The Peoples Gas Light and Coke Company

Comparison of Prior Forecasts to Actual Data
Income Statement

Historical Year Ended December 31, 2010

Line No.	Description	Actual	Budget	Actual vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 1,071,419,000	$ 1,218,689,000	$ (147,270,000)	(12.1%)	1
2	Operating Expenses:					2
3	Cost of Gas	543,061,000	687,273,000	(144,212,000)	(21.0%)	3
4	Other Operation and Maintenance	324,702,000	321,129,000	3,573,000	1.1%	4
5	Depreciation Expense	73,853,000	73,943,000	(90,000)	(0.1%)	5
6	Amortization of Other Limited Term Gas Plant	5,729,000	5,648,000	81,000	1.4%	6
7	Taxes Other Than Income	19,960,000	19,641,000	319,000	1.6%	7
8	Federal Income Taxes-Current	14,472,000	33,862,000	(19,390,000)	(57.3%)	8
9	State Income Taxes-Current	4,676,000	3,876,000	800,000	20.6%	9
10	Deferred Income Taxes	18,484,000	(5,176,000)	23,660,000	(457.1%)	10
11	Investment Tax Credit	(356,000)	(360,000)	4,000	(1.1%)	11
12	Total Operating Expenses	1,004,581,000	1,139,836,000	(135,255,000)	(11.9%)	12
13	Operating Income	66,838,000	78,853,000	(12,015,000)	(15.2%)	13
14	Income from Utility Plant Leased to Others	91,000	-	91,000	-	14
15	Utility Operating Income	66,929,000	78,853,000	(11,924,000)	(15.1%)	15
16	Other Income, Net of Income Deductions	658,000	144,000	514,000	356.9%	16
17	Income Before Interest Charges	67,587,000	78,997,000	(11,410,000)	(14.4%)	17
18	Interest Charges	25,521,000	27,774,000	(2,253,000)	(8.1%)	18
19	Net Income	$ 42,066,000	$ 51,223,000	$ (9,157,000)	(17.9%)	19

The Peoples Gas Light and Coke Company

Comparison of Prior Forecasts to Actual Data
Income Statement

Historical Year Ended December 31, 2011

Line No.	Description	Actual	Budget	Actual vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 1,029,544,000	$ 1,140,477,000	$ (110,933,000)	(9.7%)	1
2	Operating Expenses:					2
3	Cost of Gas	508,375,000	607,104,000	(98,729,000)	(16.3%)	3
4	Other Operation and Maintenance	305,183,000	322,847,000	(17,664,000)	(5.5%)	4
5	Depreciation Expense	78,119,000	78,308,000	(189,000)	(0.2%)	5
6	Amortization of Other Limited Term Gas Plant	5,696,000	5,610,000	86,000	1.5%	6
7	Taxes Other Than Income	19,856,000	20,399,000	(543,000)	(2.7%)	7
8	Federal Income Taxes-Current	(9,979,000)	20,305,000	(30,284,000)	(149.1%)	8
9	State Income Taxes-Current	(3,490,000)	2,106,000	(5,596,000)	(265.7%)	9
10	Deferred Income Taxes	46,703,000	9,458,000	37,245,000	393.8%	10
11	Investment Tax Credit	(68,000)	207,000	(275,000)	(132.9%)	11
12	Total Operating Expenses	950,395,000	1,066,344,000	(115,949,000)	(10.9%)	12
13	Operating Income	79,149,000	74,133,000	5,016,000	6.8%	13
14	Income from Utility Plant Leased to Others	126,000	-	126,000	-	14
15	Utility Operating Income	79,275,000	74,133,000	5,142,000	6.9%	15
16	Other Income, Net of Income Deductions	399,000	(277,000)	676,000	(244.0%)	16
17	Income Before Interest Charges	79,674,000	73,856,000	5,818,000	7.9%	17
18	Interest Charges	23,069,000	26,828,000	(3,759,000)	(14.0%)	18
19	Net Income	$ 56,605,000	$ 47,028,000	$ 9,577,000	20.4%	19

The Peoples Gas Light and Coke Company

Comparison of Prior Forecasts to Actual Data
Income Statement

Historical Year Ended December 31, 2012

Line No.	Description	Actual	Budget	Actual vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 882,516,000	$ 1,142,862,000	$ (260,346,000)	(22.8%)	1
2	Operating Expenses:					2
3	Cost of Gas	332,461,000	550,030,000	(217,569,000)	(39.6%)	3
4	Other Operation and Maintenance	324,658,000	338,043,000	(13,385,000)	(4.0%)	4
5	Depreciation Expense	82,592,000	83,608,000	(1,016,000)	(1.2%)	5
6	Amortization of Other Limited Term Gas Plant	5,701,000	5,569,000	132,000	2.4%	6
7	Taxes Other Than Income	19,995,000	21,302,000	(1,307,000)	(6.1%)	7
8	Federal Income Taxes-Current	(37,724,000)	(41,082,000)	3,358,000	(8.2%)	8
9	State Income Taxes-Current	(2,676,000)	(4,491,000)	1,815,000	(40.4%)	9
10	Deferred Income Taxes	77,851,000	95,438,000	(17,587,000)	(18.4%)	10
11	Investment Tax Credit	675,000	71,000	604,000	850.7%	11
12	Total Operating Expenses	803,533,000	1,048,488,000	(244,955,000)	(23.4%)	12
13	Operating Income	78,983,000	94,374,000	(15,391,000)	(16.3%)	13
14	Income from Utility Plant Leased to Others	103,000	(17,000)	120,000	(705.9%)	14
15	Utility Operating Income	79,086,000	94,357,000	(15,271,000)	(16.2%)	15
16	Other Income, Net of Income Deductions	(371,000)	788,000	(1,159,000)	(147.1%)	16
17	Income Before Interest Charges	78,715,000	95,145,000	(16,430,000)	(17.3%)	17
18	Interest Charges	24,207,000	26,070,000	(1,863,000)	(7.1%)	18
19	Net Income	$ 54,508,000	$ 69,075,000	$ (14,567,000)	(21.1%)	19

The Peoples Gas Light and Coke Company

Statement from the Independent Certified Public Accountant

Deloitte.

Deloitte & Touche LLP
111 S. Wacker Drive
Chicago, IL 60606-4301
USA

Tel: +1 312 486 1000
Fax: +1 312 486 1486
www.deloitte.com

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
The Peoples Gas Light and Coke Company

We have examined the accompanying forecasted balance sheet, statements of income, retained earnings, and cash flows of The Peoples Gas Light and Coke Company (the "Company") as of December 31, 2015, and for the year then ending. The Company's management is responsible for the forecast. Our responsibility is to express an opinion on the forecast based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by management and the preparation and presentation of the forecast. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the accompanying forecast is presented in conformity with the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions provide a reasonable basis for management's forecast. However, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

This report is intended solely for the information and use of the Board of Directors and management of the Company for filing with the Illinois Commerce Commission in connection with the Company's proposed general increase in rates and is not intended and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

February 24, 2014

THE PEOPLES GAS LIGHT AND COKE COMPANY

FORECASTED STATEMENT OF INCOME (Millions)	Year Ended December 31, 2015
Natural gas operating revenues	**$1,176.5**
Operating expenses	
Natural gas purchased for resale	**450.6**
Operating and maintenance expense	**458.1**
Depreciation and amortization expense	**119.2**
Taxes other than income taxes	**22.8**
Operating income	**125.8**
Miscellaneous income	**2.1**
Interest expense	**(44.0)**
Other expense	**(41.9)**
Income before taxes	**83.9**
Provision for income taxes	**33.8**
Net Income	**$50.1**

The accompanying Summary of Significant Accounting Policies and Assumptions are an integral part of these statements.

