

The Peoples Gas Light and Coke Company
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	Company Surrebuttal Pro Forma Present (NS-PGL Ex. 42.1P) (b)	Staff Adjustments (App. B, p. 4) (c)	Staff Pro Forma Present (Cols. b+c) (d)	Company Surrebuttal Proposed Increase (NS-PGL Ex. 42.1P) (e)	Staff Gross Revenue Conversion Factor (f)	Proposed Rates With Staff Adjustments (Cols. d+e+f) (g)	Adjustment To Proposed Increase (h)	Staff Pro Forma Proposed (Cols. g+h) (i)	Tax Effect of Order to NOL (App. B, p. 11) (j)	Staff Pro Forma Proposed with Effect of NOL (Cols. i+j) (k)
1	Base Rate Revenues	\$ 531,898	\$ -	\$ 531,898	\$ 96,996	\$ -	\$ 628,894	\$ (80,861)	\$ 548,033	\$ -	\$ 548,033
2	PGA Revenues	-	-	-	-	-	-	-	-	-	-
3	Coal Tar Revenues	-	-	-	-	-	-	-	-	-	-
4	Other Revenues	15,386	-	15,386	809	-	16,195	-	16,195	-	16,195
5	Total Operating Revenue	547,284	-	547,284	97,805	\$ -	645,089	(80,861)	564,228	-	564,228
6	Uncollectible Accounts	18,265	-	18,265	2,911	-	21,176	(2,407)	18,769	-	18,769
7	Cost of Gas	-	-	-	-	-	-	-	-	-	-
8	Other Production	1,015	(342)	673	-	-	673	-	673	-	673
9	Storage	10,302	(20)	10,282	-	-	10,282	-	10,282	-	10,282
10	Transmission	3,245	(602)	2,643	-	-	2,643	-	2,643	-	2,643
11	Distribution	144,437	(7,413)	137,024	-	-	137,024	-	137,024	-	137,024
12	Customer Accounts	32,557	(1,819)	30,738	-	-	30,738	-	30,738	-	30,738
13	Customer Service and Informational Service	2,274	(10)	2,264	-	-	2,264	-	2,264	-	2,264
14	Administrative and General	134,620	(15,225)	119,395	-	-	119,395	-	119,395	-	119,395
15	Depreciation and Amortization	97,208	(5,558)	91,650	-	-	91,650	-	91,650	-	91,650
16	Taxes Other Than Income	21,317	(852)	20,465	-	-	20,465	-	20,465	-	20,465
17	Total Operating Expense										
18	Before Income Taxes	465,240	(31,841)	433,399	2,911	-	436,310	(2,407)	433,903	-	433,903
19	State Income Tax	2,680	3,679	6,359	9,016	(1)	15,374	(7,453)	7,921	(7,921)	-
20	Federal Income Tax	-	12,269	12,269	30,057	-	42,326	(24,850)	17,476	(17,476)	-
21	Deferred Taxes and ITCs Net	17,875	-	17,875	-	-	17,875	-	17,875	25,397	43,272
22	Total Operating Expenses	485,795	(15,893)	469,902	41,984	(1)	511,885	(34,710)	477,175	-	477,175
23	NET OPERATING INCOME	\$ 61,489	\$ 15,893	\$ 77,382	\$ 55,821	\$ 1	\$ 133,204	\$ (46,151)	\$ 87,053		\$ 87,053
24	Staff Rate Base (App. B, p. 5, Column (d))								\$ 1,319,990		
25	Staff Overall Rate of Return (ICC Staff Exhibit 15.0, Schedule 15.01)								6.60%		
26	Revenue Change (Col. (i) Line 3 minus Col. (d), Line 3)								\$ 16,944		
27	Percentage Revenue Change (Col. (i), Line 3 divided by Col. (d), Line 35)								3.10%		

