gas Charge Calculation Prior Period (Schedule I)	(11,750)	(10,431)	(14,027)	(46,889)	(6,555)	816	(37,166)	(5,186)	705	14,153	(98)	1	8,188	1,468	(1,308)	(1,308)	
5 Amount of Factor O Included in Gas Charge Calculation (Schedule I)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6 Adjusted Under/(Over) Recovery	<u>(46,889)</u>	<u>(6,555)</u>	<u>816</u>	<u>(37,166)</u>	<u>(5,186)</u>	<u>705</u>	<u>14,153</u>	<u>(98)</u>	<u>1</u>	<u>8,188</u>	<u>1,468</u>	<u>(1,308)</u>	<u>34,077</u>	<u>995</u>	<u>(18)</u>	<u>(18)</u>	
7 Supplier Refunds/Surcharges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7.1 Other Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Unamortized Balance of Adjustment Factor Including Interest (Previous Filing Month Schedule II)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Total Adjustments Before Amortization	<u>(46,889)</u>	<u>(6,555)</u>	<u>816</u>	<u>(37,166)</u>	<u>(5,186)</u>	<u>705</u>	<u>14,153</u>	<u>(98)</u>	<u>1</u>	<u>8,188</u>	<u>1,468</u>	<u>(1,308)</u>	<u>34,077</u>	<u>995</u>	<u>(18)</u>	<u>35,054</u>	
10 Factor A Amount to Schedule I	<u>(46,889)</u>	<u>(6,555)</u>	<u>816</u>	<u>(37,166)</u>	<u>(5,186)</u>	<u>705</u>	<u>14,153</u>	<u>(98)</u>	<u>1</u>	<u>8,188</u>	<u>1,468</u>	<u>(1,308)</u>	<u>34,077</u>	<u>995</u>	<u>(18)</u>	<u>35,054</u>	
11 Unamortized Balance of Factor A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Unamortized Balance of Factor O	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Total Unamortized Balances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Interest for 1 Month @ 2.5% Annual Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Total Unamortized Balances including Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Summer																	
16 Number of Days in Amort Schedule	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Number of Days in Effective Month	31	28	31	30	31	30	31	31	30	31	30	31	31	28	31		
18 Line 9, Total Adj Before Amortization	<u>(46,889)</u>	<u>(6,555)</u>	<u>816</u>	<u>(37,166)</u>	<u>(5,186)</u>	<u>705</u>	<u>14,153</u>	<u>(98)</u>	<u>1</u>	<u>8,188</u>	<u>1,468</u>	<u>(1,308)</u>	<u>34,077</u>	<u>995</u>	<u>(18)</u>		
19 Annual Interest Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%		
20 Effective Month Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
21 Effective Month Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
22 Total to Line 10, Factor A	(46,889)	(6,555)	816	(37,166)	(5,186)	705	14,153	(98)	1	8,188	1,468	(1,308)	34,077	995	(18)		

**ILLINOIS GAS COMPANY**  
ILL. C.C. DOCKET NO. 10-0687

STATEMENT 8

Commodity Gas Charge - (Company Version)