THE PEOPLES GAS LIGHT AND COKE COMPANY

FORECASTED BALANCE SHEET (Millions)	December 31, 2015
Assets	
Accounts receivable and accrued unbilled revenues, net of reserves of $35.3	**$237.3**
Receivables from related parties	**0.8**
Inventories:	
Natural gas in storage, at LIFO	**73.4**
Materials and supplies	**17.2**
Regulatory assets	**66.3**
Other current assets	**14.3**
Current assets	**409.3**
Property, plant, and equipment, net of accumulated depreciation of $1,195.6	**2,965.2**
Regulatory assets	**879.8**
Other long-term assets	**20.5**
Total assets	**$4,274.8**
Liabilities and Shareholder's Equity	
Current portion of long-term debt	**$50.0**
Short-term debt	**145.6**
Accounts payable	**117.3**
Payables to related parties	**21.3**
Accrued taxes	**55.6**
Regulatory Liabilities Current	**27.3**
Customer credit balances	**30.5**
Other current liabilities	**54.6**
Current liabilities	**502.2**
Long-term debt	**975.0**
Deferred income taxes	**600.0**
Deferred investment tax credits	**28.2**
Environmental remediation liabilities	**345.9**
Pension and other postretirement benefit obligations	**268.5**
Asset retirement obligations	**432.0**
Other long-term liabilities	**80.7**
Long-term liabilities	**2,730.3**
Commitments and contingencies	
Common stock, without par value	**382.5**
Additional paid-in capital	**(0.2)**
Retained earnings	**660.0**
Total liabilities and shareholder's equity	**$4,274.8**

The accompanying Summary of Significant Accounting Policies and Assumptions are an integral part of these statements.

THE PEOPLES GAS LIGHT AND COKE COMPANY

FORECASTED STATEMENT OF CASH FLOWS (Millions)	**Year Ended December 31, 2015**
Operating Activities:	
Net Income	**$50.1**
Adjustments to reconcile net income to cash provided by (used in) operations:	
Depreciation and amortization expense	**119.2**
Bad debt expense	**27.0**
Deferred income taxes and investment tax credits- net	**43.1**
Pension and postretirement expense	**36.3**
Pension and postretirement funding	**(23.1)**
Recoveries and refunds of other regulatory assets and liabilities	**17.1**
Other, net	**0.9**
Net changes in working capital	**(54.8)**
Net cash provided by operating activities	**215.8**
Investing Activities:	
Capital Expenditures	**(391.6)**
Net cash used for investing activities	**(391.6)**
Financing Activities:	
Issuance of long-term debt	**200.0**
Redemption of long-term debt	**(50.0)**
Net increase in short-term debt	**(16.8)**
Equity contribtion from parent	**45.0**
Other	**(2.4)**
Net cash provided by financing activities	**175.8**
Net increase in cash and cash equivalents	**-**
Cash and cash equivalents at beginning of year	**-**
Cash and cash equivalents at end of year	**$ -**

The accompanying Summary of Significant Accounting Policies and Assumptions are an integral part of these statements.

THE PEOPLES GAS LIGHT AND COKE COMPANY

FORECASTED STATEMENT OF RETAINED EARNINGS (Millions)	**December 31,** **2015**
Account 21600 Unappropriated Retained Earnings	
Balance at beginning of year	**$608.2**
Add:	
Net Income	**50.1**
Less:	
Common stock dividends declared	**-**
Balance at end of year	**$658.3**
Account 21610 Unappropriated Undistributed Subsidiary Earnings	
Balance at beginning of year	**$1.7**
Add:	
Net Income	**-**
Less:	
Common stock dividends declared	**-**
Balance at end of year	**$1.7**

The accompanying Summary of Significant Accounting Policies and Assumptions are an integral part of these statements.

The Peoples Gas Light and Coke Company

Summary of Significant Accounting Policies and Assumptions

Used in the Forecast For the Year Ending December 31, 2015

PRESENTATION BASIS

The financial forecast has been prepared by The Peoples Gas Light and Coke Company ("the Company" or "PGL") and presented in accordance with the guidelines established in the November 1, 2012 AICPA Prospective Financial Information Guide. This financial forecast presents, to the best of management's knowledge and belief, the Company's expected financial position, results of operations, retained earnings and cash flows for the forecast period. Accordingly, the forecast reflects management's judgment as of July 31, 2013, the date of this forecast, of the expected conditions and management's expected course of action. Final approval of the financial forecast was in December 2013.The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the forecast are below and are the same as in the Company's audited financial statements.

I. Nature of Operations

PGL is a regulated natural gas utility company that purchases, stores, distributes, sells, and transports natural gas to customers in Chicago. PGL is subject to the jurisdiction of, and regulation by, the Illinois Commerce Commission ("ICC"), which has general supervisory and regulatory powers over public utilities in Illinois, and the Federal Energy Regulatory Commission ("FERC"), which regulates the interstate services PGL provides. The term "utility" refers to PGL's regulated activities.

As used in these notes, the term "financial statements" refers to the statement of income, balance sheet, retained earnings and statement of cash flow, unless otherwise noted.

II. Use of Estimates

PGL prepares its financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). PGL makes estimates and assumptions that affect assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates.

III. Cash and Cash Equivalents

Short-term investments with an original maturity of three months or less are reported as cash equivalents.

IV. Revenues and Customer Receivables

Revenues related to the sale of natural gas are recognized when service is provided or natural gas is delivered to customers. PGL also accrues estimated amounts of revenues for services provided or natural gas delivered but not yet billed to customers. Estimated unbilled revenues are calculated using a variety of judgments and assumptions related to customer class, contracted rates, weather, and customer use. PGL presents revenues net of pass-through taxes on the income statements.

PGL has various revenue and cost recovery adjustment mechanisms in place that currently provide for the recovery of prudently incurred costs and baseline revenue amounts. A summary of the significant adjustment mechanisms which are included in rates follows:

- A one-for-one recovery mechanism for natural gas commodity and capacity costs.
- Riders for cost recovery of both environmental cleanup and energy efficiency and on-bill financing program costs.
- A rider for cost recovery or refund of uncollectible accounts expense based on the difference between actual net write-offs and the amount allowed in rates (as defined in the latest rate order) as well as amounts recovered under Rider UEA-GC (Uncollectible Expense Adjustment – Gas Costs).
- A cost recovery mechanism (“Rider QIP”) for natural gas qualifying infrastructure plant upgrades placed in service. Rider QIP allows PGL to include a surcharge on customer bills to recover the cost of and return on such qualifying plant. In December of 2013, the ICC issued an order adopting permanent rules under The Natural Gas Consumer, Safety & Reliability Act, facilitating ICC approval of PGL’s Rider QIP tariff in January 2014.
- A Volume Balancing Adjustment (Rider VBA) decoupling mechanism, which allows PGL to bill adjustments going forward to recover or refund the differences between the actual and authorized distribution margin for its residential and general service rate classes. In the first quarter of 2013, the Illinois Appellate Court affirmed the ICC’s authority to approve a permanent decoupling mechanism and therefore, PGL assumes in this forecast that it will continue to file for these adjustments with the ICC for the recovery/refund of amounts recorded related to decoupling. In June 2013, the Illinois Attorney General and Citizens Utility Board petitioned the Illinois Supreme Court to appeal the Court's decision. The Illinois Supreme Court granted the request in September 2013. The Illinois Supreme Court has no deadline by which it must act.

Revenues are also impacted by other accounting policies related to PGL’s natural gas hub. Amounts collected from wholesale customers that use PGL’s natural gas hub are credited to natural gas costs, resulting in a reduction to retail customers’ charges for natural gas and services.

V. Inventories

Inventories consist of materials and supplies and natural gas in storage. Materials and supplies are priced at average cost. PGL prices storage injections at the calendar year average of the costs of natural gas supply purchased. Withdrawals from storage are priced on the LIFO cost method.

