Response to North Shore and Peoples Gas
Sixteenth Set of Data Requests to Staff
Docket Nos. 11-0280/11-0281 Cons.
Response of Staff Witness Kahle

ICC Person Responsible: Daniel Kahle
Title: Accountant, Financial Analysis Division
Business Address: Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Request NS-PGL 16.01

NSPGL-Staff 16.01 In reviewing Staff's Utility Plant and service adjustment, the Utilities have identified what they believe to be several errors in the calculation. Below is a listing of the issues in the calculations that the Utilities feel were incorrect.

1. The impact on the rate base for plant, accumulated depreciation and accumulated deferred taxes should have been an average calculation of the balances at 12/31/11 and 12/31/12.
2. The bonus depreciation assumptions used on page 2 reflected the bonus depreciation rules in effect for 2010 vintages of property. The bonus depreciation rules that should have been used for 2011 property are 100% of eligible property and for 2012 property are 50% of eligible property. The Utilities assumed that all property in 2011 and 2012 would be eligible.
3. The depreciation impact on the test year should have only included the 2012 amount. It appears that staff's original calculation included both the 2011 amount and the 2012 amount.
4. In several cases the incorrect state income tax rates were used to calculate the deferred state income tax amounts.

The Utilities have provided corrected calculations in the attached excel spreadsheets. Please indicate whether Mr. Kahle agrees or disagrees that the calculations as revised are correct. On the attached excel spreadsheets the parts of the calculations that have been changed have been highlighted in yellow.

Response

Mr. Kahle agrees that the calculations as revised are correct with one exception. It appears that the formula for Peoples Gas which calculates "Total Balance at 12/31/12" omits the "impact of proration from p. 3" from its sum (NSPGL-Staff 16.01 Attach 02 Corrected Staff Schedule 10.9 P Utility Plant in Service Adjustment.xlsx; Corrected Staff Calc-UPIS p. 2). The same formula for North Shore includes the impact of proration. If the calculation for Peoples Gas included the impact of proration as does the calculation for North Shore, Mr. Kahle would agree that the calculations as revised are correct.

OFFICIAL FILE
I.C.C. DOCKET NO. 11-0280/0281
NS/PGL/STAFF Exhibit No. 1
Witness
Date 9-2-11 Reporter

Corrected Staff Adjustment

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North Shore Gas Company

Utility Plant-in-Service Adjustment

For the Test Year Ending December 31, 2012
(In Thousands)

Line (A)	Description (B)	Amount (C)	Source (D)
1	~~Utility Plant-in-Service Net Additions 2012 and 2012 per Staff~~	~~$ 44,739~~	~~UPIS p. 2, Colm. E, Lines 13 + 26~~
2	~~Utility Plant-in-Service Net Additions 2011 and 2012 per Co~~	~~47,909~~	~~UPIS p. 2, Colm. D, Lines 13 + 26~~
3	~~Staff Adjustment to Utility Plant-in-Service~~	~~$ (3,170)~~	~~Line 1 - Line 2~~
4	~~Staff Adjustment to Depreciation Expense~~	~~$ (91)~~	~~UPIS p. 2, Colm. M, Lines 12 + 26 + UPIS p. 2, Colm. U, Lines 13~~
5	~~Staff Adjustment to Accumulated Depreciation~~	~~$ 91~~	~~Line 4~~
6	~~Staff Adjustment to Accumulated Deferred Taxes~~	~~$ (445)~~	~~= UPIS p. 2, Colm. P, Lines 13 + UPIS p. 2, Colm. Q, Lines 13 + 26 + UPIS p. 2, Colm. Y, Lines 13~~ + UPIS p. 3, Colm. F, Lines 18

Corrected Staff Calculation

	2011 Amount and Balance at 12/31/11	2012 Amount	Balance at 12/31/12	Average
Utility Plant in Service	(1,035)	(2,135)	(3,170)	(2,103)
Less Accumulated Depreciation	(20)	(71)	(91)	(56)
Net Plant	(1,015)		(3,079)	(2,047)
Accumulated Deferred Income Taxes	360		551	455
Rate Base	(655)		(2,528)	(1,592)

Adjustment to Depreciation Expense for Test Year 2012 (71)

Corrected Staff Adjustment

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Part 1

North Shore Gas Company
Utility Plant-in-Service Adjustment
For the Test Year Ending December 31, 2012
(In Thousands)

Line	Item	Depr Method	2011 Gross Additions less Retirements	Projected Additions per Staff	Staff Adjustment	Bonus-Eligible %	Bonus = 100% Bonus Depr	Book Depr %	Tax Depr %	Federal Tax Depr
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				93.38 % UPIS p. 4						
		(DGK-13.02)	(DGK-13.02)	(D* 98.88%)	(D * E)					
1	Distribution	Macrs 15	11,973	11,181	(792)	100%	(792)	2.4200%	5.0000%	(792)
2	Underground Storage	Macrs 15	0	0	0	100%	0	1.1500%	5.0000%	0
3	Transmission - Not Leased	Macrs 15	89	83	(6)	100%	(6)	1.8600%	5.0000%	(6)
4	General	Macrs 5	3,588	3,351	(237)	100%	(237)	8.5700%	20.0000%	(237)
5	Production	Macrs 7	50	47	(3)	100%	(3)	1.2200%	14.2900%	(3)
6	ARO Obligation	Zero	0	0	0	0%	0	0.0000%	0.0000%	0
7	Total Account 101		15,700	14,661	(1,039)		(1,038)			(1,038)
8										
9	Recoverable Natural Gas (Account 117)	Zero	0	0	0	0%	0	0.0000%	0.0000%	0
10	Total Plant in Service		15,700	14,661	(1,039)		(1,038)			(1,038)
11	Construction Work in Progress (Account 107)	Zero	(58)	(54)	4	0%	0	0.0000%	0.0000%	0
12	Total Utility Plant									
13	Totals		15,642	14,607	(1,035)		(1,038)			(1,038)

Line	Item	Depr Method	2012 Gross Additions less Retirements	Projected Additions per Staff	Staff Adjustment	Bonus-Eligible %	Bonus = 50% Bonus Depr	Book Depr %	Tax Depr %	Federal Tax Depr
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				93.38 % UPIS p. 4						
		(DGK-13.02)	(DGK-13.02)	(D* 98.88%)	(D * E)					(Formulae fro
14	Distribution	Macrs 15	28,693	28,794	(1,899)	100%	(949)	2.4200%	5.0000%	(998)
15	Underground Storage	Macrs 15	0	0	0	100%	0	1.1500%	0.0000%	0
16	Transmission - Not Leased	Macrs 15	1,091	1,019	(72)	100%	(36)	1.8600%	0.0000%	(36)
17	General	Macrs 5	2,408	2,249	(159)	100%	(80)	8.5700%	20.0000%	(96)
18	Production	Macrs 7	75	70	(5)	100%	(2)	1.2200%	14.2900%	(2)
19	ARO Obligation	Zero	0	0	0	0%	0	0.0000%	0.0000%	0
20	Total Account 101		32,267	30,132	(2,135)		(1,067)			(1,130)
21										
22	Recoverable Natural Gas (Account 117)	Zero	0	0	0	0%	0	0.0000%	0.0000%	0
23	Total Plant in Service		32,267	30,132	(2,135)		(1,067)			(1,130)
24	Construction Work in Progress (Account 107)	Zero	0	0	0	0%	0	0.0000%	0.0000%	0
25	Total Utility Plant									
26	Totals		32,267	30,132	(2,135)		(1,067)			(1,130)

Corrected Staff Adjustment

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North Shore Gas Company
Utility Plant-in-Service Adjustment
For the Test Year Ending December 31, 2012
(In Thousands)

Line	Item	State Tax Depr	Book Depreciation	Federal M1	State M1	2011 Federal Def Tax	2011 State Def Tax	Tax Depr %	Federal Tax Depr	State Tax Depr	Book Depreciation	Federal M1	State M1	2012 Federal Def Tax	2012 State Def Tax
(A)	(B)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)
		(Formulae from WP 22.3 N)													
1	Distribution	(40)	(10)	(782)	(30)	(274)	(2)	9.5000%	0	(75)	(20)	20	(55)	7	(3)
2	Underground Storage	0	0	0	0	0	0	9.5000%	0	0	0	0	0	0	0
3	Transmission - Not Leased	0	0	(6)	0	(2)	0	9.5000%	0	(1)	0	0	(1)	0	0
4	General	(47)	(10)	(227)	(37)	(79)	(2)	32.0000%	0	(76)	(20)	20	(56)	7	(3)
5	Production	0	0	(3)	0	(1)	0	24.4900%	0	(1)	0	0	(1)	0	0
6	ARO Obligation	0	0	0	0	0	0	0.0000%	0	0	0	0	0	0	0
7	Total Account 101	(87)	(20)	(1,018)	(67)	(356)	(4)		0	(153)	(40)	40	(113)	14	(6)
8															
9	Recoverable Natural Gas (Account 117)	0	0	0	0	0	0	0.0000%	0	0	0	0	0	0	0
10	Total Plant in Service	(87)	(20)	(1,018)	(67)	(356)	(4)		0	(153)	(40)	40	(113)	14	(6)
11	Construction Work in Progress (Account 107)	0	0	0	0	0	0	0.0000%	0	0	0	0	0	0	0
12	Total Utility Plant														
13	Totals	(87)	(20)	(1,018)	(67)	(356)	(4)		0	(153)	(40)	40	(113)	14	(6)
		2011 Vintage Balance at 12/31/11					(360)		2011 Vintage Balance at 12/31/12						(352)