ANALYSIS OF SCHEDULE II COSTS/REVENUES FROM JANUARY 2010 - DECEMBER 2010

EFFECTIVE MONTH	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2011	2011	2011	2008
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	
Month for Which Actual Costs Are Determined	2009	2009	2009	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	TOTALS
	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	
Schedule II																
Line # Commodity																
1 Actual Recoverable Costs	358,694	548,717	1,069,503	1,438,238	1,075,092	593,615	146,076	133,523	103,074	101,012	115,634	115,192	192,602	477,716	1,032,264	5,524,038
2 Actual Purchased Gas Recoveries	<u>195,206</u>	<u>483,616</u>	<u>1,032,625</u>	<u>1,400,773</u>	<u>1,149,213</u>	<u>600,187</u>	<u>285,837</u>	<u>156,031</u>	<u>88,181</u>	<u>57,116</u>	<u>75,213</u>	<u>97,763</u>	<u>111,616</u>	<u>480,671</u>	<u>918,168</u>	(5,420,769)
3 Under/(Over) Recovery	<u>163,488</u>	<u>65,101</u>	<u>36,878</u>	<u>37,465</u>	<u>(74,121)</u>	<u>(6,572)</u>	<u>(139,761)</u>	<u>(22,508)</u>	<u>14,893</u>	<u>43,896</u>	<u>40,421</u>	<u>17,429</u>	<u>80,986</u>	<u>(2,955)</u>	<u>114,096</u>	103,269
4 Amount of Factor A Included in Gas Charge Calculation Prior Period (Schedule I)	(97,326)	(124,092)	(82,787)	66,162	(58,991)	(48,803)	51,007	(20,315)	(28,462)	(44,403)	(44,378)	(35,371)	(108,784)	(3,957)	(17,942)	(17,942)
5 Amount of Factor O Included in Gas Charge Calculation Prior Period (Schedule I)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Adjusted Under/(Over) Recovery	<u>66,162</u>	<u>(58,991)</u>	<u>(45,909)</u>	<u>103,627</u>	<u>(133,112)</u>	<u>(55,375)</u>	<u>(88,754)</u>	<u>(42,823)</u>	<u>(13,569)</u>	<u>(507)</u>	<u>(3,957)</u>	<u>(17,942)</u>	<u>(27,798)</u>	<u>(6,912)</u>	<u>96,154</u>	96,154
7 Supplier Refunds/Surcharges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7.1 Other Adjustments	0	0	(2,894)	0	0	0	0	0	0	0	0	0	0	0	2,927	(2,927)
8 Unamortized Balance of Adjustment Factor Including Interest (Previous Filing Month Schedule II)	0	0	0	0	<u>52,642</u>	<u>(60,180)</u>	<u>(87,129)</u>	<u>(131,535)</u>	<u>(130,034)</u>	<u>(108,277)</u>	0	0	0	0	0	0