VI. Risk Management Activities

As part of PGL's regular operations, PGL enters into contracts, including options, forwards, and swaps, to manage changes in commodity prices.

All derivatives are recognized on the balance sheets at their fair value unless they are designated as and qualify for the normal purchases and sales exception. PGL continually assesses its contracts designated as normal and will discontinue the treatment of these contracts as normal if the required criteria are no longer met. PGL's tariffs allow for full recovery from its customers of prudently incurred natural gas supply costs, including gains or losses on these derivative instruments. These derivatives are marked to fair value; the resulting risk management assets are offset with regulatory liabilities or decreases to regulatory assets, and risk management liabilities are offset with regulatory assets or decreases to regulatory liabilities. Management believes any gains or losses resulting from the eventual settlement of these derivative instruments will be refunded to or collected from customers in rates.

PGL also has derivative contracts to manage the risk associated with the purchase of natural gas used in our own operations.

PGL has risk management contracts with various counterparties. PGL monitors credit exposure levels and the financial condition of its counterparties on a continuous basis to minimize credit risk.

VII. Property, Plant, and Equipment

Utility plant is stated at cost, including any associated allowance for funds used during construction and asset retirement costs. The costs of renewals and betterments of units of property (as distinguished from minor items of property) are capitalized as additions to the utility plant accounts. Maintenance, repair, replacement, and renewal costs associated with items not qualifying as units of property are considered operating expenses. PGL records a regulatory liability for cost of removal accruals, which are included in rates. Actual removal costs are charged against the regulatory liability as incurred. Except for land, no gains or losses are recognized in connection with ordinary retirements of utility property units. PGL charges the cost of units of property retired, sold, or otherwise disposed of, less salvage value, to accumulated depreciation.

PGL records straight-line depreciation expense over the estimated useful life of utility property, using depreciation rates as approved by the ICC.

PGL capitalizes certain costs related to software developed or obtained for internal use and amortizes those costs to operating expense over the estimated useful life of the related software, which ranges from 3 to 15 years. If software is retired prior to being fully amortized, the difference is recorded as a loss on the income statements.

The provision for depreciation and amortization, expressed as an annual percentage of the original cost of depreciable property, is 3.3% for the forecasted year ending December 31, 2015.

VIII. Regulatory Assets and Liabilities

Regulatory assets represent probable future revenue associated with certain costs or liabilities that have been deferred and are expected to be recovered from customers through the ratemaking process. Regulatory liabilities represent amounts that are expected to be refunded to customers in future rates or amounts collected in rates for future costs. If at any reporting date a previously recorded regulatory asset is no longer probable of recovery, the regulatory asset is reduced to the amount considered probable of recovery with the reduction charged to expense in the year the determination is made.

IX. Retirement of Debt

Any call premiums or unamortized expenses associated with refinancing utility debt obligations are amortized consistent with regulatory treatment of those items. Any gains or losses resulting from the retirement of utility debt that is not refinanced are amortized over the remaining life of the original debt.

X. Asset Retirement Obligations

PGL recognizes at fair value legal obligations associated with the retirement of tangible long-lived assets that result from the acquisition, construction or development, and/or normal operation of the assets. A liability is recorded for these obligations as long as the fair value can be reasonably estimated, even if the timing or method of settling the obligation is unknown. The asset retirement obligations are accreted using a credit-adjusted risk-free interest rate commensurate with the expected settlement dates of the asset retirement obligations; this rate is determined at the date the obligation is incurred. The associated retirement costs are capitalized as part of the related long-lived assets and are depreciated over the useful lives of the assets. Subsequent changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease in the carrying amount of the liability and the associated retirement cost.

XI. Income Taxes

PGL is included in the consolidated United States income tax return filed by Integrys Energy Group. PGL is party to a federal and state tax allocation arrangement with Integrys Energy Group and its subsidiaries under which each entity determines its provision for income taxes on a stand-alone basis. PGL settles the intercompany income taxes payable at the time that payments are made to the applicable taxing authority.

Deferred income taxes have been recorded to recognize the expected future tax consequences of events that have been included in the financial statements by using currently enacted tax for the differences between the income tax basis of assets and liabilities and the basis reported in the financial statements. PGL records valuation allowances for deferred income tax assets unless it is more likely than not that the benefit will be realized in the future. PGL defers certain adjustments made to income taxes that will impact future rates and records regulatory assets or liabilities related to these adjustments.

PGL uses the deferral method of accounting for investment tax credits (“ITCs”). Under this method, PGL records the ITCs as deferred credits and amortizes such credits as a reduction to the provision for income taxes over the life of the asset that generated the ITCs. ITC’s that do not reduce income taxes payable for the current year are eligible for carryover and recognized as a deferred income tax asset.

PGL reports interest and penalties accrued related to income taxes as a component of provision for income taxes in the income statements.

XII. Employee Benefits

The costs of pension and other postretirement benefits are expensed over the periods during which employees render service. Effective with new rates implemented in 2010, PGL began reflecting pension and other postretirement benefit costs in rates using Integrys Energy Group’s basis in the related plan assets and obligations and method of determining these costs, which Integrys Energy Group established at the time of the February 2007 Peoples Energy, LLC (“PELLC”) merger. In addition, the cumulative difference between PGL’s accounting basis and the accounting basis of Integrys Energy Group in PGL’s pension and postretirement benefit obligations is being amortized as a component of PGL’s rates over the average remaining service lives of the participating employees. In computing the expected return on pension plan assets, a market-related value of plan assets is used that recognizes differences between actual investment returns and the expected return on plan assets over the subsequent five years. PGL’s regulators allow recovery in rates for the net periodic benefit cost calculated under GAAP.

PGL recognizes the funded status of defined benefit postretirement plans on the balance sheet, and recognizes changes in the plans' funded status in the year in which the changes occur. PGL records changes in the funded status to regulatory asset or liability accounts, pursuant to the Regulated Operations Topic of the FASB ASC.

PGL accounts for its participation in benefit plans sponsored by Integrys Business Support, LLC (“IBS”) and PELLC as multiple employer plans. Under affiliate agreements, PGL is responsible for its share of plan costs and obligations and is entitled to its share of plan assets; accordingly, PGL accounts for its pro rata share of the IBS and PELLC plans as its own plans.

XIII. Fair Value

A fair value measurement is required to reflect the assumptions market participants would use in pricing an asset or liability based on the best available information. These assumptions include the risks inherent in a particular valuation technique (such as a pricing model) and the risks inherent in the inputs to the model.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). PGL uses a mid-market pricing convention (the mid-point price between bid and ask prices) as a practical measure for valuing the majority of its derivative assets and liabilities.

Fair value accounting rules provide a hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are observable, either directly or indirectly, but are not quoted prices included within Level 1. Level 2 includes those financial instruments that are valued using external inputs within models or other valuation methodologies.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

PGL determines fair value using a market-based approach that uses observable market inputs where available, and internally developed inputs where observable market data is not readily available. For the unobservable inputs, consideration is given to the assumptions that market participants would use in valuing the asset or liability. These factors include not only the credit standing of the counterparties involved, but also the impact of PGL's nonperformance risk on its liabilities.

When possible, PGL bases the valuations of its risk management assets and liabilities on quoted prices for identical assets in active markets. These valuations are classified in Level 1. The valuations of certain contracts include inputs related to market price risk (commodity or interest rate), price volatility (for option contracts), price correlation (for cross commodity contracts), probability of default, and time value. These inputs are available through multiple sources, including brokers and over-the-counter and online exchanges. Transactions valued using these inputs are classified in Level 2. Transactions classified in Level 3 include significant inputs that are generally less observable from objective sources and/or are used with internally developed methodologies to calculate management's best estimate of fair value. At this time, PGL does not have any Level 3 fair value measurements.