The Peoples Gas Light and Coke Company
Adjustments to Operating Income
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	Interest Synchronization (App. B, p. 8)	Not Used	Not Used	Not Used	Not Used	Staff Witness Seagle Adjmts (Staff Ex. 24.0, Sch. 24.07 P Rev.)	Non-AMRP Gas (Staff Cross Exhibit 11)	Subtotal Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Base Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	PGA Revenues	-	-	-	-	-	-	-	-
3	Coal Tar Revenues	-	-	-	-	-	-	-	-
4	Other Revenues	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectible Accounts	-	-	-	-	-	-	-	-
7	Cost of Gas	-	-	-	-	-	-	-	-
8	Other Production	-	-	-	-	-	-	-	-
9	Storage	-	-	-	-	-	-	-	-
10	Transmission	-	-	-	-	-	-	-	-
11	Distribution	-	-	-	-	-	-	-	-
12	Customer Accounts	-	-	-	-	-	-	-	-
13	Customer Service and Informational Services	-	-	-	-	-	-	-	-
14	Administrative and General	-	-	-	-	-	-	-	-
15	Depreciation and Amortization	-	-	-	-	-	(5,297)	(242)	(5,539)
16	Taxes Other Than Income	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	-	-	-	-	(5,297)	(242)	(5,539)
18	Before Income Taxes	-	-	-	-	-	(5,297)	(242)	(5,539)
19	State Income Tax	654	-	-	-	-	503	23	1,180
20	Federal Income Tax	2,181	-	-	-	-	1,678	77	3,936
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	2,835	-	-	-	-	(3,116)	(142)	(423)
23	NET OPERATING INCOME	\$ (2,835)	\$ -	\$ -	\$ -	\$ -	\$ 3,116	\$ 142	\$ 423

The Peoples Gas Light and Coke Company
Adjustments to Operating Income
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	(App. B, p. 2)	Not Used	Non-Union Wages (Staff Ex. 25.0, Sch. 25.01 P)	Not Used	Not Used	Advertising Expense (Staff Ex. 13.0, Sch. 13.03 P)	Promotional & Goodwill (Staff Ex. 13.0, Sch. 13.04 P)	Subtotal Operating Statement Adjustments
	(a)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Base Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	PGA Revenues	-	-	-	-	-	-	-	-
3	Coal Tar Revenues	-	-	-	-	-	-	-	-
4	Other Revenues	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectible Accounts	-	-	-	-	-	-	-	-
7	Cost of Gas	-	-	-	-	-	-	-	-
8	Other Production	-	-	(342)	-	-	-	-	(342)
9	Storage	-	-	(20)	-	-	-	-	(20)
10	Transmission	-	-	(602)	-	-	-	-	(602)
11	Distribution	-	-	287	-	-	-	-	287
12	Customer Accounts	-	-	(1,819)	-	-	-	-	(1,819)
13	Customer Service and Informational Se	-	-	(10)	-	-	-	-	(10)
14	Administrative and General	-	-	(2,632)	-	-	(116)	(142)	(2,890)
15	Depreciation and Amortization	(5,539)	-	(19)	-	-	-	-	(5,558)
16	Taxes Other Than Income	-	-	(480)	-	-	-	-	(480)
17	Total Operating Expense	-	-	-	-	-	-	-	-
18	Before Income Taxes	(5,539)	-	(5,637)	-	-	(116)	(142)	(11,434)
19	State Income Tax	1,180	-	536	-	-	11	13	1,740
20	Federal Income Tax	3,936	-	1,786	-	-	37	45	5,804
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	(423)	-	(3,315)	-	-	(68)	(84)	(3,890)
23	NET OPERATING INCOME	\$ 423	\$ -	\$ 3,315	\$ -	\$ -	\$ 68	\$ 84	\$ 3,890