9 Total Adjustments Before Amortization	<u>66,162</u>	<u>(58,991)</u>	<u>(48,803)</u>	<u>103,627</u>	<u>(80,470)</u>	<u>(115,555)</u>	<u>(175,883)</u>	<u>(174,358)</u>	<u>(143,603)</u>	<u>(108,784)</u>	<u>(3,957)</u>	<u>(17,942)</u>	<u>(27,798)</u>	<u>(6,912)</u>	<u>99,081</u>	64,371
10 Factor A Amount to Schedule I	<u>66,162</u>	<u>(58,991)</u>	<u>(48,803)</u>	<u>51,007</u>	<u>(20,315)</u>	<u>(28,462)</u>	<u>(44,403)</u>	<u>(44,378)</u>	<u>(35,371)</u>	<u>(108,784)</u>	<u>(3,957)</u>	<u>(17,942)</u>	<u>(27,798)</u>	<u>(6,912)</u>	<u>99,081</u>	64,371
11 Unamortized Balance of Factor A	0	0	0	52,620	(60,155)	(87,093)	(131,480)	(129,980)	(108,232)	0	0	0	0	0	0	0
12 Unamortized Balance of Factor O	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Total Unamortized Balances	0	0	0	52,620	(60,155)	(87,093)	(131,480)	(129,980)	(108,232)	0	0	0	0	0	0	0
14 Interest for 1 Month @ 2.5% Annual Rate	0	0	0	<u>22</u>	<u>(25)</u>	<u>(36)</u>	<u>(55)</u>	<u>(54)</u>	<u>(45)</u>	0	0	0	0	0	0	(193)
15 Total Unamortized Balances including Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>52,642</u>	<u>(60,180)</u>	<u>(87,129)</u>	<u>(131,535)</u>	<u>(130,034)</u>	<u>(108,277)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0
Commodity																
16 Number of Days in Amort Schedule	0	0	0	61	123	122	123	122	122	0	0	0	0	0	0	Commodity
17 Number of Days in Effective Month	31	28	31	30	31	30	31	31	30	31	30	31	31	28	31	
18 Line 9, Total Adj Before Amortization	<u>66,162</u>	<u>(58,991)</u>	<u>(48,803)</u>	<u>103,627</u>	<u>(80,470)</u>	<u>(115,555)</u>	<u>(175,883)</u>	<u>(174,358)</u>	<u>(143,603)</u>	<u>(108,784)</u>	<u>(3,957)</u>	<u>(17,942)</u>	<u>(27,798)</u>	<u>(6,912)</u>	<u>99,081</u>	
19 Annual Interest Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	
20 Effective Month Principal	0	0	0	50,964	(20,281)	(28,415)	(44,328)	(44,304)	(35,312)	0	0	0	0	0	0	
21 Effective Month Interest	0	0	0	43	(34)	(47)	(75)	(74)	(59)	0	0	0	0	0	0	
22 Total to Line 10, Factor A	<u>66,162</u>	<u>(58,991)</u>	<u>(48,803)</u>	<u>51,007</u>	<u>(20,315)</u>	<u>(28,462)</u>	<u>(44,403)</u>	<u>(44,378)</u>	<u>(35,371)</u>	<u>(108,784)</u>	<u>(3,957)</u>	<u>(17,942)</u>	<u>(27,798)</u>	<u>(6,912)</u>	<u>99,081</u>	

