The Peoples Gas Light and Coke Company

Jurisdictional Operating Income Summary

Line No.	I.C.C. Acc. No.	Description	Company Rebuttal Proforma Present (Ex. 22.1P) (Col. F)	Rate Making Adjustments excluding NOL (Exhibit 39.2P, p1, col K minus p3, col H)	Rate Making Adjustment NOL (Exhibit 39.2P, p1, col H)	As Adjusted Under Present Rates	Requested Rate Increase	As adjusted Under Proposed Rates	Line No.
	[A]	[B]	[C]	[D]	[E]	[F] = [C + D + E]	[G]	[H]	
1	480-481, 489	Base Rate Revenues excludes Base Rate adjustments	$ 490,127,000	-	-	$ 490,127,000	$ 110,928,000	$ 601,055,000	1
2	480-481, 489	Uncollectibe Expense Adjustment Revenues	$ -	-	-	$ -		$ -	2
3	480-481, 489	Volume Balancing Adjustment Revenues	$ -	-	-	$ -		$ -	3
4	480-481, 489	Infrastructure Cost Recovery Revenues	$ -	-	-	-		$ -	4
5		Base Rate Revenues	490,127,000	-	-	490,127,000	110,928,000	601,055,000	5
6	480-481, 489	PGA Revenues	-	-	-	$ -		$ -	6
7	480-481, 489	Coaltar Revenues	-	-	-	$ -		$ -	7
8	480-481, 489	Enhanced Energy Program Revenues	-	-	-	-		$ -	8
9		Pass Through Service Revenues	-	-	-	-	-	-	9
						-		$ -	
10	487, 488, 495	Other Revenues	17,210,000	42,000	-	17,252,000	$ 1,682,000	$ 18,934,000	10
11	400	Operating Revenues	$ 507,337,000	$ 42,000	$ -	$ 507,379,000	$ 112,610,000	$ 619,989,000	11
12		Operating Expenses							12
13	401	Cost of Gas	$ -	$ -	$ -	$ -	$ -	$ -	13
14	401 & 402	Other Operation and Maintenance:							14
15	401 & 402	Other Production	$ -	$ -	$ -	$ -	$ -	$ -	15
16	401 & 402	Storage	$ 11,542,000	$ -	$ -	$ 11,542,000	$ -	$ 11,542,000	16
17	401 & 402	Transmission	$ 3,250,000	$ -	$ -	$ 3,250,000	$ -	$ 3,250,000	17
18	401 & 402	Distribution	$ 108,657,000	$ -	$ -	$ 108,657,000	$ -	$ 108,657,000	18
19	401	Customer Accounts - Uncollectible Expense	$ 29,414,000	$ -	$ -	$ 29,414,000	$ 2,860,000	$ 32,274,000	19
20	401	Customer Accounts - Other	$ 31,239,000	$ -	$ -	$ 31,239,000	$ -	$ 31,239,000	20
21	401	Customer Services and Informational Services	$ 2,214,000	$ -	$ -	$ 2,214,000	$ -	$ 2,214,000	21
22	401	Sales	$ -	$ -	$ -	$ -	$ -	$ -	22
23	401 & 402	Administrative and General	$ 134,658,000	$ (1,665,000)	$ -	$ 132,993,000	$ -	$ 132,993,000	23
24		Total Other Operation and Maintenance	$ 320,974,000	$ (1,665,000)	$ -	$ 319,309,000	$ 2,860,000	$ 322,169,000	24
25	403	Depreciation	$ 83,202,000	$ (115,000)	$ -	$ 83,087,000	$ -	$ 83,087,000	25
26	404	Amortization	$ 5,356,000	$ -	$ -	$ 5,356,000	$ -	$ 5,356,000	26
27	408.1	Taxes Other than Income	$ 22,521,000	$ (4,000)	$ -	$ 22,517,000	$ -	$ 22,517,000	27
28		Income Taxes					$ -	$ -	28
29	409.1	Federal Income Taxes - Current	$ -	$ 819,000	$ (819,000)	$ -	$ 34,763,000	$ 34,763,000	29
30	409.1	State Income Taxes - Current	$ -	$ 245,000	$ (245,000)	$ -	$ 10,426,000	$ 10,426,000	30
31	410.1 & 411.1	Deferred Income Taxes	$ 21,098,000	$ 60,000	$ 1,064,000	$ 22,222,000	$ -	$ 22,222,000	31
32	411.4	Investment Tax Credit	$ -	$ -	$ -	$ -	$ -	$ -	32
33		Total Operating Expenses	$ 453,151,000	$ (660,000)	$ -	$ 452,491,000	$ 48,049,000	$ 500,540,000	33
34		Jurisdictional Operating Income (Loss)	$ 54,186,000	$ 702,000	$ -	$ 54,888,000	$ 64,561,000	$ 119,449,000	34
			-						