Line	Item	State Tax Depr	Book Depreciation	Federal M1	State M1	2012 Federal Def Tax	2012 State Def Tax
(A)	(B)	(L)	(M)	(N)	(O)	(P)	(Q)
		m WP 22.3 N)					
14	Distribution	(95)	(23)	(973)	(72)	(341)	(4)
15	Underground Storage	0	0	0	0	0	0
16	Transmission - Not Leased	0	(1)	(35)	1	(12)	0
17	General	(32)	(7)	(89)	(25)	(31)	(2)
18	Production	(1)	0	(2)	(1)	(1)	0
19	ARO Obligation	0	0	0	0	0	0
20	Total Account 101	(128)	(31)	(1,099)	(97)	(385)	(6)
21							
22	Recoverable Natural Gas (Account 117)	0	0	0	0	0	0
23	Total Plant in Service	(128)	(31)	(1,099)	(97)	(385)	(6)
24	Construction Work in Progress (Account 107)	0	0	0	0	0	0
25	Total Utility Plant						
26	Totals	(128)	(31)	(1,099)	(97)	(385)	(6)
		2012 Vintage Balance at 12/31/12					(391)
		2011 Vintage Balance at 12/31/12					(352)
		Impact of proration from p. 3					192
		Total Balance at 12/31/12					(551)

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North Shore Gas Company
Utility Plant-in-Service Adjustment
For the Test Year Ending December 31, 2012
(In Thousands)

Line	Description	Days(1)	Ratio	Liberalized Depreciation Statutory Rate Per Staff	Prorated	Source
(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	2011 Additions Adjustment - Federal Deferred Tax			$ 14	$ 14	~~UPIS p. 2, Colm. X, Line 13~~
2	2012 Additions Adjustment - Federal Deferred Tax			(385)	(385)	~~UPIS p. 2, Colm. P, Line 26~~
3	Total Additions Adjustment - Federal Deferred Tax			$ (371)	$ (371)	
			(C/D 19)		(D * E)	
4	January 1-17		100.0%	(16)	(16)	
5	January 18-31	336	96.0%	(15)	(14)	
6	February	307	87.7%	(31)	(27)	
7	March	276	78.9%	(31)	(24)	
8	April	246	70.3%	(31)	(22)	
9	May	215	61.4%	(31)	(19)	
10	June	185	52.9%	(31)	(16)	
11	July	154	44.0%	(31)	(14)	
12	August	123	35.1%	(31)	(11)	
13	September	93	26.6%	(31)	(8)	
14	October	62	17.7%	(31)	(5)	
15	November	32	9.1%	(31)	(3)	
16	December	1	0.3%	(31)	-	
17	Total 12/31/2012			$ (371)	$ (179)	Sum Lines 4 through 16
18	Impact of Proration				$ (192)	~~Average Colms. E & F, Line 17~~ Difference between Colms E & F
19	Notes: (1)Total days in period:		350	NS-PGL Ex 23.4 N		
20	Assumes a February 15, 2011 filing, so the new rates become effective January 18, 2012.					

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North Shore Gas Company
Utility Plant-in-Service Adjustment
For the Test Year Ending December 31, 2012
(In Thousands)

Line	Description	Actual Capital Expenditures (1)	Planned Capital Expenditures (1)
(A)	(B)	(C)	(D)
1	Total Company		
2	2008	$ 10,828	$ 9,453
3	2009	14,490	9,627
4	2010	10,260	19,019
5	3-Year Totals	$ 35,578	$ 38,099
6	Average Planned Capital Expenditures Expended		93.38% (2)

Source:
(1) Company Schedule G-8 except line 4 from Staff Data Request DGK-3.03
(2) Col. (C), line 5 / Col. (D), line 5

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The Peoples Gas Light and Coke Company

Utility Plant-in-Service Adjustment

For the Test Year Ending December 31, 2012
(in Thousands)

Line (A)	Description (B)	Amount (C)	Source (D)
1	~~Utility Plant-in-Service Net Additions 2012 and 2012 per Staff~~	~~$ 391,275~~	~~UPIS p. 2, Colm. E, Lines 15 + 30~~
2	~~Utility Plant-in-Service Net Additions 2011 and 2012 per Co.~~	~~395,722~~	~~UPIS p. 2, Colm. D, Lines 15 + 30~~
3	~~Staff Adjustment to Utility Plant-in-Service~~	~~$ (4,447)~~	~~Line 1 - Line 2~~
4	~~Staff Adjustment to Depreciation Expense~~	~~$ (150)~~	~~UPIS p. 2, Colm. M, Lines 15 + 30 + UPIS p. 3, Colm. U, Lines 15~~
5	~~Staff Adjustment to Accumulated Depreciation~~	~~$ 150~~	~~-Line 4~~
6	~~Staff Adjustment to Accumulated Deferred Taxes~~	~~$ (911)~~	~~= UPIS p. 2, Colm. P, Lines 13 + UPIS p. 2, Colm. Q, Lines 13 + 26 + UPIS p. 2, Colm. Y, Lines 13 + UPIS p. 3, Colm. F, Lines 18~~

Corrected Staff Calculation

	2011 Amount and Balance at 12/31/11	2012 Amount	Balance at 12/31/12	Average
Utility Plant in Service	(1,960)	(2,487)	(4,447)	(3,204)
Less Accumulated Depreciation	(35)	(115)	(150)	(93)
Net Plant	(1,925)		(4,297)	(3,111)
Accumulated Deferred Income Taxes	669		1,122	896
Rate Base	(1,256)		(3,175)	(2,215)

Adjustment to Depreciation Expense for Test Year 2012 (115)

Corrected Staff Adjustment

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The Peoples Gas Light and Coke Company
Utility Plant-in-Service Adjustment
For the Test Year Ending December 31, 2012
(in Thousands)

Line	Item	Depr Method	2011 Gross Additions less Retirements	Projected Additions per Staff	Staff Adjustment	Bonus-Eligible %	Bonus = 100% Bonus Depr	Book Depr %	Tax Depr %	Federal Tax Depr
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				98.88 % UPIS p. 4						
		(DGK-13.02)	(DGK-13.02)	(D* 98.88%)	(D * E)					
1	Distribution	Macrs 15	120,792	119,434	(1,358)	100%	(1,358)	3.7100%	5.0000%	(1,358)
2	Underground Storage	Macrs 15	22,150	21,901	(249)	100%	(249)	2.1200%	5.0000%	(249)
3	Liquefied Natural Gas	Macrs 15	2,372	2,345	(27)	100%	(27)	3.4800%	5.0000%	(27)
4	Transmission - Not Leased	Macrs 15	2,331	2,305	(26)	100%	(26)	1.3000%	5.0000%	(26)
5	General	Macrs 5	13,984	13,827	(157)	100%	(157)	8.3900%	20.0000%	(157)
6	Intangible	SL 3	0	0	0	100%	0	33.3333%	33.3333%	0
7	Production	Macrs 7	10,000	9,888	(112)	100%	(112)	0.0000%	14.2900%	(112)
8	ARO Obligation	Zero	0	0	0	0%	0	0.0000%	0.0000%	0
9	Total Account 101		171,629	169,700	(1,929)		(1,929)			(1,929)
10										
11	Recoverable Natural Gas (Account 117)	Zero	265	262	(3)	0%	0	0.0000%	0.0000%	0
12	Total Plant in Service		171,894	169,962	(1,932)		(1,929)			(1,929)
13	Construction Work in Progress (Account 107)	Zero	2,508	2,480	(28)	0%	0	0.0000%	0.0000%	0
14	Total Utility Plant									
15	Totals		174,402	172,442	(1,960)		(1,929)			(1,929)

Line	Item	Depr Method	2012 Gross Additions less Retirements	Projected Additions per Staff	Staff Adjustment	Bonus-Eligible %	Bonus = 50% Bonus Depr	Book Depr %	Tax Depr %	Federal Tax Depr
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(Formulae from
				98.88 % UPIS p. 4						
		(DGK-13.02)	(DGK-13.02)	(D* 98.88%)	(D * E)					
16	Distribution	Macrs 15	168,402	166,509	(1,893)	100%	(946)	3.7100%	5.0000%	(993)
17	Underground Storage	Macrs 15	42,755	42,274	(481)	100%	(240)	2.1200%	5.0000%	(252)
18	Liquefied Natural Gas	Macrs 15	4,471	4,421	(50)	100%	(25)	3.4800%	5.0000%	(26)
19	Transmission - Not Leased	Macrs 15	3,410	3,372	(38)	100%	(19)	1.3000%	5.0000%	(20)
20	General	Macrs 5	9,278	9,174	(104)	100%	(52)	8.3900%	20.0000%	(52)
21	Intangible	SL 3	0	0	0	100%	0	33.3333%	33.3333%	0
22	Production	Macrs 7	2,333	2,307	(26)	100%	(13)	0.0000%	14.2900%	(15)
23	ARO Obligation	Zero	0	0	0	0%	0	0.0000%	0.0000%	0
24	Total Account 101		230,649	228,057	(2,592)		(1,295)			(1,368)
25										
26	Recoverable Natural Gas (Account 117)	Zero	382	378	(4)	0%	0	0.0000%	0.0000%	0
27	Total Plant in Service		231,031	228,435	(2,596)		(1,295)			(1,368)
28	Construction Work in Progress (Account 107)	Zero	(9,711)	(9,602)	109	0%	0	0.0000%	0.0000%	0
29	Total Utility Plant									
30	Totals		221,320	218,833	(2,487)		(1,295)			(1,368)