The Peoples Gas Light and Coke Company
Adjustments to Operating Income
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	(App. B, p. 3)	Charitable Contributions (Staff Ex. 13.0, Sch. 13.05 P)	IBS Intercompany Charges (Staff Ex.1 4.0, Sch. 14.02 P)	Invested Capital Tax (App. B, p. 10)	Not Used	Plastic Pipe Fitting Remediation (Staff Ex. 16.0)	Cross Bore Expenses (Staff Ex. 16.0)	Total Operating Statement Adjustments
	(a)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
1	Base Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	PGA Revenues	-	-	-	-	-	-	-	-
3	Coal Tar Revenues	-	-	-	-	-	-	-	-
4	Other Revenues	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectible Accounts	-	-	-	-	-	-	-	-
7	Cost of Gas	-	-	-	-	-	-	-	-
8	Other Production	(342)	-	-	-	-	-	-	(342)
9	Storage	(20)	-	-	-	-	-	-	(20)
10	Transmission	(602)	-	-	-	-	-	-	(602)
11	Distribution	287	-	-	-	-	(2,000)	(5,700)	(7,413)
12	Customer Accounts	(1,819)	-	-	-	-	-	-	(1,819)
13	Customer Service and Informational Se	(10)	-	-	-	-	-	-	(10)
14	Administrative and General	(2,890)	(8)	(12,327)	-	-	-	-	(15,225)
15	Depreciation and Amortization	(5,558)	-	-	-	-	-	-	(5,558)
16	Taxes Other Than Income	(480)	-	-	(372)	-	-	-	(852)
17	Total Operating Expense								
18	Before Income Taxes	(11,434)	(8)	(12,327)	(372)	-	(2,000)	(5,700)	(31,841)
19	State Income Tax	1,740	1	1,171	35	-	190	542	3,679
20	Federal Income Tax	5,804	3	3,905	118	-	634	1,805	12,269
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	(3,890)	(4)	(7,251)	(219)	-	(1,176)	(3,353)	(15,893)
23	NET OPERATING INCOME	\$ 3,890	\$ 4	\$ 7,251	\$ 219	\$ -	\$ 1,176	\$ 3,353	\$ 15,893

The Peoples Gas Light and Coke Company
Rate Base
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	Company Surrebuttal Pro Forma Rate Base (NS-PGL Ex. 43.1P)	Staff Adjustments (App. B, p. 6)	Staff Pro Forma Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant	\$ 3,254,228	\$ (320,721)	\$ 2,933,507
2	Accumulated Provision for Depr. & Amort.	(1,223,463)	38,797	(1,184,666)
3	-	-	-	-
4	Net Plant	2,030,765	(281,924)	1,748,841
5	Additions to Rate Base			
6	Cash Working Capital	20,442	(26,359)	(5,917)
7	Materials and Supplies	12,002	-	12,002
8	Gas in Storage	54,843	-	54,843
9	Retirement Benefits, Net	49,017	(63,210)	(14,193)
10	Budget Plan Balances	8,314	-	8,314
11	-	-	-	-
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	-	-	-	-
16	Deductions From Rate Base			
17	Accumulated Deferred Income Taxes	(477,700)	32,342	(445,358)
18	Customer Deposits	(27,453)	-	(27,453)
19	Customer Advances for Construction	(2,012)	-	(2,012)
20	Reserve for Injuries and Damages	(8,947)	(130)	(9,077)
21	-	-	-	-
22	-	-	-	-
23	Rate Base	<u>\$ 1,659,271</u>	<u>\$ (339,281)</u>	<u>\$ 1,319,990</u>