ANALYSIS OF ADJUSTMENTS INCLUDED IN FACTOR A

Effective Month	Description	Prior Year Adjustment	Prior Year Under(Over)	2010 Adjustment	Texas Gas Refunds	2010 Adjusted Under(Over) Recovery	Sub Total	Prior Month Unamort Balance	Total	Factor O	Interest in Factor O	Calculated Factor A	Factor A Less Interest	Interest Included Factor A	Unamort Balance	Sch 2 Interest Unamort Balance	Total Unamort Balance
Winter Demand																	
Jan 10	Oct Under (Over)	\$0	(\$13,799)	\$0	\$0	\$0	(\$13,799)	\$0	(\$13,799)	\$0	\$0	(\$13,799)	(\$13,799)	\$0	\$0	\$0	\$0
Feb	Nov Under (Over)	0	494	0	0	0	494	0	494	0	0	494	494	0	0	0	0
Mar	Dec Under (Over)	0	(20,749)	0	0	0	(20,749)	0	(20,749)	0	0	(20,749)	(20,749)	0	0	0	0
Apr	Jan Under (Over)	0	0	0	0	(43,721)	(43,721)	0	(43,721)	0	0	(43,721)	(43,721)	0	0	0	0
May	Feb Under (Over)	0	0	0	0	(32,402)	(32,402)	0	(32,402)	0	0	(16,481)	(16,467)	(14)	(15,921)	(7)	(15,928)
June	Mar Under (Over)	0	0	0	0	9,719	9,719	(15,928)	(6,209)	0	0	(6,209)	(6,209)	0	0	0	0
July	Apr Under (Over)	0	0	0	0	(46,855)	(46,855)	0	(46,855)	0	0	(46,855)	(46,855)	0	0	0	0
Aug	May Under (Over)	0	0	0	0	(20,700)	(20,700)	0	(20,700)	0	0	(20,700)	(20,700)	0	0	0	0
Sept	June Under (Over)	0	0	0	0	(11,685)	(11,685)	0	(11,685)	0	0	(11,685)	(11,685)	0	0	0	0
Oct	July Under (Over)	0	0	0	0	(52,987)	(52,987)	0	(52,987)	0	0	(52,987)	(52,987)	0	0	0	0
Nov	Aug Under (Over)	0	0	0	0	(27,311)	(27,311)	0	(27,311)	0	0	(27,311)	(27,311)	0	0	0	0
Dec	Sept Under (Over)	0	0	0	0	(20,123)	(20,123)	0	(20,123)	0	0	(20,123)	(20,123)	0	0	0	0
Jan 11	Oct Under (Over)	0	0	0	0	(83,631)	(83,631)	0	(83,631)	0	0	(83,631)	(83,631)	0	0	0	0
Feb	Nov Under (Over)	0	0	0	0	1,969	1,969	0	1,969	0	0	1,969	1,969	0	0	0	0
Mar	Dec Under (Over)	0	0	0	0	(13,821)	(13,821)	0	(13,821)	0	0	(13,821)	(13,821)	0	0	0	0
	Totals	0	(34,054)	0	0	(341,548)	(375,602)	(15,928)	(391,530)	0	0	(375,609)	(375,595)	(14)	(15,921)	(7)	(15,928)
			(34,054)									(95,483)	<-Oct, Nov & Dec				
Summer Demand																	
Jan 10	Oct Under (Over)	\$0	(\$46,889)	\$0	\$0	\$0	(\$46,889)	\$0	(\$46,889)	\$0	\$0	(\$46,889)	(\$46,889)	\$0	\$0	\$0	\$0
Feb	Nov Under (Over)	0	(6,555)	0	0	0	(6,555)	0	(6,555)	0	0	(6,555)	(6,555)	0	0	0	0
Mar	Dec Under (Over)	0	816	0	0	0	816	0	816	0	0	816	816	0	0	0	0
Apr	Jan Under (Over)	0	0	0	0	(37,166)	(37,166)	0	(37,166)	0	0	(37,166)	(37,166)	0	0	0	0
May	Feb Under (Over)	0	0	0	0	(5,186)	(5,186)	0	(5,186)	0	0	(5,186)	(5,186)	0	0	0	0
June	Mar Under (Over)	0	0	0	0	705	705	0	705	0	0	705	705	0	0	0	0
July	Apr Under (Over)	0	0	0	0	14,153	14,153	0	14,153	0	0	14,153	14,153	0	0	0	0
Aug	May Under (Over)	0	0	0	0	(98)	(98)	0	(98)	0	0	(98)	(98)	0	0	0	0
Sept	June Under (Over)	0	0	0	0	1	1	0	1	0	0	1	1	0	0	0	0
Oct	July Under (Over)	0	0	0	0	8,188	8,188	0	8,188	0	0	8,188	8,188	0	0	0	0
Nov	Aug Under (Over)	0	0	0	0	1,468	1,468	0	1,468	0	0	1,468	1,468	0	0	0	0
Dec	Sept Under (Over)	0	0	0	0	(1,308)	(1,308)	0	(1,308)	0	0	(1,308)	(1,308)	0	0	0	0