Corrected Staff Adjustment

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The Peoples Gas Light and Coke Company
Utility Plant-in-Service Adjustment
For the Test Year Ending December 31, 2012
(in Thousands)

Line	Item	State Tax Depr	Book Depreciation	Federal M1	State M1	2011 Federal Def Tax	2011 State Def Tax	Tax Depr %	Federal Tax Depr	State Tax Depr	Book Depreciation	Federal M1	State M1	2012 Federal Def Tax	2012 State Def Tax
(A)	(B)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)
		(Formulae from WP 22.3 P)													
1	Distribution	(68)	(25)	(1,333)	(43)	(467)	(3)	9.5000%	0	(129)	(50)	50	(79)	18	(5)
2	Underground Storage	(12)	(3)	(246)	(9)	(86)	(1)	9.5000%	0	(24)	(8)	8	(18)	2	(1)
3	Liquefied Natural Gas	(1)	0	(27)	(1)	(9)	0	9.5000%	0	(3)	0	0	(3)	0	0
4	Transmission - Not Leased	(1)	0	(26)	(1)	(9)	0	9.5000%	0	(2)	0	0	(2)	0	0
5	General	(31)	(7)	(150)	(24)	(53)	(1)	32.0000%	0	(50)	(14)	14	(36)	5	(2)
6	Intangible	0	0	0	0	0	0	33.3333%	0	0	0	0	0	0	0
7	Production	(16)	0	(112)	(16)	(39)	(1)	24.4900%	0	(28)	0	0	(28)	0	(2)
8	ARO Obligation	0	0	0	0	0	0	0.0000%	0	0	0	0	0	0	0
9	Total Account 101	(129)	(35)	(1,894)	(94)	(663)	(6)		0	(236)	(70)	70	(166)	25	(10)
10															
11	Recoverable Natural Gas (Account 117)	0	0	0	0	0	0	0.0000%	0	0	0	0	0	0	0
12	Total Plant in Service	(129)	(35)	(1,894)	(94)	(663)	(6)		0	(236)	(70)	70	(166)	25	(10)
13	Construction Work in Progress (Account 107)	0	0	0	0	0	0	0.0000%	0	0	0	0	0	0	0
14	Total Utility Plant														
15	Totals	(129)	(35)	(1,894)	(94)	(663)	(6)		0	(236)	(70)	70	(166)	25	(10)
		2011 Vintage Balance at 12/31/11					(669)		2011 Vintage Balance at 12/31/12						(654)

Line	Item	State Tax Depr	Book Depreciation	Federal M1	State M1	2012 Federal Def Tax	2012 State Def Tax
(A)	(B)	WP 22.3 P)	(M)	(N)	(O)	(P)	(Q)
16	Distribution	(95)	(35)	(958)	(60)	(335)	(4)
17	Underground Storage	(24)	(5)	(247)	(19)	(86)	(1)
18	Liquefied Natural Gas	(3)	(1)	(25)	(2)	(9)	0
19	Transmission - Not Leased	(2)	0	(20)	(2)	(7)	0
20	General	(21)	(4)	(58)	(17)	(20)	(1)
21	Intangible	0	0	0	0	0	0
22	Production	(4)	0	(15)	(4)	(5)	0
23	ARO Obligation	0	0	0	0	0	0
24	Total Account 101	(149)	(45)	(1,323)	(104)	(462)	(6)
25							
26	Recoverable Natural Gas (Account 117)	0	0	0	0	0	0
27	Total Plant in Service	(149)	(45)	(1,323)	(104)	(462)	(6)
28	Construction Work in Progress (Account 107)	0	0	0	0	0	0
29	Total Utility Plant						
30	Totals	(149)	(45)	(1,323)	(104)	(462)	(6)
		2012 Vintage Balance at 12/31/12					(468)
		2011Vintage Balance at 12/31/12					(654)
		Impact of proration					226
		Total Balance at 12/31/12					(1,122)

Corrected Staff Adjustment

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The Peoples Gas Light and Coke Company

Utility Plant-in-Service Adjustment

For the Test Year Ending December 31, 2012
(in Thousands)

Line	Description	Days(1)	Ratio	Liberalized Depreciation Statutory Rate Per Staff	Prorated	Source
	[A]	[B]	[C]	[D]	[E]	(G)
1	2011 Additions Adjustment - Federal Deferred Tax			$ 25	$ 25	~~UPIS p. 2, Colm. X, Line 15~~
2	2012 Additions Adjustment - Federal Deferred Tax			(462)	(462)	~~UPIS p. 2, Colm. P, Line 30~~
3	Total Additions Adjustment - Federal Deferred Tax			$ (437)	$ (437)	
			(C/D 19)		(D * E)	
4	January 1-17		100.0%	(18)	(18)	
5	January 18-31	336	96.0%	(18)	(17)	
6	February	307	87.7%	(36)	(32)	
7	March	276	78.9%	(36)	(29)	
8	April	246	70.3%	(36)	(26)	
9	May	215	61.4%	(36)	(22)	
10	June	185	52.9%	(36)	(19)	
11	July	154	44.0%	(36)	(16)	
12	August	123	35.1%	(36)	(13)	
13	September	93	26.6%	(36)	(10)	
14	October	62	17.7%	(36)	(6)	
15	November	32	9.1%	(36)	(3)	
16	December	1	0.3%	(36)	-	
17	Total 12/31/2012			$ (437)	$ (211)	Sum Lines 4 through 16
18	Impact of Proration				$ (226)	~~Average Colms. E & F, Line 17~~ Difference between Colms E & F
19	Notes: (1)Total days in period:		350	NS-PGL Ex 23.4 P		
20	Assumes a February 15, 2011 filing, so the new rates become effective January 18, 2012.					

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The Peoples Gas Light and Coke Company

Utility Plant-in-Service Adjustment

For the Test Year Ending December 31, 2012
(in Thousands)

ine No.	Description	Actual Capital Expenditures (1)	Planned Capital Expenditures (1)
(A)	(B)	(C)	(D)
1	Total Company		
2	2008	$ 104,849	$ 99,526
3	2009	75,732	72,219
4	2010	72,978	84,696
5	3-Year Totals	$ 253,559	$ 256,441
6	Average Planned Capital Expenditures Expended		98.88% (2)

Source:
(1) Company Schedule G-8 except line 4 from Staff Data Request DGK-3.03
(2) Col. (C), line 5 / Col. (D), line 5

Response to North Shore and Peoples Gas
Seventeenth Set of Data Requests to Staff
Docket Nos. 11-0280/11-0281 Cons.
Response of Staff Witness Kahle

ICC Person Responsible: Daniel Kahle
Title: Accountant, Financial Analysis Division
Business Address: Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Request NS-PGL 17.01

NSPGL-Staff 17.01 Regarding Staff's response to NS-PGL data request 16.01, the Utilities agree with Mr. Kahle's observation that there was an incorrect formula in Peoples Gas' Corrected Staff Schedule 10.9P. North Shore's formulas were correct. Peoples Gas has corrected the formula on page 2 of the attached excel file. That correction was then carried over to page 1 of the attached file. Would Mr. Kahle agree that revised calculations in the attached excel file for Peoples Gas are now correct?

Response

Yes.