			Company Surrebuttal
a	Original Cost Rate Base	Exhibit 40.1P	$ 1,472,853,000
b	Operating Income at Present Rates	Exhibit 39.1P	$ 54,888,000
c	Cost of Capital	Exhibit 35.0	8.11%
d	Operating Income at Proposed Rates	line a x line c	$ 119,448,000
e	Income Deficiency	line d - line b	$ 64,560,000
f	Gross Revenue Conversion Factor	Exhibit 39.9P	1.74426200
g	Revenue Increase Required	line e x line f	$ 112,610,000

The Peoples Gas Light and Coke Company

Summary of Proposed Adjustments to Operating Income
For the Test Year Ending December 31, 2012

Line No.	I.C.C. Acc. No.	Description	Utility Plant in Service NS-PGL Ex. 40.3P	Updated Inflation Rate ICC 12.8P	-	Current Rate Case Expense NS-PGL Ex. 39.4P	Rate Case Amortization NS-PGL Ex. 39.3P	-	Injuries and Damages NS-PGL Ex. 38.1P	-	Subtotal Operating Statement Adjustments
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
1	480-481, 489	Base Rate Revenues excludes Base Rate adjustments									-
2	480-481, 489	Uncollectibe Expense Adjustment Revenues									-
3	480-481, 489	Volume Balancing Adjustment Revenues									-
4	480-481, 489	Infrastructure Cost Recovery Revenues									-
5		Base Rate Revenues	-	-	-	-	-	-	-	-	-
6	480-481, 489	PGA Revenues									-
7	480-481, 489	Coaltar Revenues									-
8	480-481, 489	Enhanced Energy Program Revenues									-
9		Pass Through Service Revenues	-	-	-	-	-	-	-	-	-
											-
10	487, 488, 495	Other Revenues		-	-	-	-	-	-	-	-
11	400	Operating Revenues	-	-	-	-	-	-	-	-	-
12		Operating Expenses									-
13	401	Cost of Gas									-
14	401 & 402	Other Operation and Maintenance									-
15	401 & 402	Other Production									-
16	401 & 402	Storage									-
17	401 & 402	Transmission									-
18	401 & 402	Distribution									-
19	401	Customer Accounts-Uncollectible Accounts									-
20	401	Customer Accounts-Other									-
21	401	Customer Service and Informational Services									-
22	401	Sales									-
23	401 & 402	Administrative and General	-	(85,000)	-	(148,000)	1,000	-	(1,433,000)	-	(1,665,000)
24		Total Other Operations and Maintenance	-	(85,000)	-	(148,000)	1,000	-	(1,433,000)	-	(1,665,000)
25	403	Depreciation	(115,000)				-	-	-	-	(115,000)
26	404	Amortization									-
27	408.1	Taxes Other than Income		-	-	-			-	-	-
28		Income Taxes									-
29	409.1	Federal Income Taxes - Current	36,000	27,000	-	-	-	-	454,000	-	517,000
30	409.1	State Income Taxes - Current	11,000	8,000	-	-	-	-	136,000	-	155,000
31	410.1 & 411.1	Deferred Income Taxes	-	-	-	61,000	(1,000)	-	-	-	60,000
32	411.4	Investment Tax Credit		-	-	-	-	-	-	-	-
33		Total Operating Expenses	(68,000)	(50,000)	-	(87,000)	-	-	(843,000)	-	(1,048,000)
34		Net Operating Income	$ 68,000	$ 50,000	$ -	$ 87,000	$ -	$ -	$ 843,000	$ -	$ 1,048,000

The Peoples Gas Light and Coke Company

Summary of Proposed Adjustments to Operating Income
For the Test Year Ending December 31, 2012