SUMMARY OF SIGNIFICANT ASSUMPTIONS

I. Operating Revenues

1. Forecasted revenues were primarily determined by applying the Company's current rates and rate structure to forecasted deliveries of gas to customers, plus the forecasted cost of gas delivered, environmental recovery charges, Energy Efficiency and On-Bill Financing Adjustment ("Rider EOA") charges, the VBA adjustments, and Qualified Infrastructure Plant ("Rider QIP") charges and other miscellaneous charges.

2. Forecasted deliveries, including changes due to customer growth and conservation, were determined using internally developed models that consider various factors, including historical, trend and regression analysis. The models also consider economic and market variables.

3. Forecasted deliveries assumed 6,031 normal heating degree-days. This represents the average of actual weather at O'Hare International Airport for the 12-year period from 2001 through 2012 adjusted for any leap years in this period.

4. Based on the above volume assumptions, forecasted deliveries to customers are 160.8 Bcf, including 95.1 Bcf delivered to sales customers and 65.7 Bcf delivered to transportation customers.

5. Revenues not associated with delivery volumes were determined primarily from historical factors or the number of customers. Revenues for large customers with special contracts were based on a combination of historical and projected data.

6. Late payment charges were forecasted to be $6.8 million. This estimate reflects the monthly average actual late payment charges for the previous two years.

7. Revenue attributable to the recovery of environmental clean-up costs (Rider 11 revenue) is forecast at $38.7 million. There is a corresponding charge to expense, and thus these revenues have no direct impact on forecasted income.

8. Revenue attributable to Rider EOA is forecast at $24.4 million. There is a corresponding charge to expense, and thus these revenues have no direct impact on forecasted income.

9. Recoveries attributable to PGL's decoupling mechanism (Rider VBA) are forecast at $9.9 million based on lower 2015 forecasted distribution charge revenue derived from Service Classification No. 1 and Service Classification No 2 compared to the Rider VBA Rate Case Revenue derived from the rates approved per Company's revenue requirements in Docket Nos. 12-0511/512(Cons.) Order on Rehearing.

10. Revenue attributable to Rider QIP is forecasted to be $49 million in 2015. These revenues are reflected in Account 495. The forecast is based on forecasted in service qualifying infrastructure plant.

11. The forecast assumes no significant changes to the customer base.

II. <u>Cost of Gas</u>

1. The cost of gas purchased for sales to customers is passed on directly to customers without mark-up. Therefore, while a change in the forecast of gas costs may have a significant effect on revenue and the cost of gas, it would not have a significant impact on the Company's forecast of income. Indirectly, changes in the cost of gas impacts customer delivered volumes and the forecast of other costs.

2. The forecasted cost of gas purchased for sales to customers includes natural gas commodity costs and non-commodity costs, along with changes in inventory and adjustments for prior and forecasted over/under collections of gas costs from customers. At the end of 2015, the forecasted under collection from customers is $4.5 million. This is based on forecasted monthly differences between actual gas costs and billed gas costs due in part to timing differences amortized over a 12 month period.

3. Non-commodity costs, primarily pipeline transportation and storage demand charges, are generally based on contractual volumes and rates in place at July 31, 2013. No material changes are expected in these contracts for the forecast period.

4. Forecasted commodity costs were based on the product of forecasted purchase volumes and forecasted gas purchase costs.

5. Forecasted purchase volumes include lost and unaccounted-for gas. The Company forecasted an unaccounted-for loss rate of 2.90% of forecasted retail deliveries. This rate is based on the most recent historical twelve month average of the lost and unaccounted for factor.

6. Forecasted gas purchase costs are determined by applying the forward NYMEX gas price as of July 31, 2013, adjusted for applicable basis differentials and existing hedge positions in place. The unweighted average of the forward NYMEX gas prices is $4.09 per MMBtu.

7. Hub revenues, which reduce gas costs, were forecasted at $1.9 million based on available storage capacity and management's expectations regarding specific contract renewals.

III. Operations and Maintenance Costs

1. Labor

   a. The number of employees is forecasted to be 1,356 in calendar year 2014 and 2015. Actual headcount at December 31, 2012 was 1,265.

   b. Union wages are forecasted to increase 3.0% in May, 2014 and May, 2015. An increase of 0.6% was also included for progressions in both years.

   c. Non-union wages are forecasted to increase 3.6% in March of calendar 2014 and 2015.

2. Bad Debt

The provision for bad debt recorded in Account 904 – Uncollectible Accounts was forecast at 2.54% of revenue. This rate is consistent with the average actual provision rate the last six years. In 2013, PGL switched to the net-write-off method which was approved in the final Order in Docket Nos. 11-0280/11-0281 (Cons.). Under this method, the difference between rate case approved net write-offs plus the Rider UEA-GC revenue for the reporting period and actual net write-offs for the reporting period will be deferred as a regulatory asset and/or liability. Amounts deferred will be recovered from or refunded to customers through the uncollectible expense adjustment mechanism (Rider UEA).

3. Pension and Postretirement Expense

Pension and postretirement expense was developed with the assistance of the Company's actuaries. The census data used was as of January 1, 2013. The discount rate assumption for pension expense was forecast at 4.80%, the discount rate for the supplemental retirement plan was forecast at 4.65% and the discount rate assumption for postretirement expense was forecast at 4.60%, all of which are the discount rates at July 31, 2013. The expected return on plan assets is 8% based on current mix of plan assets. The forecast used the estimated market-related value of plan assets at December 31, 2013 and assumes PGL will contribute $7.2 million to its other postretirement plan and $0.3 million to its pension plans during 2014 and

$7.2 million to its other postretirement plan and $16.0 million to its pension plans during 2015.

4. Environmental Costs

Costs related to the investigation and removal of manufactured gas residues are initially recorded in a regulatory asset account. Expenditures related to the remediation of environmental obligations reflected in the forecasted statements are $31.7 million and $57.2 million for 2014 and 2015. PGL has a recovery mechanism in place (Rider 11) that provides for dollar for dollar recovery of the expenditures. Revenue attributable to the recovery of environmental clean-up costs (Rider 11 revenue) is forecast at $38.7 million for 2015. There is a corresponding charge to expense, and therefore, no impact to forecasted income. Liabilities were developed based on engineering cost estimates and probable outcomes, and were based on the review and judgment by the Company's management and outside consultants. The forecast assumes no changes in the liability estimate in 2014 or 2015 except for the reduction in the liability driven by expenditures for remediation.

5. Energy Efficiency and On-Bill Financing Costs

Costs related to the Energy Efficiency and On-Bill Financing programs are expensed as incurred. The difference between the budgeted monthly expenditure billed to customers and the actual expenses is recorded as a regulatory asset or liability with a corresponding adjustment to expense. The amount forecasted to be billed to customers, with an offsetting expense in operating and maintenance expenses, is $24.4 million in calendar 2015, and therefore will not directly impact forecasted income.

6. Intercompany Billing Charges

Various services are performed by affiliates of PGL and those costs are billed to PGL on a monthly basis. These costs are billed to and paid by the Company in accordance with the Master Regulated Affiliated Interest Agreement approved by the ICC in Docket No. 07-0361 and, beginning in January 2014, the Affiliated Interest Agreement approved by the ICC in Docket No. 10-0408. The ICC must approve changes or amendments to the Master Regulated Affiliated Interest Agreement.

7. Other Costs

The Company forecasted operating and maintenance costs through a detailed bottoms-up budgeting process. Unless specifically determined otherwise, this process assumes, as a default, a 2.1% and 2.4% annual rate of inflation for 2014 and 2015 respectively. The cost of natural gas purchased for the Company's internal use was forecasted in a similar manner as natural gas purchased for sales to customers.

IV. Depreciation

The provision for depreciation and amortization, expressed as an annual percentage of the original cost of depreciable property, is 3.3% for calendar year 2015.

Depreciation expense in calendar year 2015 is based on the average estimated life of depreciable property. Estimated lives were based on the depreciation study prepared by Gannet Fleming and are submitted as part of the 2015 test year rate.