REVISED Corrected Staff Adjustment

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The Peoples Gas Light and Coke Company

Utility Plant-in-Service Adjustment

For the Test Year Ending December 31, 2012
(in Thousands)

Line (A)	Description (B)	Amount (C)	Source (D)
1	~~Utility Plant-in-Service Net Additions 2012 and 2012 per Staff~~	~~$ 391,275~~	~~UPIS p.2, Colm. E, Lines 15 + 30~~
2	~~Utility Plant-in-Service Net Additions 2011 and 2012 per Co.~~	~~395,722~~	~~UPIS p. 2, Colm. D, Lines 15 + 30~~
3	~~Staff Adjustment to Utility Plant-in-Service~~	~~$ (4,447)~~	~~Line 1 - Line 2~~
4	~~Staff Adjustment to Depreciation Expense~~	~~$ (150)~~	~~UPIS p. 2, Colm. M, Lines 15 + 30 + UPIS p. 2, Colm. U, Lines 15~~
5	~~Staff Adjustment to Accumulated Depreciation~~	~~$ 150~~	~~- Line 4~~
6	~~Staff Adjustment to Accumulated Deferred Taxes~~	~~$ (911)~~	~~= UPIS p. 2, Colm. P, Lines 13 + UPIS p.2, Colm. Q, Lines 13 + 26 + UPIS p. 2, Colm. Y, Lines 13 + UPIS p. 3, Colm. F, Lines 18~~

Corrected Staff Calculation

	2011 Amount and Balance at 12/31/11	2012 Amount	Balance at 12/31/12	Average
Utility Plant in Service	(1,960)	(2,487)	(4,447)	(3,204)
Less Accumulated Depreciation	(35)	(115)	(150)	(93)
Net Plant	(1,925)		(4,297)	(3,111)
Accumulated Deferred Income Taxes	669		896	783
Rate Base	(1,256)		(3,401)	(2,328)

Adjustment to Depreciation Expense for Test Year 2012 (115)

REVISED Corrected Staff Adjustment

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Part 1

The Peoples Gas Light and Coke Company
Utility Plant-in-Service Adjustment
For the Test Year Ending December 31, 2012
(in Thousands)

Line	Item	Depr Method	2011 Gross Additions less Retirements	Projected Additions per Staff	Staff Adjustment	Bonus-Eligible %	Bonus = 100% Bonus Depr	Book Depr %	Tax Depr %	Federal Tax Depr
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				98.88 % UPIS p. 4						
		(DGK-13.02)	(DGK-13.02)	(D* 98.88%)	(D * E)					
1	Distribution	Macrs 15	120,792	119,434	(1,358)	100%	(1,358)	3.7100%	5.0000%	(1,358)
2	Underground Storage	Macrs 15	22,150	21,901	(249)	100%	(249)	2.1200%	5.0000%	(249)
3	Liquefied Natural Gas	Macrs 15	2,372	2,345	(27)	100%	(27)	3.4800%	5.0000%	(27)
4	Transmission - Not Leased	Macrs 15	2,331	2,305	(26)	100%	(26)	1.3000%	5.0000%	(26)
5	General	Macrs 5	13,984	13,827	(157)	100%	(157)	8.3900%	20.0000%	(157)
6	Intangible	SL 3	0	0	0	100%	0	33.3333%	33.3333%	0
7	Production	Macrs 7	10,000	9,888	(112)	100%	(112)	0.0000%	14.2900%	(112)
8	ARO Obligation	Zero	0	0	0	0%	0	0.0000%	0.0000%	0
9	Total Account 101		171,629	169,700	(1,929)		(1,929)			(1,929)
10										
11	Recoverable Natural Gas (Account 117)	Zero	265	262	(3)	0%	0	0.0000%	0.0000%	0
12	Total Plant in Service		171,894	169,962	(1,932)		(1,929)			(1,929)
13	Construction Work in Progress (Account 107)	Zero	2,508	2,480	(28)	0%	0	0.0000%	0.0000%	0
14	Total Utility Plant									
15	Totals		174,402	172,442	(1,960)		(1,929)			(1,929)

Line	Item	Depr Method	2012 Gross Additions less Retirements	Projected Additions per Staff	Staff Adjustment	Bonus-Eligible %	Bonus = 50% Bonus Depr	Book Depr %	Tax Depr %	Federal Tax Depr
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(Formulae from
				98.88 % UPIS p. 4						
		(DGK-13.02)	(DGK-13.02)	(D* 98.88%)	(D * E)					
16	Distribution	Macrs 15	168,402	166,509	(1,893)	100%	(946)	3.7100%	5.0000%	(993)
17	Underground Storage	Macrs 15	42,755	42,274	(481)	100%	(240)	2.1200%	5.0000%	(252)
18	Liquefied Natural Gas	Macrs 15	4,471	4,421	(50)	100%	(25)	3.4800%	5.0000%	(26)
19	Transmission - Not Leased	Macrs 15	3,410	3,372	(38)	100%	(19)	1.3000%	5.0000%	(20)
20	General	Macrs 5	9,278	9,174	(104)	100%	(52)	8.3900%	20.0000%	(62)
21	Intangible	SL 3	0	0	0	100%	0	33.3333%	33.3333%	0
22	Production	Macrs 7	2,333	2,307	(26)	100%	(13)	0.0000%	14.2900%	(15)
23	ARO Obligation	Zero	0	0	0	0%	0	0.0000%	0.0000%	0
24	Total Account 101		230,649	228,057	(2,592)		(1,295)			(1,368)
25										
26	Recoverable Natural Gas (Account 117)	Zero	382	378	(4)	0%	0	0.0000%	0.0000%	0
27	Total Plant in Service		231,031	228,435	(2,596)		(1,295)			(1,368)
28	Construction Work in Progress (Account 107)	Zero	(9,711)	(9,602)	109	0%	0	0.0000%	0.0000%	0
29	Total Utility Plant									
30	Totals		221,320	218,833	(2,487)		(1,295)			(1,368)
31										
32										
33										
34										

REVISED Corrected Staff Adjustment

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Part 2

The Peoples Gas Light and Coke Company

Utility Plant-in-Service Adjustment

For the Test Year Ending December 31, 2012
(in Thousands)

Line	Item	State Tax Depr	Book Depreciation	Federal M1	State M1	2011 Federal Def Tax	2011 State Def Tax	Tax Depr %	Federal Tax Depr	State Tax Depr	Book Depreciation	Federal M1	State M1	2012 Federal Def Tax
(A)	(B)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)
		(Formulae from WP 22.3 P)												
1	Distribution	(68)	(25)	(1,333)	(43)	(487)	(3)	9.5000%	0	(129)	(50)	50	(79)	18
2	Underground Storage	(12)	(3)	(246)	(9)	(86)	(1)	9.5000%	0	(24)	(6)	6	(18)	2
3	Liquefied Natural Gas	(1)	0	(27)	(1)	(9)	0	9.5000%	0	(3)	0	0	(3)	0
4	Transmission - Not Leased	(1)	0	(26)	(1)	(9)	0	9.5000%	0	(2)	0	0	(2)	0
5	General	(31)	(7)	(150)	(24)	(53)	(1)	32.0000%	0	(50)	(14)	14	(36)	5
6	Intangible	0	0	0	0	0	0	33.3333%	0	0	0	0	0	0
7	Production	(16)	0	(112)	(16)	(39)	(1)	24.4900%	0	(28)	0	0	(28)	0
8	ARO Obligation	0	0	0	0	0	0	0.0000%	0	0	0	0	0	0
9	Total Account 101	(129)	(35)	(1,894)	(94)	(663)	(6)		0	(236)	(70)	70	(166)	25
10														
11	Recoverable Natural Gas (Account 117)	0	0	0	0	0	0	0.0000%	0	0	0	0	0	0
12	Total Plant in Service	(129)	(35)	(1,894)	(94)	(663)	(6)		0	(236)	(70)	70	(166)	25
13	Construction Work in Progress (Account 107)	0	0	0	0	0	0	0.0000%	0	0	0	0	0	0
14	Total Utility Plant													
15	Totals	(129)	(35)	(1,894)	(94)	(663)	(6)		0	(236)	(70)	70	(166)	25
				2011 Vintage Balance at 12/31/11			(669)					2011 Vintage Balance at 12/31/12		

Line	Item	State Tax Depr	Book Depreciation	Federal M1	State M1	2012 Federal Def Tax	2012 State Def Tax
(A)	(B)	WP 22.3 P)	(M)	(N)	(O)	(P)	(Q)
16	Distribution	(95)	(35)	(958)	(60)	(335)	(4)
17	Underground Storage	(24)	(5)	(247)	(19)	(86)	(1)
18	Liquefied Natural Gas	(3)	(1)	(25)	(2)	(9)	0
19	Transmission - Not Leased	(2)	0	(20)	(2)	(7)	0
20	General	(21)	(4)	(58)	(17)	(20)	(1)
21	Intangible	0	0	0	0	0	0
22	Production	(4)	0	(15)	(4)	(5)	0
23	ARO Obligation	0	0	0	0	0	0
24	Total Account 101	(149)	(45)	(1,323)	(104)	(462)	(6)
25							
26	Recoverable Natural Gas (Account 117)	0	0	0	0	0	0
27	Total Plant in Service	(149)	(45)	(1,323)	(104)	(462)	(6)
28	Construction Work in Progress (Account 107)	0	0	0	0	0	0
29	Total Utility Plant						
30	Totals	(149)	(45)	(1,323)	(104)	(462)	(6)
31				2012 Vintage Balance at 12/31/12			(468)
32				2011Vintage Balance at 12/31/12			(654)
33				Impact of proration			226
34				Total Balance at 12/31/12			(896)

REVISED Corrected Staff Adjustment

Line (A)	Item (B)	2012 State Def Tax (Y)
1	Distribution	(5)
2	Underground Storage	(1)
3	Liquefied Natural Gas	0
4	Transmission - Not Leased	0
5	General	(2)
6	Intangible	0
7	Production	(2)
8	ARO Obligation	0
9	Total Account 101	(10)
10		
11	Recoverable Natural Gas (Account 117)	0
12	Total Plant in Service	(10)
13	Construction Work in Progress (Account 107)	0
14	Total Utility Plant	
15	Totals	(10)
		(654)