Jan 11	Oct Under (Over)	0	0	0	0	34,077	34,077	0	34,077	0	0	34,077	34,077	0	0	0	0
Feb	Nov Under (Over)	0	0	0	0	995	995	0	995	0	0	995	995	0	0	0	0
Mar	Dec Under (Over)	0	0	0	0	(18)	(18)	0	(18)	0	0	(18)	(18)	0	0	0	0
	Totals	0	(52,628)	0	0	15,811	(36,817)	0	(36,817)	0	0	(36,817)	(36,817)	0	0	0	0
			(52,628)									35,054	<-Oct, Nov & Dec				
Commodity																	
Jan 10	Oct Under (Over)	\$0	\$66,162	\$0	\$0	\$0	\$66,162	\$0	\$66,162	\$0	\$0	66,162	\$66,162	\$0	\$0	\$0	\$0
Feb	Nov Under (Over)	0	(58,991)	0	0	0	(58,991)	0	(58,991)	0	0	(58,991)	(58,991)	0	0	0	0
Mar	Dec Under (Over) & Matching A	(2,894)	(45,909)	0	0	0	(48,803)	0	(48,803)	0	0	(48,803)	(48,803)	0	0	0	0
Apr	Jan Under (Over)	0	0	0	0	103,627	103,627	0	103,627	0	0	51,007	50,964	43	52,620	22	52,642
May	Feb Under (Over)	0	0	0	0	(133,112)	(133,112)	52,642	(80,470)	0	0	(20,315)	(20,281)	(34)	(60,155)	(25)	(60,180)
June	Mar Under (Over)	0	0	0	0	(55,375)	(55,375)	(60,180)	(115,555)	0	0	(28,462)	(28,415)	(47)	(87,093)	(36)	(87,129)
July	Apr Under (Over)	0	0	0	0	(88,754)	(88,754)	(87,129)	(175,883)	0	0	(44,403)	(44,328)	(75)	(131,480)	(55)	(131,535)
Aug	May Under (Over)	0	0	0	0	(42,823)	(42,823)	(131,535)	(174,358)	0	0	(44,378)	(44,304)	(74)	(129,980)	(54)	(130,034)
Sept	June Under (Over)	0	0	0	0	(13,569)	(13,569)	(130,034)	(143,603)	0	0	(35,371)	(35,312)	(59)	(108,232)	(45)	(108,277)
Oct	July Under (Over)	0	0	0	0	(507)	(507)	(108,277)	(108,784)	0	0	(108,784)	(108,784)	0	0	0	0
Nov	Aug Under (Over)	0	0	0	0	(3,957)	(3,957)	0	(3,957)	0	0	(3,957)	(3,957)	0	0	0	0
Dec	Sept Under (Over)	0	0	0	0	(17,942)	(17,942)	0	(17,942)	0	0	(17,942)	(17,942)	0	0	0	0
Jan 11	Oct Under (Over)	0	0	0	0	(27,798)	(27,798)	0	(27,798)	0	0	(27,798)	(27,798)	0	0	0	0
Feb	Nov Under (Over)	0	0	0	0	(6,912)	(6,912)	0	(6,912)	0	0	(6,912)	(6,912)	0	0	0	0
Mar	Dec Under (Over)	0	0	481	0	96,154	96,635	0	96,635	0	0	96,635	96,635	0	0	0	0
	Totals	(2,894)	(38,738)	481	0	(190,968)	(232,119)	(464,513)	(696,632)	0	0	(232,312)	(232,066)	(246)	(464,320)	(193)	(464,513)
			(41,632)									61,925	<-Oct, Nov & Dec				
												<b>Total Interest</b>	<b>(260)</b>	<b>Total Int.</b>	<b>(200)</b>	<b>Total</b>	<b>(460)</b>

**SUMMARY OF PURCHASED GAS ADJUSTMENT CHARGES**

FROM JANUARY 1, 2010 TO DECEMBER 31, 2010

<u>Effective Date</u>	<u>Winter/D PGA Rate</u>	<u>Summer/D PGA Rate</u>	<u>Commodity PGA Rate</u>	<u>Total PGA Rate</u>
January 1st	\$0.0965	(\$0.0042)	\$0.6051	\$0.6974
February 1st	0.1061	(0.0007)	0.5877	0.6931
March 1st	0.1473	0.0001	0.5407	0.6881
April 1st	0.0067	0.1087	0.5468	0.6622
May 1st	0.0152	0.1091	0.4736	0.5979
June 1st	0.0295	0.1607	0.3502	0.5404
July 1st	0.0352	0.2123	0.2580	0.5055
August 1st	0.0371	0.1623	0.3079	0.5073
September 1st	0.0373	0.1272	0.3030	0.4675
October 1st	0.0710	0.2136	0.2219	0.5065
November 1st	0.1350	0.0004	0.4065	0.5419
December 1st	0.0869	(0.0006)	0.4271	0.5134