V. Income Taxes

1. Income taxes were forecast by applying the current federal and state statutory income tax rates to forecasted pre-tax income, after adjusting for forecasted permanent items. For 2015, the federal and state income tax rates are 35% and 7.75%. See 2 below for deferred tax component.

2. The deferred tax provision for originating differences is based on current federal and state statutory rates from 1 above. The deferred tax provision for reversing temporary differences is based on the average rate assumption method. However, consistent with the Commission order in Docket Nos. 12-0511/0512 (Cons.). Originating plant related differences for all periods between 2011 and 2015 are recorded by flowing through the excess deferred taxes generated by the Illinois scheduled income tax rates.

3. The consolidated group of companies generated a net operating loss (“NOL”) for 2012 and 2013 is assumed to be in an NOL position as well. For 2014 and 2015, the consolidated group is assumed to be in an income position sufficient to absorb consolidated loss carry forwards and return to a tax-paying position. Therefore, a deferred tax asset will be computed on a standalone basis for 2012 and 2013. In 2014 a significant portion of this amount will be reversed reflecting utilization of the consolidated loss carry-forward during that year. The test year opening balance in rate base will therefore include the balance of the remaining amount of the deferred tax asset. In 2015, it is assumed this remainder of the consolidated carry-forward will be utilized by the consolidated group, and therefore the deferred tax asset at the end of 2015 will be zero. All of the assumptions made here will be monitored / updated at each step in this 2015 test year rate case proceeding. Depending on the developments, the updates may affect the proposed rate base.

VI. Short-term and Long-Term Debt

The forecast assumes all short-term borrowings will be external via the commercial paper market. Short-term borrowings are used to fund operating and investing activities when operating cash flows are insufficient and are a bridge to the issuance of long-term funding in the form of equity and long-term debt issuances.

The forecast includes the issuance of $220 million in long-term debt on August 1, 2013 at an annual interest rate at 3.96%. The new issuance includes debt issuance costs of $1,788,000 amortized over 30 years. The forecast includes the maturity of $45 million Series SS on November 1, 2013 at an annual interest rate of 7.00%.

The forecast includes the mandatory tender/rate reset for $50 million Series VV July 1, 2014. This is a tax exempt debt issue. The forecasted rate of 5.05% is calculated based on the forecasted 20-Year Aaa Municipal bond yield reduced by 28 basis points for the difference in years to maturity (16 years for this issue vs. the forecasted 20 years), plus a 125 basis point credit spread. The debt issuance costs are 65 basis points plus $600,000, amortized over the remaining term (maturity remains at 3/1/2030). The forecast also includes the issuance of $150 million in long-term debt on October 1, 2014 at an annual interest rate of 5.50%. The new issuance includes debt issuance costs of 84 basis points plus $200,000 amortized over 30 years. The forecasted rates were estimated using the 30-Year Treasury rate forecasted for the quarter of issuance, rounded to the nearest 5 basis points plus a basis point credit spread of 105.

The forecast includes the mandatory tender/rate reset for $50 million Series WW August 1, 2015. This is a tax exempt debt issue. The forecasted rate of 5.85% is calculated based on the forecasted 20-Year Aaa Municipal bond yield reduced by 13 basis points for the difference in years to maturity (18 years for this issue vs. the forecasted 20 years), plus a 118.5 basis point credit spread. The debt issuance costs are 65 basis points plus $600,000 amortized over the remaining term (maturity remains at 2/1/2033). The forecast also includes the issuance of $150 million in long-term debt on October 1, 2015 at an annual interest rate of 6.40%. The new issuance includes debt issuance costs of 84 basis points plus $200,000 amortized over 30 years. The forecasted rates were estimated using the 30-Year Treasury rate forecasted for the quarter of issuance, rounded to the nearest 5 basis points plus a credit spread of 105 basis points.

VII. Interest Income and Expense

1. Interest expense includes a) interest on long-term debt, b) amortization of debt issuance costs and losses on reacquired debt, c) interest and fees associated with short-term borrowings and lines of credit, and d) interest expense related to customer deposits, budget plan customers, employee deferred compensation balances, and over-collected gas costs.

2. For fixed rate long-term debt, interest expense is forecast by applying the stated interest rate to the principal amount of each series of currently outstanding first-mortgage bonds. For forecasted issuances in 2013, 2014, and 2015, the forecasted interest rate was applied to the forecasted principal amount of the issuance. Debt amortizations are initially calculated over the life of the debt issue. If debt is reacquired and not refinanced, debt expense amortization continues over the original life. For refinanced debt issues any unamortized amounts are subsequently amortized over the life of the new debt issue.

3. For variable rate short-term debt, interest expense was forecasted with rates derived based on the sum of the 1 month non-financial commercial paper rates for 2015 and an average spread between A2/P2 and AA commercial paper. Short-term debt expense also includes bank fees associated with lines of credit.

VIII. Dividends / Common Equity

No dividends are forecasted for 2014 or 2015. Capital contributions are forecasted in June 2014 at $115 million and August 2015 at $45 million.

IX. Capital Expenditures

Capital expenditures are forecasted as follows for calendar 2014 and 2015 ($ in millions):

	2014	2015
Distribution system	$393.2	$324.5
Transmission	30.7	28.0
Underground storage	34.6	24.9
Information technology	2.4	4.5
Transportation	6.1	6.3
Other	6.1	3.4
Total	$473.1	$391.6

Approximately $283 million of the Distribution system expenditures in 2015 relates to Rider QIP (Qualified Infrastructure Plant).

The Peoples Gas Light and Coke Company

Statement on Assumptions Used in the Forecast

a) The forecast for the test year contains the same assumptions and methodologies used in forecasts that are prepared for management or other entities such as the Securities and Exchange Commission, security rating companies and agencies, underwriters, and investors, except as described in c) below.

b) There are no differences in assumptions or methodologies used in the forecast of the test year and in forecasts prepared for management or other entities, except as described in c) below.

c) The test year forecast approved as of December 2013 assumes: (a) current tariffed rates remain in effect through December 31, 2015 and (b) forecasted natural gas commodity prices reflect the average of the New York Mercantile Exchange ("NYMEX") futures prices for 2015 for the thirty day period ended July 31, 2013 and (c) sales volumes were updated to reflect six months actual through June 30, 2013.

The Peoples Gas Light and Coke Company

Statement on Accounting Treatment

a) The accounting treatment applied to anticipated events and transactions in the forecast is the same as the accounting treatment to be applied in recording the events once they have occurred.

b) There are no differences between the accounting treatment applied to anticipated events and transactions in the forecast forming the basis of the test year and the accounting treatment to be applied in recording the event once it has occurred.

The Peoples Gas Light and Coke Company

Summary of Significant Accounting Policies and Assumptions

Used in the Forecast For the Year Ending December 31, 2015

PRESENTATION BASIS

The financial forecast has been prepared by The Peoples Gas Light and Coke Company ("the Company" or "PGL") and presented in accordance with the guidelines established in the November 1, 2012 AICPA Prospective Financial Information Guide. This financial forecast presents, to the best of management's knowledge and belief, the Company's expected financial position, results of operations, retained earnings and cash flows for the forecast period. Accordingly, the forecast reflects management's judgment as of July 31, 2013, the date of this forecast, of the expected conditions and management's expected course of action. Final approval of the financial forecast was in December 2013.The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the forecast are below and are the same as in the Company's audited financial statements.

I. Nature of Operations

PGL is a regulated natural gas utility company that purchases, stores, distributes, sells, and transports natural gas to customers in Chicago. PGL is subject to the jurisdiction of, and regulation by, the Illinois Commerce Commission ("ICC"), which has general supervisory and regulatory powers over public utilities in Illinois, and the Federal Energy Regulatory Commission ("FERC"), which regulates the interstate services PGL provides. The term "utility" refers to PGL's regulated activities.