Line (A)	Item (B)
16	Distribution
17	Underground Storage
18	Liquefied Natural Gas
19	Transmission - Not Leased
20	General
21	Intangible
22	Production
23	ARO Obligation
24	Total Account 101
25	
26	Recoverable Natural Gas (Account 117)
27	Total Plant in Service
28	Construction Work in Progress (Account 107)
29	Total Utility Plant
30	Totals
31	
32	
33	
34	

REVISED Corrected Staff Adjustment

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The Peoples Gas Light and Coke Company

Utility Plant-in-Service Adjustment

For the Test Year Ending December 31, 2012
(in Thousands)

Line	Description	Days(1)	Ratio	Liberalized Depreciation Statutory Rate Per Staff	Prorated	Source
	[A]	[B]	[C]	[D]	[E]	(G)
1	2011 Additions Adjustment - Federal Deferred Tax			$ 25	$ 25	~~UPIS p. 2, Colm. X, Line 15~~
2	2012 Additions Adjustment - Federal Deferred Tax			(462)	(462)	~~UPIS p. 2, Colm. P, Line 30~~
3	Total Additions Adjustment - Federal Deferred Tax			$ (437)	$ (437)	
			(C/D 19)		(D * E)	
4	January 1-17		100.0%	(18)	(18)	
5	January 18-31	336	96.0%	(18)	(17)	
6	February	307	87.7%	(36)	(32)	
7	March	276	78.9%	(36)	(29)	
8	April	246	70.3%	(36)	(26)	
9	May	215	61.4%	(36)	(22)	
10	June	185	52.9%	(36)	(19)	
11	July	154	44.0%	(36)	(16)	
12	August	123	35.1%	(36)	(13)	
13	September	93	26.6%	(36)	(10)	
14	October	62	17.7%	(36)	(6)	
15	November	32	9.1%	(36)	(3)	
16	December	1	0.3%	(36)	-	
17	Total 12/31/2012			$ (437)	$ (211)	Sum Lines 4 through 16
18	Impact of Proration				$ (226)	~~Average Colms. E & F, Line 17~~ Difference between Colms E & F
19	Notes: (1)Total days in period:		350	NS-PGL Ex 23.4 P		
20	Assumes a February 15, 2011 filing, so the new rates become effective January 18, 2012.					

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The Peoples Gas Light and Coke Company

Utility Plant-in-Service Adjustment

For the Test Year Ending December 31, 2012
(in Thousands)

ine No.	Description	Actual Capital Expenditures (1)	Planned Capital Expenditures (1)
(A)	(B)	(C)	(D)
1	Total Company		
2	2008	$ 104,849	$ 99,526
3	2009	75,732	72,219
4	2010	72,978	84,696
5	3-Year Totals	$ 253,559	$ 256,441
6	Average Planned Capital Expenditures Expended		98.88% (2)

Source:
(1) Company Schedule G-8 except line 4 from Staff Data Request DGK-3.03
(2) Col. (C), line 5 / Col. (D), line 5

ICC Docket No. 11-0280
North Shore Gas Company's Response to
Staff Data Requests DGK 14.01-14.02
Dated: August 26, 2011

REQUEST NO. DGK 14.01:

Company Witness Mr. John Hentgen discusses the Companies calculation of net operating loss ("NOL") on page 14 of his surrebuttal testimony (NS-PGL Ex. 40.0). Please explain why the Companies presented NOL at proposed rates and did not reflect the tax impacts of the full amount of the revenue increase being requested.

RESPONSE:

After discussion with ICC staff on August 26, North Shore understands the data request to ask to explain why the Companies presented NOL at **present rates** not proposed rates.

North Shore responds that the explanation is contained in the above referenced testimony, NS-PGL Ex. 40.0, page 14. North Shore further responds that the calculations and all the formulas supporting North Shore's proposed NOL calculations can be found on NS-PGL WP Ex. 39.5N and 40.5N which was has been attached as NS DGK 14.01 Attach 01.

NS DGK 14.01 Attach 01

North Shore Gas Company
Adjustment to NOL -Tax Normalization

Docket Nos. 11-0280/0281 (consol.)
NS-PGL WP Ex. 39.5N
NS-PGL WP Ex. 40.5N

COMPANY REBUTTAL

	NOL Tax Asset	2011 balance	2012 activity	2012 RI	12/31/2012 Average	
	Federal	70,000	2,697,000	(2,687,000)	80,000	75,000
	State	184,000	(184,000)	-	-	92,000
		254,000	2,513,000	(2,687,000)	80,000	167,000
Cumulative Balance		Federal	2,767,000	(2,687,000)	80,000	cannot less than zero
		State	-	-	-	cannot less than zero
			2,767,000	(2,687,000)	80,000	

COMPANY SURREBUTTAL

	NOL Tax Asset	2011 balance	2012 activity	2012 RI	12/31/2012 Average		Difference Average
	Federal	70,000	2,672,000	-	2,742,000	1,406,000	1,331,000
	State	184,000	(184,000)	-	-	92,000	-
		254,000	2,488,000	-	2,742,000	1,498,000	1,331,000
	Federal		2,742,000	-	2,742,000	cannot less than zero	
	State		-	-	-	cannot less than zero	
			2,742,000	-	2,742,000		

			2011 activity	2012 activity	2012 RI	Adjustments	2012 RI Adjusted
To Deferred Asset	NOL -income taxes (Acct 409.10 + Acct 409.20)						
	Federal	Acct 409.10	(187,000)	2,394,000	(2,687,000)		(2,687,000)
		Acct 409.20	257,000	303,000	-		
			70,000	2,697,000	(2,687,000)		
	State	Acct 409.10	140,000	(184,000)	(806,000)	806,000	-
		Acct 409.20	44,000	53,000	-		
			184,000	(131,000)	(806,000)		
	Total		254,000	2,566,000	(3,493,000)		

			2011 activity	2012 activity	2012 RI	Adjustments	2012 RI Adjusted
	Acct 409.10		(187,000)	2,419,000	-		-
	Acct 409.20		257,000	303,000	-		
			70,000	2,722,000	-		
	Acct 409.10		140,000	(184,000)	-	-	-
	Acct 409.20		44,000	53,000	-		
			184,000	(131,000)	-		
			254,000	2,591,000	-		

Operating Income	NOL -income taxes before adjustments											
	Federal	Acct 409.10	Rebuttal	(2,394,000)	2,687,000	NS-PGL Ex. 22.1N, line 29, col. (E) and (H)	Acct 409.10	Rebuttal + Surrebuttal	(2,369,000)	-	Rebuttal + Ex. 39.1N, line 29, col (E).	No revenue increase to NOL
	State	Acct 409.10	Rebuttal	497,000	806,000	NS-PGL Ex. 22.1N, line 30, col. (E) and (H)	Acct 409.10	Rebuttal + Surrebuttal	506,000	-	Rebuttal + Ex. 39.1N, line 30, col (E).	No revenue increase to NOL

				2012 activity	2012 RI				2012 activity	2012 RI
Operating Income	NOL -income taxes remaining on C-1									
	Federal	Acct 409.10	Rebuttal	-	-	NS-PGL Ex. 22.1N, line 29, col. (F) and (I)	Acct 409.10	Rebuttal + Surrebuttal	50,000	-
	State	Acct 409.10	Rebuttal	313,000	806,000	NS-PGL Ex. 22.1N, line 30, col. (F) and (I)	Acct 409.10	Rebuttal + Surrebuttal	322,000	-

ICC Docket No. 11-0281
The Peoples Gas Light and Coke Company's Response to
Staff Data Requests DGK 14.01-14.02
Dated: August 26, 2011

REQUEST NO. DGK 14.01:

Company Witness Mr. John Hentgen discusses the Companies calculation of net operating loss ("NOL") on page 14 of his surrebuttal testimony (NS-PGL Ex. 40.0). Please explain why the Companies presented NOL at proposed rates and did not reflect the tax impacts of the full amount of the revenue increase being requested.

RESPONSE:

After discussion with ICC staff on August 26, Peoples Gas understands the data request to ask to explain why the Companies presented NOL at **present rates** not proposed rates.

Peoples Gas responds that the explanation is contained in the above referenced testimony, NS-PGL Ex. 40.0, page 14. Peoples Gas further responds that the calculations and all the formulas supporting Peoples Gas proposed NOL calculations can be found on NS-PGL WP Ex. 39.5P and 40.5P which has been attached as PGL DGK 14.01 Attach 01.