Line No.	I.C.C. Acc. No.	Description	p 1, col. C Subtotal Operating Statement Adjustments	-	Letter and Bill Fee Revenues NS-PGL Ex. 38.4P	Repair Revenues NS-PGL Ex. 38.3P	-	Net Operating Loss-tax normalization NS-PGL Ex. 39.5P	Incremental Invested Capital Tax Adjustment NS-PGL Ex. 39.6P	Incremental Interest Synchronization Adjustment NS-PGL Ex. 39.7P	Total Operating Statement Adjustments
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
1	480-481, 489	Base Rate Revenues excludes Base Rate adjustments	-								-
2	480-481, 489	Uncollectibe Expense Adjustment Revenues	-								-
3	480-481, 489	Volume Balancing Adjustment Revenues	-								-
4	480-481, 489	Infrastructure Cost Recovery Revenues	-								-
5		Base Rate Revenues	-	-	-	-	-	-	-	-	-
6	480-481, 489	PGA Revenues	-								-
7	480-481, 489	Coaltar Revenues	-								-
8	480-481, 489	Enhanced Energy Program Revenues	-								-
9		Pass Through Service Revenues	-	-	-	-	-	-	-	-	-
											-
10	487, 488, 495	Other Revenues	-	-	31,000	11,000	-	-	-	-	42,000
11	400	Operating Revenues	-	-	31,000	11,000	-	-	-	-	42,000
12		Operating Expenses									-
13	401	Cost of Gas	-								-
14	401 & 402	Other Operation and Maintenance									-
15	401 & 402	Other Production	-								-
16	401 & 402	Storage	-								-
17	401 & 402	Transmission	-								-
18	401 & 402	Distribution	-								-
19	401	Customer Accounts-Uncollectible Accounts	-								-
20	401	Customer Accounts-Other	-								-
21	401	Customer Service and Informational Services	-								-
22	401	Sales	-								-
23	401 & 402	Administrative and General	(1,665,000)	-	-	-	-	-	-	-	(1,665,000)
24		Total Other Operations and Maintenance	(1,665,000)	-	-	-	-	-	-	-	(1,665,000)
25	403	Depreciation	(115,000)				-	-	-	-	(115,000)
26	404	Amortization	-								-
27	408.1	Taxes Other than Income	-	-	-	-			(4,000)	-	(4,000)
28		Income Taxes	-								-
29	409.1	Federal Income Taxes - Current	517,000	-	10,000	4,000	-	(819,000)	2,000	286,000	-
30	409.1	State Income Taxes - Current	155,000	-	3,000	1,000	-	(245,000)	-	86,000	-
31	410.1 & 411.1	Deferred Income Taxes	60,000	-	-	-	-	1,064,000			1,124,000
32	411.4	Investment Tax Credit	-	-	-	-	-	-	-	-	-
33		Total Operating Expenses	(1,048,000)	-	13,000	5,000	-	-	(2,000)	372,000	(660,000)
34		Net Operating Income	$ 1,048,000	$ -	$ 18,000	$ 6,000	$ -	$ -	$ 2,000	$ (372,000)	$ 702,000

Surrebuttal -incremental adjustment			Account 409.10 Federal-Current	Account 409.10 State-Current	Account 410.1 Deferred
TOTAL INCOME TAXES -2012 OPERATING INCOME	Company proforma present -Rebuttal	NS-PGL Ex.39.1P col. C	$ -	$ -	$ 21,098,000
TOTAL INCOME TAXES -2012 OPERATING INCOME	Ratemaking adjustments excluding NOL	NS-PGL Ex. 39.2P, p2, col. K minus p2 col.H	$ 819,000	$ 245,000	$ 60,000
			$ 819,000	$ 245,000	$ 21,158,000
Ratemaking adjustment -Current Income Taxes -NOL to Deferred Tax Asset	Adjusted Company proforma present		$ (819,000)	$ (245,000)	$ 1,064,000
Ratemaking adjustment -Current Income Taxes -NOL to Deferred Tax Asset	NS-PGL Ex. 39.2P, p2 col.H		$ (819,000)	$ (245,000)	$ 1,064,000
	NET		$ -	$ -	$ -

THE PEOPLES GAS LIGHT & COKE COMPANY
Adjust to reflect increase in invested capital tax
Future Test Year ended December 31, 2012

Docket Nos. 11-0280/11-0281 consol.
NS-PGL Exhibit 39.6P CORR.