As used in these notes, the term "financial statements" refers to the statement of income, balance sheet, retained earnings and statement of cash flow, unless otherwise noted.

II. Use of Estimates

PGL prepares its financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). PGL makes estimates and assumptions that affect assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates.

III. Cash and Cash Equivalents

Short-term investments with an original maturity of three months or less are reported as cash equivalents.

IV. Revenues and Customer Receivables

Revenues related to the sale of natural gas are recognized when service is provided or natural gas is delivered to customers. PGL also accrues estimated amounts of revenues for services provided or natural gas delivered but not yet billed to customers. Estimated unbilled revenues are calculated using a variety of judgments and assumptions related to customer class, contracted rates, weather, and customer use. PGL presents revenues net of pass-through taxes on the income statements.

PGL has various revenue and cost recovery adjustment mechanisms in place that currently provide for the recovery of prudently incurred costs and baseline revenue amounts. A summary of the significant adjustment mechanisms which are included in rates follows:

- A one-for-one recovery mechanism for natural gas commodity and capacity costs.
- Riders for cost recovery of both environmental cleanup and energy efficiency and on-bill financing program costs.
- A rider for cost recovery or refund of uncollectible accounts expense based on the difference between actual net write-offs and the amount allowed in rates (as defined in the latest rate order) as well as amounts recovered under Rider UEA-GC (Uncollectible Expense Adjustment – Gas Costs).
- A cost recovery mechanism ("Rider QIP") for natural gas qualifying infrastructure plant upgrades placed in service. Rider QIP allows PGL to include a surcharge on customer bills to recover the cost of and return on such qualifying plant. In December of 2013, the ICC issued an order adopting permanent rules under The Natural Gas Consumer, Safety & Reliability Act, facilitating ICC approval of PGL's Rider QIP tariff in January 2014.
- A Volume Balancing Adjustment (Rider VBA) decoupling mechanism, which allows PGL to bill adjustments going forward to recover or refund the differences between the actual and authorized distribution margin for its residential and general service rate classes. In the first quarter of 2013, the Illinois Appellate Court affirmed the ICC's authority to approve a permanent decoupling mechanism and therefore, PGL assumes in this forecast that it will continue to file for these adjustments with the ICC for the recovery/refund of amounts recorded related to decoupling. In June 2013, the Illinois Attorney General and Citizens Utility Board petitioned the Illinois Supreme Court to appeal the Court's decision. The Illinois Supreme Court granted the request in September 2013. The Illinois Supreme Court has no deadline by which it must act.

Revenues are also impacted by other accounting policies related to PGL's natural gas hub. Amounts collected from wholesale customers that use PGL's natural gas hub are credited to natural gas costs, resulting in a reduction to retail customers' charges for natural gas and services.

V. Inventories

Inventories consist of materials and supplies and natural gas in storage. Materials and supplies are priced at average cost. PGL prices storage injections at the calendar year average of the costs of natural gas supply purchased. Withdrawals from storage are priced on the LIFO cost method.

VI. Risk Management Activities

As part of PGL's regular operations, PGL enters into contracts, including options, forwards, and swaps, to manage changes in commodity prices.

All derivatives are recognized on the balance sheets at their fair value unless they are designated as and qualify for the normal purchases and sales exception. PGL continually assesses its contracts designated as normal and will discontinue the treatment of these contracts as normal if the required criteria are no longer met. PGL's tariffs allow for full recovery from its customers of prudently incurred natural gas supply costs, including gains or losses on these derivative instruments. These derivatives are marked to fair value; the resulting risk management assets are offset with regulatory liabilities or decreases to regulatory assets, and risk management liabilities are offset with regulatory assets or decreases to regulatory liabilities. Management believes any gains or losses resulting from the eventual settlement of these derivative instruments will be refunded to or collected from customers in rates.

PGL also has derivative contracts to manage the risk associated with the purchase of natural gas used in our own operations.

PGL has risk management contracts with various counterparties. PGL monitors credit exposure levels and the financial condition of its counterparties on a continuous basis to minimize credit risk.

VII. Property, Plant, and Equipment

Utility plant is stated at cost, including any associated allowance for funds used during construction and asset retirement costs. The costs of renewals and betterments of units of property (as distinguished from minor items of property) are capitalized as additions to the utility plant accounts. Maintenance, repair, replacement, and renewal costs associated with items not qualifying as units of property are considered operating expenses. PGL records a regulatory liability for cost of removal accruals, which are included in rates. Actual removal costs are charged against the regulatory liability as incurred. Except for land, no gains or losses are recognized in connection with ordinary retirements of utility property units. PGL charges the cost of units of property retired, sold, or otherwise disposed of, less salvage value, to accumulated depreciation.

PGL records straight-line depreciation expense over the estimated useful life of utility property, using depreciation rates as approved by the ICC.

PGL capitalizes certain costs related to software developed or obtained for internal use and amortizes those costs to operating expense over the estimated useful life of the related software, which ranges from 3 to 15 years. If software is retired prior to being fully amortized, the difference is recorded as a loss on the income statements.

The provision for depreciation and amortization, expressed as an annual percentage of the original cost of depreciable property, is 3.3% for the forecasted year ending December 31, 2015.

VIII. Regulatory Assets and Liabilities

Regulatory assets represent probable future revenue associated with certain costs or liabilities that have been deferred and are expected to be recovered from customers through the ratemaking process. Regulatory liabilities represent amounts that are expected to be refunded to customers in future rates or amounts collected in rates for future costs. If at any reporting date a previously recorded regulatory asset is no longer probable of recovery, the regulatory asset is reduced to the amount considered probable of recovery with the reduction charged to expense in the year the determination is made.

IX. Retirement of Debt

Any call premiums or unamortized expenses associated with refinancing utility debt obligations are amortized consistent with regulatory treatment of those items. Any gains or losses resulting from the retirement of utility debt that is not refinanced are amortized over the remaining life of the original debt.

X. Asset Retirement Obligations

PGL recognizes at fair value legal obligations associated with the retirement of tangible long-lived assets that result from the acquisition, construction or development, and/or normal operation of the assets. A liability is recorded for these obligations as long as the fair value can be reasonably estimated, even if the timing or method of settling the obligation is unknown. The asset retirement obligations are accreted using a credit-adjusted risk-free interest rate commensurate with the expected settlement dates of the asset retirement obligations; this rate is determined at the date the obligation is incurred. The associated retirement costs are capitalized as part of the related long-lived assets and are depreciated over the useful lives of the assets. Subsequent changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease in the carrying amount of the liability and the associated retirement cost.

XI. Income Taxes

PGL is included in the consolidated United States income tax return filed by Integrys Energy Group. PGL is party to a federal and state tax allocation arrangement with Integrys Energy Group and its subsidiaries under which each entity determines its provision for income taxes on a stand-alone basis. PGL settles the intercompany income taxes payable at the time that payments are made to the applicable taxing authority.

Deferred income taxes have been recorded to recognize the expected future tax consequences of events that have been included in the financial statements by using currently enacted tax for the differences between the income tax basis of assets and liabilities and the basis reported in the financial statements. PGL records valuation allowances for deferred income tax assets unless it is more likely than not that the benefit will be realized in the future. PGL defers certain adjustments made to income taxes that will impact future rates and records regulatory assets or liabilities related to these adjustments.

PGL uses the deferral method of accounting for investment tax credits ("ITCs"). Under this method, PGL records the ITCs as deferred credits and amortizes such credits as a reduction to the provision for income taxes over the life of the asset that generated the ITCs. ITC's that do not reduce income taxes payable for the current year are eligible for carryover and recognized as a deferred income tax asset.

PGL reports interest and penalties accrued related to income taxes as a component of provision for income taxes in the income statements.