The Peoples Gas Light & Coke Company
Adjustment to NOL -Tax Normalization

Docket Nos. 11-0280/0281 (consol.)
NS-PGL WP Ex. 39.5P
NS-PGL WP Ex. 40.5P

PGL DGK 14.01 Attach 01

			REBUTTAL - INCOME TAX NORMALIZATION TO DEFERRED TAX ASSET					SURREBUTTAL - INCOME TAX NORMALIZATION TO DEFERRED TAX ASSET					DIFFERENCE
			12/31/11	2012 activity	2012 RI	12/31/2012	Average	12/31/11	2012 activity	2012 RI	12/31/2012	Average	Average
		Federal	30,869,000	43,119,000	(34,974,000)	39,014,000	34,942,000	30,869,000	42,302,000	-	73,171,000	52,020,000	17,078,000
		State	6,621,000	(169,000)	(6,452,000)	-	3,311,000	6,621,000	(414,000)	-	6,207,000	6,414,000	3,103,000
			37,490,000	42,950,000	(41,426,000)	39,014,000	38,253,000	37,490,000	41,888,000	-	79,378,000	58,434,000	20,181,000
		Cumulative Bal	Federal	73,988,000	(34,974,000)	39,014,000	cannot be less than zero	Federal	73,171,000	-	73,171,000	cannot be less than zero	
			State	6,452,000	(6,452,000)	-	cannot be less than zero	State	6,207,000	-	6,207,000	cannot be less than zero	
				80,440,000	(41,426,000)	39,014,000			79,378,000	-	79,378,000		
To Deferred Asset	NOL -income taxes (Acct 409.10 + 409.20)		2011 activity	2012 activity	2012 RI	Adjustments	2012 RI Adjusted	2011 activity	2012 activity	2012 RI	Adjustments	2012 RI Adjusted	
	Federal	Acct 409.10	30,927,000	42,878,000	(34,974,000)	-	(34,974,000)	30,927,000	42,061,000	-	-	-	
		Acct 409.20	(58,000)	241,000				(58,000)	241,000				
		Total	30,869,000	43,119,000	(34,974,000)			30,869,000	42,302,000	-			
	State	Acct 409.10	6,624,000	(202,000)	(10,490,000)	4,038,000	(6,452,000)	6,624,000	(447,000)	-	-	-	
		Acct 409.20	(3,000)	33,000				(3,000)	33,000				
		Total	6,621,000	(169,000)	(10,490,000)			6,621,000	(414,000)	-			
				42,950,000	(45,464,000)				41,888,000	-			
Operating Income	NOL -income taxes before adjustments			2012 activity	2012 RI				2012 activity	2012 RI			
	Federal	Acct 409.10	Rebuttal	(42,878,000)	34,974,000	NS-PGL Ex. 22.1P, line 29, col. (E) and (H)		Rebuttal + Surrebuttal	(42,061,000)	-	Rebuttal + Ex. 39.1P, line 29, col (E). No revenue increase to NOL		
	State	Acct 409.10	Rebuttal	202,000	10,490,000	NS-PGL Ex. 22.1P, line 30, col. (E) and (H)		Rebuttal + Surrebuttal	447,000	-	Rebuttal + Ex. 39.1P, line 30, col (E). No revenue increase to NOL		
				Rebuttal	Rebuttal								DIFFERENCE
Operating Income	NOL -income taxes remaining on C-1			2012 activity	2012 RI				2012 activity	2012 RI			2012 activity
	Federal	Acct 409.10		-	-	NS-PGL Ex. 22.1P, line 29, col. (F) and (I)			-	-			-
	State	Acct 409.10		-	4,038,000	NS-PGL Ex. 22.1P, line 30, col. (F) and (I)			-	-			-

ICC Docket No. 11-0280
North Shore Gas Company's Response to
Staff Data Requests DGK 14.01-14.02
Dated: August 26, 2011

REQUEST NO. DGK 14.02:

Please provide all schedules and workpapers that support the Companies' requested rate increase for current Federal income tax and current State income tax as presented in column "G" of NS-PGL Exhibit 39.1 P and NS-PGL Exhibit 39.1 P. Please provide Excel based schedules and exhibits in their native format.

RESPONSE:

The excel files for NS-PGL Ex. 39.1N to 39.8N (NS DGK 14.02 Attach 01) were served on August 26, 2011.

In the files, the calculations for current Federal and current State income taxes presented in column "G" of NS-PGL Exhibit 39.1N can be found under tab labeled "Ex.39.1N_Surrebuttal C1".

Docket Nos. 11-0280/11-0281 consol.
NS-PGL Exhibit 39.1N
Page 1 of 1

North Shore Gas Company

Jurisdictional Operating Income Summary

Line No.	I.C.C. Acc. No. [A]	Description [B]	Company Rebuttal Proforma Present (Ex. 22.1N) (Col. F) [C]	Rate Making Adjustments excluding NOL (Exhibit 39.2N, p1, col K minus p3, col H) [D]	Rate Making Adjustment NOL (Exhibit 39.2N, p1, col H) [E]	As Adjusted Under Present Rates [F] = [C + D + E]	Requested Rate Increase [G]	As adjusted Under Proposed Rates [H] = [F + G]	Line No.
1	480-481, 489	Base Rate Revenues exclude Base Rate adjustments	$ 75,170,000	-	-	$ 75,170,000	$ 8,214,000	$ 83,384,000	1
2	480-481, 489	Uncollectibe Expense Adjustment Revenues	$ -	-	-	$ -		$ -	2
3	480-481, 489	Volume Balancing Adjustment Revenues	$ -	-	-	$ -		$ -	3
4	480-481, 489	Franchise Cost Adjustment Revenues	$ -	-	-	-		$ -	4
5		Base Rate Revenues	75,170,000	-	-	75,170,000	8,214,000	83,384,000	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	1,550,000	7,000	-	1,557,000	$ 133,000	$ 1,690,000	10
11	400	Operating Revenues	$ 76,720,000	$ 7,000	$ -	$ 76,727,000	$ 8,347,000	$ 85,074,000	11
12		Operating Expenses							12
13	401	Cost of Gas	$ -	$ -	$ -	$ -	$ -	$ -	13
14	401 & 402	Other Operation and Maintenance:							14
15	401 & 402	Other Production	$ 273,000	$ -	$ -	$ 273,000	$ -	$ 273,000	15
16	401 & 402	Storage	$ -	$ -	$ -	$ -	$ -	$ -	16
17	401 & 402	Transmission	$ 180,000	$ -	$ -	$ 180,000	$ -	$ 180,000	17
18	401 & 402	Distribution	$ 11,886,000	$ -	$ -	$ 11,886,000	$ -	$ 11,886,000	18
19	401	Customer Accounts - Uncollectible Expense	$ 1,675,000	$ -	$ -	$ 1,675,000	$ 58,000	$ 1,733,000	19
20	401	Customer Accounts - Other	$ 5,678,000	$ -	$ -	$ 5,678,000	$ -	$ 5,678,000	20
21	401	Customer Services and Informational Services	$ 502,000	$ -	$ -	$ 502,000	$ -	$ 502,000	21
22	401	Sales	$ -	$ -	$ -	$ -	$ -	$ -	22
23	401 & 402	Administrative and General	$ 26,614,000	$ (79,000)	$ -	$ 26,535,000	$ -	$ 26,535,000	23
24		Total Other Operation and Maintenance	$ 46,808,000	$ (79,000)	$ -	$ 46,729,000	$ 58,000	$ 46,787,000	24
25	403	Depreciation	$ 10,317,000	$ (71,000)	$ -	$ 10,246,000	$ -	$ 10,246,000	25
26	404	Amortization	$ -	$ -	$ -	$ -	$ -	$ -	26
27	408.1	Taxes Other than Income	$ 3,348,000	$ (1,888)	$ -	$ 3,347,000	$ -	$ 3,347,000	27
28		Income Taxes					$ -	$ -	28
29	409.1	Federal Income Taxes - Current	$ -	$ 25,000	$ (25,000)	$ -	$ 2,626,000	$ 2,626,000	29
30	409.1	State Income Taxes - Current	$ 313,000	$ 9,000	$ -	$ 322,000	$ 787,000	$ 1,109,000	30
31	410.1 & 411.1	Deferred Income Taxes	$ 4,531,000	$ 29,000	$ 25,000	$ 4,585,000	$ -	$ 4,585,000	31
32	411.4	Investment Tax Credit	$ 6,000	$ -	$ -	$ 6,000	$ -	$ 6,000	32
33		Total Operating Expenses	$ 65,323,000	$ (88,000)	$ -	$ 65,235,000	$ 3,471,000	$ 68,706,000	33
34		Jurisdictional Operating Income (Loss)	$ 11,397,000	$ 95,000	$ -	$ 11,492,000	$ 4,876,000	$ 16,368,000	34

		Company Surrebuttal
a Original Cost Rate Base	Exhibit 40.1N	$ 192,562,000
b Operating Income at Present Rates	Exhibit 39.1N	$ 11,492,000
c Cost of Capital	Exhibit 35.0	8.50%
d Operating Income at Proposed Rates	line a x line c	$ 16,368,000
e Income Deficiency	line d - line b	$ 4,876,000
f Gross Revenue Conversion Factor	Exhibit 39.8N	1.71194100
g Revenue Increase Required	line e x line f	$ 8,347,000