The Peoples Gas Light and Coke Company
Adjustments to Rate Base
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	Cash Working Capital (App. B, p. 12)	Average Rate Base (Staff Ex. 12.0, Sch. 12.01 P Rev.)	Non-AMRP Gas (Staff Cross Exhibit 11)	Staff Witness Seagle Adjmts (Staff Ex. 24.0, Sch. 24.07 P Rev.)	Net Operating Loss (App. B, p. 11, line 4)	Non-Union Wages (Staff Ex. 25.0, Sch. 25.01 P)	Pension Asset (Staff Ex. 14.0, Sch. 14.01 P)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Utility Plant	\$ -	\$ (151,242)	\$ (11,714)	\$ (157,196)	\$ -	\$ (569)	\$ -	\$ (320,721)
2	Accumulated Provision for Depr. & Amort.	-	31,633	243	6,911	-	10	-	38,797
3		-	-	-	-	-	-	-	-
4	Net Plant	-	(119,609)	(11,471)	(150,285)	-	(559)	-	(281,924)
5	Additions to Rate Base								-
6	Cash Working Capital	(26,359)	-	-	-	-	-	-	(26,359)
7	Materials and Supplies	-	-	-	-	-	-	-	-
8	Gas in Storage	-	-	-	-	-	-	-	-
9	Retirement Benefits, Net	-	20,496	-	-	-	-	(83,706)	(63,210)
10	Budget Plan Balances	-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-
16	Deductions From Rate Base								-
17	Accumulated Deferred Income Taxes	-	353	(651)	24,840	(25,397)	(72)	33,269	32,342
18	Customer Deposits	-	-	-	-	-	-	-	-
19	Customer Advances for Construction	-	-	-	-	-	-	-	-
20	Reserve for Injuries and Damages	-	(130)	-	-	-	-	-	(130)
21		-	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-	-
23	Rate Base	\$ (26,359)	\$ (98,890)	\$ (12,122)	\$ (125,445)	\$ (25,397)	\$ (631)	\$ (50,437)	\$ (339,281)

The Peoples Gas Light and Coke Company
Revenue Effect of Adjustments
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description (a)	Per Company (b)	Staff Adjustments (c)	Per Staff (d)
1	Present Revenues	\$ 547,284 ⁽¹⁾	\$ -	\$ 547,284 ⁽²⁾
2	Proposed Increase	<u>97,805 ⁽³⁾</u>	<u>(80,861) ⁽⁴⁾</u>	<u>16,944 ⁽⁵⁾</u>
3	Proposed Revenues	<u>\$ 645,089</u>	<u>\$ (80,861)</u>	<u>\$ 564,228</u>
4	% Increase	17.87%		3.10 %
5	Staff Adjustments:			
6	Staff Witness Seagle Adjustments		(18,123)	
7	Rate of Return (Applied to Company Rate Base)		(13,809)	
8	IBS Intercompany Charges		(12,705)	
9	Average Rate Base		(9,982)	
10	Cross Bores Expense		(5,875)	
11	Non-Union Wages		(5,872)	
12	Pension Asset		(5,091)	
13	Net Operating Loss		(2,564)	
14	Cash Working Capital		(2,661)	
15	Plastic Pipe Fitting Remediation		(2,060)	
16	Non-AMRP Gas		(1,473)	
17	Invested Capital Tax		(384)	
18	Promotional and Goodwill Expense		(147)	
19	Advertising Expense		(119)	
20	Charitable Contributions		(7)	
21		-	-	
22		-	-	
23		-	-	
24	Interest Synchronization		10	
25				
26				
27				
28				
29				
30				
31				
32				
33	Rounding		<u>1</u>	
34	Total Revenue Effect of Staff Adjustments		<u>\$ (80,861)</u>	

Sources:

- (1) App. B, p. 1, column (b), line 5
- (2) App. B, p. 1, column (d), line 5
- (3) App. B, p. 1, column (e), line 5
- (4) App. B, p. 1, columns (f) + (h), line 5
- (5) App. B, p. 1, column (i), line 26

The Peoples Gas Light and Coke Company
 Interest Synchronization Adjustment
 For the Test Year Ending December 31, 2013
 (In Thousands)

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 1,319,990 (1)
2	Weighted Cost of Debt	2.03% (2)
3	Synchronized Interest Per Staff	26,796
4	Company Interest Expense	<u>33,683</u> (3)
5	Increase (Decrease) in Interest Expense	<u>(6,887)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	<u>\$ 654</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 2,181</u>

(1) Source: App. B, p. 5, Column D.