Ratemaking adjustment

			Company Direct	Company Rebuttal	Company Surrebuttal
RATE BASE	**Average Test Year**	**2012**	1,415,543,000	1,452,914,000	1,472,853,000
RATE OF RETURN			8.49%	8.20%	8.11%
NET OPERATING INCOME REQUIREMENT			$120,180,000	$119,139,000	$119,448,000
PRO FORMA OPERATING INCOME AT PRESENT RATES			46,513,000	54,186,000	54,888,000
ADJUST: OPERATING INCOME ADJUSTMENT- INVESTED CAPITAL TAX			354,000	(48,000)	(2,000)
			46,867,000	54,138,000	54,886,000
ADDITIONAL OPERATING INCOME ALLOWED			$73,313,000	$65,001,000	$64,562,000

OPERATING EXPENSES		Old IllinoisRate	New IllinoisRate	Company Direct	Company Rebuttal Reverse Co Direct	Company Rebuttal Update	Co Surrebut Reverse Rebut	Co Surrebut Update	Adjusted Company Total
Invested Capital Tax		(0.8%)	(0.8%)	$587,000	(587,000)	520,000	(520,000)	516,000	$516,000
Income Taxes	- State	(7.3%)	(9.5%)	($43,000)	43,000	(49,000)	49,000	(49,000)	($49,000)
	- Federal	(35.0%)	(35.0%)	($190,000)	190,000	(165,000)	165,000	(163,000)	($163,000)
	Total Operating Expenses			$354,000	(354,000)	306,000	(306,000)	304,000	304,000
EFFECT ON OPERATING INCOME				($354,000)	$354,000	($306,000)	306,000	($304,000)	($304,000)

total rebuttal adjustment 48,000 surrebuttal adjustment $2,000

Co Direct Original filing	(354,000)
Company Rebuttal -Reverse Co Direct -old IL state income tax rate	354,000
Company Rebuttal -Update -new IL state income tax rate	(306,000)
Company Surrebuttal-reverse Company Rebuttal	306,000
Company Surrebuttal Incremental adjustment	(304,000)
Total Adjust Income Taxes to Reflect Effect of Interest Synchronization	(304,000)

( ) Denotes red figure.

REGULATORY AFFAIRS - RATE CASE PROCESS

THE PEOPLES GAS LIGHT & COKE COMPANY
Adjust Income Taxes to Reflect Effect of Interest Synchronization

Docket Nos. 11-0280/11-0281 consol.
NS-PGL Exhibit 39.7P CORR.

Ratemaking adjustment			Company Direct		Company Rebut Incremental	Adjusted Company Rebuttal	Co Surrebut Incremental	Adjusted Company
RATE BASE	**Average Test Year**	**2012**	1,415,543,000	-	37,371,000	1,452,914,000	19,939,000	1,472,853,000
WEIGHTED COST OF LONG-TERM DEBT			2.19%			2.12%		2.03%
SYNCHRONIZED INTEREST			31,000,000			30,802,000	-	29,899,000
LESS: PER BOOK INTEREST AS ADJUSTED			29,603,000	-	-	29,603,000	-	29,603,000
INCREASE IN INTEREST EXPENSE			$1,397,000	-	-	1,199,000	-	296,000

OPERATING EXPENSES		Old Illinois Rate	New Illinois Rate	Company Direct	Company Rebuttal Reverse Co Direct	Company Rebuttal Update	Co Surrebut Reverse Co Rebut	Co Surrebut Incremental Total	Adjusted Company
Income Taxes	- State	(7.3%)	(9.5%)	(102,000)	102,000	(114,000)	114,000	(28,000)	(28,000)
		(0.0%)	(0.0%)						
	- Federal	(35.0%)	(35.0%)	(453,000)	453,000	(380,000)	380,000	(94,000)	(94,000)
	Total Operating Expenses			(555,000)	555,000	(494,000)	494,000	(122,000)	(122,000)
EFFECT ON OPERATING INCOME			**Schedule C-2 ratemaking adjustment**	$555,000	($555,000)	$494,000	($494,000)	$122,000	$122,000
					total rebuttal adjustment	(61,000)	Surrebuttal adjustment	($372,000)	

Co Direct Original filing	555,000
Company Rebuttal -Reverse Co Direct -old IL state income tax rate	(555,000)
Company Rebuttal -Update -new IL state income tax rate	494,000
Company Surrebuttal -Reverse Company Rebuttal	(494,000)
Company Surrebuttal Incremental adjustment	122,000
Total Adjust Income Taxes to Reflect Effect of Interest Synchronization	122,000

( ) Denotes red figure.

REGULATORY AFFAIRS - RATE CASE PROCESS