Docket Nos. 11-0280/11-0281 consol
NS-PGL Exhibit 39.2N
Page 1 of 2

North Shore Gas 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. 40.3N	Updated Inflation Rate ICC 12.8N	-	Current Rate Case Expense NS-PGL Ex. 39.4N	Rate Case Amortization NS-PGL Ex. 39.3N	-	-	-	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	Franchise Cost Adjustment 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 Expense									-
20	401	Customer Accounts -Other				-					-
21	401	Customer Service and Informational Services				-		-			-
22	401	Sales									-
23	401 & 402	Administrative and General	-	(8,000)	-	(71,000)	-	-	-	-	(79,000)
24		Total Other Operations and Maintenance	-	(8,000)	-	(71,000)	-	-	-	-	(79,000)
25	403	Depreciation	(71,000)	-	-	-	-	-	-		(71,000)
26	404	Amortization									-
27	408.1	Taxes Other than Income		-	-			-	-	-	-
28		Income Taxes									-
29	409.1	Federal Income Taxes - Current	22,000	-	-	-	-	-	-	-	22,000
30	409.1	State Income Taxes - Current	7,000	1,000	-	-	-	-	-	-	8,000
31	410.1 & 411.1	Deferred Income Taxes	-	-	-	29,000	-	-			29,000
32	411.4	Investment Tax Credit	-	-	-	-	-	-	-	-	-
33		Total Operating Expenses	(42,000)	(7,000)	-	(42,000)	-	-	-	-	(91,000)
34		Net Operating Income	$ 42,000	$ 7,000	$ -	$ 42,000	$ -	$ -	$ -	$ -	$ 91,000

Docket Nos. 11-0280/11-0281 consol
NS-PGL Exhibit 39.2N
Page 2 of 2

North Shore Gas 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 & Bill Revenues NS-PGL Ex. 38.4N	Repair Revenues NS-PGL Ex. 38.3N	-	Net Operating Loss-tax normalization NS-PGL Ex. 39.5N	Incremental Invested Capital Tax Adjustment NS-PGL Ex. 39.6N	Incremental Interest Synchronization Adjustment NS-PGL Ex. 39.7N	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	Franchise Cost Adjustment 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	-	-	6,000	1,000	-	-	-	-	7,000
11	400	Operating Revenues	-	-	6,000	1,000	-	-	-	-	7,000
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	(79,000)	-	-	-	-	-	-	-	(79,000)
24		Total Other Operations and Maintenance	(79,000)	-	-	-	-	-	-	-	(79,000)
25	403	Depreciation	(71,000)				-	-	-	-	(71,000)
26	404	Amortization	-								-
27	408.1	Taxes Other than Income	-	-	-	-			(1,000)	-	(1,000)
28		Income Taxes	-								-
29	409.1	Federal Income Taxes - Current	22,000	-	2,000	-	-	(25,000)	-	1,000	-
30	409.1	State Income Taxes - Current	8,000	-	1,000	-	-	-	-	-	9,000
31	410.1 & 411.1	Deferred Income Taxes	29,000	-	-		-	25,000	-	-	54,000
32	411.4	Investment Tax Credit	-	-	-	-	-	-	-	-	-
33		Total Operating Expenses	(91,000)	-	3,000	-	-	-	(1,000)	1,000	(88,000)
34		Net Operating Income	$ 91,000	$ -	$ 3,000	$ 1,000	$ -	$ -	$ 1,000	$ (1,000)	$ 95,000

Docket Nos. 11-0280/0281 (consol.)
NS-PGL Ex. 39.3N

North Shore Gas Company
Amortization of Regulatory Asset Adjustment - Docket No. 09-0166
For the Test Year Ending December 31, 2012

Line No. (a)	Description (b)	Actual through 7/31/2011 JMO 10.01 (c)	Actual through 6/30/2010 WPC-2.6.2 (d)	Proposed Adjustment (c) - (d) (e)
1	Amount to Recover for Docket No. 09-0166	$ 2,023,000	$ 1,928,000	$ 95,000
2	Years to Recover	3	3	
3	Annual Amortization (Line 1 / Line 2)	$ 674,000	$ 643,000	$ 31,000
	Amortization (Rates went into effect February 2010):			
4	Year 1 - 2010 (11 months)	$ 618,000	$ 573,000	$ 45,000
5	Year 2 - 2011	674,000	623,000	$ 51,000
6	**Year 3 - 2012 (0.5 months)**	28,000	29,000	$ (1,000)
7	Total Amortization (Line 4 + Line 5 + Line 6)	$ 1,320,000	$ 1,225,000	$ 95,000
8	Unamortized Balance January 2012 (Line 1 - Line 7)	$ 703,000	$ 704,000	$ (1,000)
9	Years to Recover (Rates to go into effect January 2012)	2 (A)	2 (A)	
10	Adjusted Annual Amortization (Line 8 / Line 9)	$ 352,000	$ 352,000	$ -
11	**Year 1 - 2012 (11.5 months)**	$ 337,000	$ 336,000	$ 1,000
12	Year 2 - 2013	352,000	352,000	$ -
13	Year 2 - 2014 (0.5 months)	15,000	16,000	$ (1,000)
14	Total Amortization (Line 11 + Line 12 + Line 13)	$ 704,000	$ 704,000	$ -
15	Unamortized Balance January 2014 (Line 8 - Line 14)	$ (1,000)	$ -	$ (1,000)
16	**Total 2012 Test Year Amortization** (Line 6 + Line 11)	$ 365,000	$ 365,000	$ -

Sources:

(A) North Shore Schedule WPC-2.6

NS DGK 14.02 Attach 01

Docket Nos. 11-0280/11-0281 consol.
NS-PGL Exhibit 39.4N
PUBLIC

North Shore Gas Company

Rate Case Expense _ Company Surrebuttal

Line No.	Item of Expense [A]	Type of Service Rendered [B]	Specific Service Rendered [C]	Basis of Charge [D]		Schedule C-10 Estimate [E]	July 31, 2011 Actuals [F]	Remaining Estimate [G] = E -F	July 31, 2011 Company Proposed Remaining Estimate Adjustments [H]	Staff Rebuttal Proposed Remaining Estimate Disallowance/ Adjustments [I]	Allowed Amount F+G +H +I [J]
1	Outside Consultants or Witnesses										
2	Stafflogix	Consultants	Rate Base and Cash Working Capital	Estimated Hours	JMO 13.01						
3			Rate Design and Cost of Service								
4			Rate Case Support								
5	SFIO Consulting	Consultants	Rate Case/Regulatory Policy	Estimated Hours	JMO 13.02						
6	Deloitte & Touche	Public Accounting Services	Examination of the projected financial	Level of staff and estimated	JMO 12.04						
7			statements for the year ending	hours, plus out-of-pocket							
8			December 31, 2012	expenses							
9	P. Moul & Associates	Expert Witness	Return on Equity	Estimated Hours	JMO 13.03						
10	Tower Watson	Consultants	Actuarial Studies	Estimated Hours	JMO 13.04						
11	Steve Fetter	Consultants	Capital Market/Return on Equity	Estimated Hours	JMO 12.05						
12	Total Outside Consultants or Witnesses										
13	Outside Legal Services - Foley & Lardner, LLP		Rate Case Support	Estimated Hours	JMO 13.05						
14	Outside Legal Services - Rooney Rippie and Ratnaswamy LLP		Rate Case Support	Estimated Hours	JMO 13.06						
15	InterCompany - billings from Affiliates				JMO 13.07						
16	Other Expenses				JMO 13.07						
17	Total Expense					$ 2,721,000	$ 1,119,300	$ 1,601,700	$ (142,000)	$ -	$ 2,579,000
				Annual amortization over 2 years		1,361,000			(71,000)	0	1,290,000

Total adjustments -H + I		(142,000)
Divided over 2 years		(71,000)
Deferred Income Taxes Taxes	41.175%	29,000
Net Operating Income		(42,000)

NORTH SHORE GAS COMPANY
NET OPERATING LOSS -TAX NORMALIZATION 2012

Docket Nos. 11-0280/11-0281 consol
NS-PGL Exhibit 39.5N

			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. 39.1N col. C	$ -	$ 313,000	$ 4,531,000
TOTAL INCOME TAXES -2012 OPERATING INCOME	Ratemaking adjustments excluding NOL	NS-PGL Ex. 39.1N, p2, col. K minus p2 col.H	$ 25,000	$ 9,000	$ 29,000
			$ 25,000	$ 322,000	$ 4,560,000
Ratemaking adjustment -Current Income Taxes -NOL to Deferred Tax Asset	Adjusted Company proforma present		$ (25,000)	$ (322,000)	$ 347,000
Ratemaking adjustment -Current Income Taxes -NOL to Deferred Tax Asset	NS-PGL Ex. 39.2NP, p2 col.H		$ (25,000)	$ -	$ 25,000
	NET		$ -	$ (322,000)	$ 322,000

NORTH SHORE GAS COMPANY
Adjust Income Taxes to Reflect Effect of Interest Synchronization
Future Test Year ended December 31, 2012