(2) Source: ICC Staff Exhibit 15.0, Schedule 15.01.

(3) Source: NS-PGL Ex. 42.2P, p. 6

The Peoples Gas Light and Coke Company
 Gross Revenue Conversion Factor
 For the Test Year Ending December 31, 2013
 (In Thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	2.97680%	<u>0.029768</u>	
3	State Taxable Income		0.970232	1.000000
4	State Income Tax	9.5000%	<u>0.092172</u>	<u>0.095000</u>
5	Federal Taxable Income		0.878060	0.905000
6	Federal Income Tax	35.0000%	<u>0.307321</u>	<u>0.316750</u>
7	Operating Income		<u>0.570739</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.752114</u>	<u>1.699958</u>

The Peoples Gas, Light and Coke Company
 Adjustment For Invested Capital Taxes
 For the Test Year Ending December 31, 2013
 (In Thousands)

Line (A)	Description (B)	Amount (C)	Source (D)
1	Rate Base	\$ 1,319,990	App. B, p. 1, col. i, line 24
2	Rate of Return	<u>6.60%</u>	App. B, p. 1, col. i, line 25
3	Operating Income Required	\$ 87,053	Line 1 x Line 2
4	Pro forma operating income at present rates adjusted before ICT adjustment	<u>77,754</u>	App. B, p. 1, col. d line 23 - App. B, p. 4, col. u line 16
5	Operating Income Additional Allowed	\$ 9,299	Line 3 - line 4
6	Invested Capital Tax Rate	<u>0.80%</u>	PGL Schedule WPC-2.14
7	Incremental Invested Capital Tax Impact per Staff	\$ 74	Line 5 x line 6
8	Incremental Invested Capital Tax Impact per Company	<u>447</u>	NS-PGL Ex. 42.2 P, p. 5
9	Staff Proposed Adjustment	<u><u>\$ (372)</u></u>	Line 7 - line 8

The Peoples Gas, Light and Coke Company
 Adjustment For Revenue Increase Impact on Net Operating Loss
 For the Test Year Ending December 31, 2013
 (In Thousands)

Line (A)	Description (B)	Amount (C)	Source (D)
1	Net Operating Loss Deferred Tax Asset per Company Surrebuttal	\$ 66,341	NS-PGL Ex. 43.2P, p. 1, col. [E], line 10
2	Effect of Revenue Increase	<u>(25,397)</u>	Appendix B, p. 1, col. (j) line 19 + 20
3	Net Operating Loss Deferred Tax Asset per Staff	\$ 40,944	Line 1 + line 2
4	Adjustment to Rate Base- Deferred Tax Asset	<u>\$ (25,397)</u>	Line 2

The Peoples Gas Light and Coke Company
Cash Working Capital Adjustments
For the Test Year Ending December 31, 2013
(In Thousands)