XII. Employee Benefits

The costs of pension and other postretirement benefits are expensed over the periods during which employees render service. Effective with new rates implemented in 2010, PGL began reflecting pension and other postretirement benefit costs in rates using Integrys Energy Group's basis in the related plan assets and obligations and method of determining these costs, which Integrys Energy Group established at the time of the February 2007 Peoples Energy, LLC ("PELLC") merger. In addition, the cumulative difference between PGL's accounting basis and the accounting basis of Integrys Energy Group in PGL's pension and postretirement benefit obligations is being amortized as a component of PGL's rates over the average remaining service lives of the participating employees. In computing the expected return on pension plan assets, a market-related value of plan assets is used that recognizes differences between actual investment returns and the expected return on plan assets over the subsequent five years. PGL's regulators allow recovery in rates for the net periodic benefit cost calculated under GAAP.

PGL recognizes the funded status of defined benefit postretirement plans on the balance sheet, and recognizes changes in the plans' funded status in the year in which the changes occur. PGL records changes in the funded status to regulatory asset or liability accounts, pursuant to the Regulated Operations Topic of the FASB ASC.

PGL accounts for its participation in benefit plans sponsored by Integrys Business Support, LLC ("IBS") and PELLC as multiple employer plans. Under affiliate agreements, PGL is responsible for its share of plan costs and obligations and is entitled to its share of plan assets; accordingly, PGL accounts for its pro rata share of the IBS and PELLC plans as its own plans.

XIII. Fair Value

A fair value measurement is required to reflect the assumptions market participants would use in pricing an asset or liability based on the best available information. These assumptions include the risks inherent in a particular valuation technique (such as a pricing model) and the risks inherent in the inputs to the model.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). PGL uses a mid-market pricing convention (the mid-point price between bid and ask prices) as a practical measure for valuing the majority of its derivative assets and liabilities.

Fair value accounting rules provide a hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are observable, either directly or indirectly, but are not quoted prices included within Level 1. Level 2 includes those financial instruments that are valued using external inputs within models or other valuation methodologies.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

PGL determines fair value using a market-based approach that uses observable market inputs where available, and internally developed inputs where observable market data is not readily available. For the unobservable inputs, consideration is given to the assumptions that market participants would use in valuing the asset or liability. These factors include not only the credit standing of the counterparties involved, but also the impact of PGL's nonperformance risk on its liabilities.

When possible, PGL bases the valuations of its risk management assets and liabilities on quoted prices for identical assets in active markets. These valuations are classified in Level 1. The valuations of certain contracts include inputs related to market price risk (commodity or interest rate), price volatility (for option contracts), price correlation (for cross commodity contracts), probability of default, and time value. These inputs are available through multiple sources, including brokers and over-the-counter and online exchanges. Transactions valued using these inputs are classified in Level 2. Transactions classified in Level 3 include significant inputs that are generally less observable from objective sources and/or are used with internally developed methodologies to calculate management's best estimate of fair value. At this time, PGL does not have any Level 3 fair value measurements.

SUMMARY OF SIGNIFICANT ASSUMPTIONS

I. Operating Revenues

1. Forecasted revenues were primarily determined by applying the Company's current rates and rate structure to forecasted deliveries of gas to customers, plus the forecasted cost of gas delivered, environmental recovery charges, Energy Efficiency and On-Bill Financing Adjustment ("Rider EOA") charges, the VBA adjustments, and Qualified Infrastructure Plant ("Rider QIP") charges and other miscellaneous charges.

2. Forecasted deliveries, including changes due to customer growth and conservation, were determined using internally developed models that consider various factors, including historical, trend and regression analysis. The models also consider economic and market variables.

3. Forecasted deliveries assumed 6,031 normal heating degree-days. This represents the average of actual weather at O'Hare International Airport for the 12-year period from 2001 through 2012 adjusted for any leap years in this period.

4. Based on the above volume assumptions, forecasted deliveries to customers are 160.8 Bcf, including 95.1 Bcf delivered to sales customers and 65.7 Bcf delivered to transportation customers.

5. Revenues not associated with delivery volumes were determined primarily from historical factors or the number of customers. Revenues for large customers with special contracts were based on a combination of historical and projected data.

6. Late payment charges were forecasted to be $6.8 million. This estimate reflects the monthly average actual late payment charges for the previous two years.

7. Revenue attributable to the recovery of environmental clean-up costs (Rider 11 revenue) is forecast at $38.7 million. There is a corresponding charge to expense, and thus these revenues have no direct impact on forecasted income.

8. Revenue attributable to Rider EOA is forecast at $24.4 million. There is a corresponding charge to expense, and thus these revenues have no direct impact on forecasted income.

9. Recoveries attributable to PGL's decoupling mechanism (Rider VBA) are forecast at $9.9 million based on lower 2015 forecasted distribution charge revenue derived from Service Classification No. 1 and Service Classification No 2 compared to the Rider VBA Rate Case Revenue derived from the rates approved per Company's revenue requirements in Docket Nos. 12-0511/512(Cons.) Order on Rehearing.

10. Revenue attributable to Rider QIP is forecasted to be $49 million in 2015. These revenues are reflected in Account 495. The forecast is based on forecasted in service qualifying infrastructure plant.

11. The forecast assumes no significant changes to the customer base.

II. Cost of Gas

1. The cost of gas purchased for sales to customers is passed on directly to customers without mark-up. Therefore, while a change in the forecast of gas costs may have a significant effect on revenue and the cost of gas, it would not have a significant impact on the Company's forecast of income. Indirectly, changes in the cost of gas impacts customer delivered volumes and the forecast of other costs.

2. The forecasted cost of gas purchased for sales to customers includes natural gas commodity costs and non-commodity costs, along with changes in inventory and adjustments for prior and forecasted over/under collections of gas costs from customers. At the end of 2015, the forecasted under collection from customers is $4.5 million. This is based on forecasted monthly differences between actual gas costs and billed gas costs due in part to timing differences amortized over a 12 month period.

3. Non-commodity costs, primarily pipeline transportation and storage demand charges, are generally based on contractual volumes and rates in place at July 31, 2013. No material changes are expected in these contracts for the forecast period.

4. Forecasted commodity costs were based on the product of forecasted purchase volumes and forecasted gas purchase costs.

5. Forecasted purchase volumes include lost and unaccounted-for gas. The Company forecasted an unaccounted-for loss rate of 2.90% of forecasted retail deliveries. This rate is based on the most recent historical twelve month average of the lost and unaccounted for factor.

6. Forecasted gas purchase costs are determined by applying the forward NYMEX gas price as of July 31, 2013, adjusted for applicable basis differentials and existing hedge positions in place. The unweighted average of the forward NYMEX gas prices is $4.09 per MMBtu.

7. Hub revenues, which reduce gas costs, were forecasted at $1.9 million based on available storage capacity and management's expectations regarding specific contract renewals.

III. Operations and Maintenance Costs

1. Labor

   a. The number of employees is forecasted to be 1,356 in calendar year 2014 and 2015. Actual headcount at December 31, 2012 was 1,265.

   b. Union wages are forecasted to increase 3.0% in May, 2014 and May, 2015. An increase of 0.6% was also included for progressions in both years.

   c. Non-union wages are forecasted to increase 3.6% in March of calendar 2014 and 2015.

2. Bad Debt

   The provision for bad debt recorded in Account 904 – Uncollectible Accounts was forecast at 2.54% of revenue. This rate is consistent with the average actual provision rate the last six years. In 2013, PGL switched to the net-write-off method which was approved in the final Order in Docket Nos. 11-0280/11-0281 (Cons.). Under this method, the difference between rate case approved net write-offs plus the Rider UEA-GC revenue for the reporting period and actual net write-offs for the reporting period will be deferred as a regulatory asset and/or liability. Amounts deferred will be recovered from or refunded to customers through the uncollectible expense adjustment mechanism (Rider UEA).