Docket Nos. 11-0280/11-0281 consol
NS-PGL Ex. 39.7N

Rate making adjustment		Company Direct	Company Rebut Incremental	Adjusted Company Rebuttal	Co Surrebut Incremental	Adjusted Company Total
RATE BASE	Schedule B-1	$ 186,897,000	$ 5,886,000	$ 192,783,000	$ (221,000)	192,562,000
WEIGHTED COST OF LONG-TERM DEBT	Schedule D-1	2.42%		2.42%		2.42%
SYNCHRONIZED INTEREST	Schedule C-5.4	4,523,000	0	4,665,000	0	4,660,000
LESS: PER BOOK INTEREST AS ADJUSTED		4,001,000	0	4,001,000	0	4,001,000
INCREASE IN INTEREST EXPENSE		$522,000	$0	$664,000	$0	$659,000

OPERATING EXPENSES		Old Illinois Rate	New Illinois Rate	Company Direct	Company Rebuttal Reverse Co Direct	Company Rebut Incremental	Co Surrebut Reverse Co Rebuttal	Co Surrebut Incremental	Adjusted Company Total
Income Taxes	- State	(7.3%)	(9.5%)	(38,000)	38,000	(63,000)	63,000	(63,000)	(63,000)
	- Federal	(35.0%)	(35.0%)	(169,000)	169,000	(210,000)	210,000	(209,000)	(209,000)
	Total Operating Expenses			(207,000)	207,000	(273,000)	273,000	(272,000)	(272,000)
EFFECT ON OPERATING INCOME	Schedule C-2 rate making adjustment			$207,000	($207,000)	$273,000	($273,000)	$272,000	$272,000
					total rebuttal adjustment	66,000	surrebuttal adjustment	($1,000)	

Co Direct Original filing	$207,000
Company Rebuttal -Reverse Co Direct -old IL state income tax rate	($207,000)
Company Rebuttal -Update -new IL state income tax rate	$273,000
Company Surrebuttal -Reverse Company Rebuttal	($273,000)
Company Surrebuttal Incremental adjustment	$272,000
Total Adjust Income Taxes to Reflect Effect of Interest Synchronization	$272,000

( ) Denotes red figure.

Docket Nos. 11-0280/11-0281 consol.
NS-PGL Ex. 39.8N

North Shore Gas Company

Computation of Jurisdictional Gross Revenue
Conversion Factor
for Test Year Ended December 31, 2012

with new IL state tax rate of 9.5%

Line No.	Description [A]	with Uncollectibles Calculation [B]	without Uncollectibles Calculation [B]	Line No.
1	Total Operating Revenues Before Add-on Revenue Taxes	1.000000	1.000000	1
2	Less: Provision for Uncollectible Accounts	0.007000	0.000000	2
3	Taxable Income for State Income Tax Purposes	0.993000	1.000000	3
4	Less: State Income Taxes @ 9.50%	0.094335	0.095000	4
5	Taxable Income for Federal Income Tax Purposes	0.898665	0.905000	5
6	Less: Federal Income Tax @ 35.00%	0.314533	0.316750	6
7	Operating Income	0.584132	0.588250	7
8	Gross Revenue Conversion Factor - Revenues Subject to The			8
9	Provision for Uncollectible Accounts (Line 1 / Line 7)	1.711941	1.699958	9
10	Effective tax rate (Line 1 minus Line 7)		0.411750	

NORTH SHORE GAS COMPANY
Cost of Capital Summary
Future Test Year ended December 31, 2012

WITH REVENUE REQUIREMENT INCREASE

CLASS OF CAPITAL	AMOUNT	PERCENT OF TOTAL	PERCENT COST	Company Direct WEIGHTED COMPONENT
COMMON EQUITY w/o OCI	[redacted]	56.00%	11.25%	6.30%
LONG-TERM DEBT		44.00%	5.50%	2.42%
TOTAL		100.00%		8.72%

PreTax Loading Factor

		PPRIT expense factor	0.02500
		SIT expense factor	0.04800
			0.07300 old IL tax rate
		FIT expense factor	0.32445
		Total Income Tax Expense Factor	0.39745
	0.06300	allowed ROR	0.08720
divide by	1.51604	Inc Tax Effect	0.04156
round to 5	0.04156	Pre Inc Tax	0.12876

CLASS OF CAPITAL	AMOUNT	PERCENT OF TOTAL	PERCENT COST	Company Rebuttal WEIGHTED COMPONENT
COMMON EQUITY w/o OCI	[redacted]	56.00%	10.85%	6.08%
		0.00%	0.00%	0.00%
LONG-TERM DEBT		44.00%	5.51%	2.42%
TOTAL		100.00%		8.50%

PreTax Loading Factor

		PPRIT expense factor	0.02500
		SIT expense factor	0.07000
			0.09500 new IL tax rate
		FIT expense factor	0.31675
		Total Income Tax Expense Factor	0.41175
	0.06080	allowed ROR	0.08500
divide by	1.42856	Inc Tax Effect	0.04256
round to 5	0.04256	Pre Inc Tax	0.12756

THREE PART CAPITAL STRUCTURE -UPDATE

CLASS OF CAPITAL	AMOUNT	PERCENT OF TOTAL	PERCENT COST	Company Surrebut WEIGHTED COMPONENT
COMMON EQUITY w/o OCI	[redacted]	56.00%	10.85%	6.08%
SHORT-TERM DEBT		0.00%	0.00%	0.00%
LONG-TERM DEBT		44.00%	5.51%	2.42%
TOTAL		100.00%		8.50%

PreTax Loading Factor

		PPRIT expense factor	0.02500
		SIT expense factor	0.07000
			0.09500 new IL tax rate
		FIT expense factor	0.31675
		Total Income Tax Expense Factor	0.41175
	0.06080	allowed ROR	0.08500
divide by	1.42856	Inc Tax Effect	FIT expense factor
		FIT expense factor	0.35000 0.08500
		Total Income Tax Expense Factor	0.35000
	-	allowed ROR	
divide by	1.85714	Inc Tax Effect	

ICC Docket No. 11-0281
The Peoples Gas Light and Coke Company's Response to
Staff Data Requests DGK 14.01-14.02
Dated: August 26, 2011

REQUEST NO. DGK 14.02:

Please provide all schedules and workpapers that support the Companies' requested rate increase for current Federal income tax and current State income tax as presented in column "G" of NS-PGL Exhibit 39.1 P and NS-PGL Exhibit 39.1 P. Please provide Excel based schedules and exhibits in their native format.

RESPONSE:

The excel files for NS-PGL Ex. 39.1P to 39.8P (PGL DGK 14.02 Attach 01) were served on August 26, 2011.

In the files, the calculations for current Federal and current State income taxes presented in column "G" of NS-PGL Exhibit 39.1P can be found under tab labeled "Ex.39.1P Surrebut C1".

Docket Nos. 11-0280/11-0281 consol.
NS-PGL Exhibit 39.1P
Page 1 of 1

The Peoples Gas Light and Coke Company

Jurisdictional Operating Income Summary

Line No.	I.C.C. Acc. No. [A]	Description [B]	Company Rebuttal Proforma Present (Ex. 22.1P) (Col. F) [C]	Rate Making Adjustments excluding NOL (Exhibit 39.2P, p1, col K minus p3, col H) [D]	Rate Making Adjustment NOL (Exhibit 39.2P, p1, col H) [E]	As Adjusted Under Present Rates [F] = [C + D + E]	Requested Rate Increase [G]	As adjusted Under Proposed Rates [H]	Line No.
1	480-481, 489	Base Rate Revenues excludes Base Rate adjustments	$ 490,127,000	-	-	$ 490,127,000	$ 110,943,000	$ 601,070,000	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	110,943,000	601,070,000	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	$ 112,625,000	$ 620,004,000	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	$ 2,861,000	$ 32,275,000	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	$ 2,861,000	$ 322,170,000	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	$ (3,000)	$ -	$ 22,518,000	$ -	$ 22,518,000	27
28		Income Taxes					$ -	$ -	28
29	409.1	Federal Income Taxes - Current	$ -	$ 817,000	$ (817,000)	$ -	$ 34,768,000	$ 34,768,000	29
30	409.1	State Income Taxes - Current	$ -	$ 245,000	$ (245,000)	$ -	$ 10,428,000	$ 10,428,000	30
31	410.1 & 411.1	Deferred Income Taxes	$ 21,098,000	$ 60,000	$ 1,062,000	$ 22,220,000	$ -	$ 22,220,000	31
32	411.4	Investment Tax Credit	$ -	$ -	$ -	$ -	$ -	$ -	32
33		Total Operating Expenses	$ 453,151,000	$ (661,000)	$ -	$ 452,490,000	$ 48,057,000	$ 500,547,000	33
34		Jurisdictional Operating Income (Loss)	$ 54,186,000	$ 703,000	$ -	$ 54,889,000	$ 64,568,000	$ 119,457,000	34

		Company Surrebuttal
a Original Cost Rate Base	Exhibit 40.1P	$ 1,472,968,000
b Operating Income at Present Rates	Exhibit 39.1P	$ 54,889,000
c Cost of Capital	Exhibit 35.0	8.11%
d Operating Income at Proposed Rates	line a x line c	$ 119,458,000
e Income Deficiency	line d - line b	$ 64,569,000
f Gross Revenue Conversion Factor	Exhibit 39.9P	1.74426200
g Revenue Increase Required	line e x line f	$ 112,625,000