Line No. (A)	Item (B)	Amount (C)	Lag (Lead) (D)	CWC Factor (D) / 365 (E)	CWC Requirement (C) x (E) (F)	Column (C) Source (G)
1	Revenues	\$ 848,799	49.59	0.13586	\$ 115,320	App. B, p. 13, Line 7
2	Pass Through Taxes	161,779	0.00	0.00000	-	Sum of lines 21 - 25 below
3	Total	<u>\$ 1,010,578</u>			<u>\$ 115,320</u>	Line 1 + Line 2
4	Payroll and Withholdings	\$ 69,011	(14.30)	(0.03918)	(2,704)	App. B, p. 14, Line 3
5	Incentive Pay	2,126	(250.50)	(0.68630)	(1,459)	NS-PGL Ex. 27.10P, p. 1, Line 5
6	Inter Company Billings	137,361	(35.23)	(0.09652)	(13,258)	App. B, p. 14, Line 12
7	Natural Gas	473,189	(40.48)	(0.11090)	(52,479)	NS-PGL Ex. 27.10P, p. 1, Line 7
8	Pension and OPEB	35,811	(35.23)	(0.09652)	(3,456)	NS-PGL Ex. 27.10P, p. 1, Line 8
9	Other Benefits	13,896	(40.31)	(0.11044)	(1,535)	NS-PGL Ex. 27.10P, p. 1, Line 9
10	Other Operations and Maintenance	48,030	(43.63)	(0.11953)	(5,741)	App. B, p. 13, Line 21
11	Federal Insurance Contributions (FICA)	4,249	(16.29)	(0.04463)	(190)	App. B, p. 14, Line 9
12	Federal Unemployment Tax	18	(60.88)	(0.16679)	(3)	NS-PGL Ex. 27.10P, p. 1, Line 13
13	State Unemployment Tax	250	(71.33)	(0.19542)	(49)	NS-PGL Ex. 27.10P, p. 1, Line 14
14	Property/Real Estate Taxes	1,078	(373.16)	(1.02236)	(1,102)	NS-PGL Ex. 27.10P, p. 1, Line 15
15	Invested Capital Tax	10,986	(30.38)	(0.08323)	(914)	App. B, p. 14, Line 6
16	Corporation Franchise Tax	219	(185.95)	(0.50945)	(112)	NS-PGL Ex. 27.10P, p. 1, Line 17
17	Sales, Use and Accelerated Tax	181	(20.11)	(0.05510)	(10)	NS-PGL Ex. 27.10P, p. 1, Line 18
18	Federal Excise Tax	59	(76.38)	(0.20926)	(12)	NS-PGL Ex. 27.10P, p. 1, Line 19
19	Chicago Employer's Expense Tax	65	(60.82)	(0.16663)	(11)	NS-PGL Ex. 27.10P, p. 1, Line 20
20	Unauthorized Insurance Tax	144	155.18	0.42515	61	NS-PGL Ex. 27.10P, p. 1, Line 21
21	ICC Gas Revenue Tax	1,058	34.59	0.09477	100	NS-PGL Ex. 27.10P, p. 1, Line 23
22	Gross Receipts/Municipal Utility Tax	84,618	(73.79)	(0.20216)	(17,107)	NS-PGL Ex. 27.10P, p. 1, Line 24
23	Energy Assistance Charges	9,690	(67.95)	(0.18616)	(1,804)	NS-PGL Ex. 27.10P, p. 1, Line 25
24	IDOR Gas Revenue/Public Utility Tax	34,771	(38.96)	(0.10674)	(3,711)	NS-PGL Ex. 27.10P, p. 1, Line 26
25	City of Chicago Gas Use tax	31,642	(73.90)	(0.20247)	(6,406)	NS-PGL Ex. 27.10P, p. 1, Line 27
26	Interest Expense	26,796	(91.25)	(0.25000)	(6,699)	App. B, p. 8, line 3
27	Federal Income Tax	17,476	(37.88)	(0.10378)	(1,814)	App. B, p. 1, col. (i), line 20
28	State Income Tax	7,921	(37.88)	(0.10378)	(822)	App. B, p. 1, col. (i), line 19
29	Total	<u>\$ 1,010,645</u>			<u>\$ (121,237)</u>	Sum of Lines 4 through 28
30	Cash Working Capital per Staff				\$ (5,917)	Line 3 + Line 29
31	Cash Working Capital per Company				20,442	NS-PGL Ex. 43.10P, p. 1, Line 4
32	Difference -- Staff Adjustment				<u>\$ (26,359)</u>	Line 30 - Line 31

Note: Lag (Lead) is from NS-PGL Ex. 27.10P, p. 1; except for lines 2 and 8
Line 2 lag: ICC Staff Ex. 12.0, p. 17
Line 8 lead: Staff Data Request DGK-13.03

The Peoples Gas Light and Coke Company
Cash Working Capital Adjustments
For the Test Year Ending December 31, 2013
(In Thousands)

Line No. (A)	Description (B)	Amount (C)	Source (D)
1	Total Operating Revenues	\$ 564,228	Appendix B, p. 1, Column I, Line 5
2	PGA Revenue	473,189	NS-PGL Ex. 27.10P, p. 1, Line 7
3	Uncollectible Accounts	(18,769)	Appendix B, p. 1, Column I, Line 6
4	Depreciation & Amortization	(91,650)	Appendix B, p. 1, Column I, Line 15
5	Deferred Taxes and ITCs Net	(17,875)	Appendix B, p. 1, Column I, Line 21
6	Return on Common Equity	(60,324)	Line 10 below
7	Total Revenues for CWC calculation	<u>\$ 848,799</u>	Sum of Lines 1 through 6
8	Total Rate Base	\$ 1,319,990	Appendix B, p. 5, Line 23
9	Weighted Cost of Common Equity	<u>4.570%</u>	ICC Staff Ex. 15.0, Schedule 15.01
10	Return on equity deduction from revenue	<u>\$ 60,324</u>	Line 8 x Line 9
11	O & M Expenses	\$ 433,903	Appendix B, p. 1, Column I, Line 18
12	Payroll and Withholdings	(69,011)	ICC Staff Ex. 12.0, Sch. 12.03P, p. 3, Line 3
13	Incentive Pay	(2,126)	NS-PGL Ex. 27.10P, p. 1, Line 5
14	Inter-Company Billings	(137,361)	App. B, p. 14, Line 12
15	Pension and OPEB	(35,811)	NS-PGL Ex. 27.10P, p. 1, Line 8
16	Other Benefits	(13,896)	NS-PGL Ex. 27.10P, p. 1, Line 9
17	FICA	(4,249)	App. B, p. 14, Line 9
18	Taxes Other Than Income excluding FICA	(13,000)	Appendix B, p. 12, Sum of Lines 12 through 20
19	Uncollectible Accounts	(18,769)	Appendix B, p. 1, Column I, Line 6
20	Depreciation & Amortization	(91,650)	Appendix B, p. 1, Column I, Line 15
21	Other Operations & Maintenance	<u>\$ 48,030</u>	Sum of Lines 11 through 20

The Peoples Gas Light and Coke Company
Cash Working Capital Adjustments
For the Test Year Ending December 31, 2013
(In Thousands)

Line No. (A)	Description (B)	Amount (C)	Source (D)
1	Payroll and Withholdings per Company Filing	\$ 74,168	NS-PGL Ex. 27.10P, p. 2, Line 39
2	Non-Union Wages Adjustment	(5,157)	ICC Staff Ex. 13.0, Sch. 13.02P; Excluding FICA (see line 8)
3	Payroll and Withholdings per Staff	<u>\$ 69,011</u>	Sum of Lines 1 and 2
4	Invested Capital Tax per Company Filing	\$ 11,358	NS-PGL Ex. 27.10P, p. 2, Line 22
5	Invested Capital Tax Adjustment	(372)	Appendix B, p. 10, line 9
6	Invested Capital Tax per Staff	<u>\$ 10,986</u>	Sum of Lines 4 and 5
7	FICA per Company	4,729	NS-PGL Ex. 27.10P, p. 2, Line 42
8	Non-Union Wages Adjustment	(480)	Appendix B, p. 3, col. (k) line 16
9	FICA per Staff	<u>\$ 4,249</u>	Sum of Lines 7 and 8
10	Intercompany Charges per Company	\$ 149,688	NS-PGL Ex. 27.10P, p. 2, Line 35
11	Intercompany Charges Tax Adjustment	(12,327)	Appendix B, p. 4, col. (t) line 14
12	Intercompany Charges Tax per Staff	<u>\$ 137,361</u>	Sum of Lines 10 and 11