3. Pension and Postretirement Expense

   Pension and postretirement expense was developed with the assistance of the Company's actuaries. The census data used was as of January 1, 2013. The discount rate assumption for pension expense was forecast at 4.80%, the discount rate for the supplemental retirement plan was forecast at 4.65% and the discount rate assumption for postretirement expense was forecast at 4.60%, all of which are the discount rates at July 31, 2013. The expected return on plan assets is 8% based on current mix of plan assets. The forecast used the estimated market-related value of plan assets at December 31, 2013 and assumes PGL will contribute $7.2 million to its other postretirement plan and $0.3 million to its pension plans during 2014 and

$7.2 million to its other postretirement plan and $16.0 million to its pension plans during 2015.

4. Environmental Costs

Costs related to the investigation and removal of manufactured gas residues are initially recorded in a regulatory asset account. Expenditures related to the remediation of environmental obligations reflected in the forecasted statements are $31.7 million and $57.2 million for 2014 and 2015. PGL has a recovery mechanism in place (Rider 11) that provides for dollar for dollar recovery of the expenditures. Revenue attributable to the recovery of environmental clean-up costs (Rider 11 revenue) is forecast at $38.7 million for 2015. There is a corresponding charge to expense, and therefore, no impact to forecasted income. Liabilities were developed based on engineering cost estimates and probable outcomes, and were based on the review and judgment by the Company's management and outside consultants. The forecast assumes no changes in the liability estimate in 2014 or 2015 except for the reduction in the liability driven by expenditures for remediation.

5. Energy Efficiency and On-Bill Financing Costs

Costs related to the Energy Efficiency and On-Bill Financing programs are expensed as incurred. The difference between the budgeted monthly expenditure billed to customers and the actual expenses is recorded as a regulatory asset or liability with a corresponding adjustment to expense. The amount forecasted to be billed to customers, with an offsetting expense in operating and maintenance expenses, is $24.4 million in calendar 2015, and therefore will not directly impact forecasted income.

6. Intercompany Billing Charges

Various services are performed by affiliates of PGL and those costs are billed to PGL on a monthly basis. These costs are billed to and paid by the Company in accordance with the Master Regulated Affiliated Interest Agreement approved by the ICC in Docket No. 07-0361 and, beginning in January 2014, the Affiliated Interest Agreement approved by the ICC in Docket No. 10-0408. The ICC must approve changes or amendments to the Master Regulated Affiliated Interest Agreement.

7. Other Costs

The Company forecasted operating and maintenance costs through a detailed bottoms-up budgeting process. Unless specifically determined otherwise, this process assumes, as a default, a 2.1% and 2.4% annual rate of inflation for 2014 and 2015 respectively. The cost of natural gas purchased for the Company's internal use was forecasted in a similar manner as natural gas purchased for sales to customers.

IV. Depreciation

The provision for depreciation and amortization, expressed as an annual percentage of the original cost of depreciable property, is 3.3% for calendar year 2015.

Depreciation expense in calendar year 2015 is based on the average estimated life of depreciable property. Estimated lives were based on the depreciation study prepared by Gannet Fleming and are submitted as part of the 2015 test year rate.

V. Income Taxes

1. Income taxes were forecast by applying the current federal and state statutory income tax rates to forecasted pre-tax income, after adjusting for forecasted permanent items. For 2015, the federal and state income tax rates are 35% and 7.75%. See 2 below for deferred tax component.

2. The deferred tax provision for originating differences is based on current federal and state statutory rates from 1 above. The deferred tax provision for reversing temporary differences is based on the average rate assumption method. However, consistent with the Commission order in Docket Nos. 12-0511/0512 (Cons.). Originating plant related differences for all periods between 2011 and 2015 are recorded by flowing through the excess deferred taxes generated by the Illinois scheduled income tax rates.

3. The consolidated group of companies generated a net operating loss (“NOL”) for 2012 and 2013 is assumed to be in an NOL position as well. For 2014 and 2015, the consolidated group is assumed to be in an income position sufficient to absorb consolidated loss carry forwards and return to a tax-paying position. Therefore, a deferred tax asset will be computed on a standalone basis for 2012 and 2013. In 2014 a significant portion of this amount will be reversed reflecting utilization of the consolidated loss carry-forward during that year. The test year opening balance in rate base will therefore include the balance of the remaining amount of the deferred tax asset. In 2015, it is assumed this remainder of the consolidated carry-forward will be utilized by the consolidated group, and therefore the deferred tax asset at the end of 2015 will be zero. All of the assumptions made here will be monitored / updated at each step in this 2015 test year rate case proceeding. Depending on the developments, the updates may affect the proposed rate base.

VI. Short-term and Long-Term Debt

The forecast assumes all short-term borrowings will be external via the commercial paper market. Short-term borrowings are used to fund operating and investing activities when operating cash flows are insufficient and are a bridge to the issuance of long-term funding in the form of equity and long-term debt issuances.

The forecast includes the issuance of $220 million in long-term debt on August 1, 2013 at an annual interest rate at 3.96%. The new issuance includes debt issuance costs of $1,788,000 amortized over 30 years. The forecast includes the maturity of $45 million Series SS on November 1, 2013 at an annual interest rate of 7.00%.

The forecast includes the mandatory tender/rate reset for $50 million Series VV July 1, 2014. This is a tax exempt debt issue. The forecasted rate of 5.05% is calculated based on the forecasted 20-Year Aaa Municipal bond yield reduced by 28 basis points for the difference in years to maturity (16 years for this issue vs. the forecasted 20 years), plus a 125 basis point credit spread. The debt issuance costs are 65 basis points plus $600,000, amortized over the remaining term (maturity remains at 3/1/2030). The forecast also includes the issuance of $150 million in long-term debt on October 1, 2014 at an annual interest rate of 5.50%. The new issuance includes debt issuance costs of 84 basis points plus $200,000 amortized over 30 years. The forecasted rates were estimated using the 30-Year Treasury rate forecasted for the quarter of issuance, rounded to the nearest 5 basis points plus a basis point credit spread of 105.

The forecast includes the mandatory tender/rate reset for $50 million Series WW August 1, 2015. This is a tax exempt debt issue. The forecasted rate of 5.85% is calculated based on the forecasted 20-Year Aaa Municipal bond yield reduced by 13 basis points for the difference in years to maturity (18 years for this issue vs. the forecasted 20 years), plus a 118.5 basis point credit spread. The debt issuance costs are 65 basis points plus $600,000 amortized over the remaining term (maturity remains at 2/1/2033). The forecast also includes the issuance of $150 million in long-term debt on October 1, 2015 at an annual interest rate of 6.40%. The new issuance includes debt issuance costs of 84 basis points plus $200,000 amortized over 30 years. The forecasted rates were estimated using the 30-Year Treasury rate forecasted for the quarter of issuance, rounded to the nearest 5 basis points plus a credit spread of 105 basis points.

VII. Interest Income and Expense

1. Interest expense includes a) interest on long-term debt, b) amortization of debt issuance costs and losses on reacquired debt, c) interest and fees associated with short-term borrowings and lines of credit, and d) interest expense related to customer deposits, budget plan customers, employee deferred compensation balances, and over-collected gas costs.

2. For fixed rate long-term debt, interest expense is forecast by applying the stated interest rate to the principal amount of each series of currently outstanding first-mortgage bonds. For forecasted issuances in 2013, 2014, and 2015, the forecasted interest rate was applied to the forecasted principal amount of the issuance. Debt amortizations are initially calculated over the life of the debt issue. If debt is reacquired and not refinanced, debt expense amortization continues over the original life. For refinanced debt issues any unamortized amounts are subsequently amortized over the life of the new debt issue.

3. For variable rate short-term debt, interest expense was forecasted with rates derived based on the sum of the 1 month non-financial commercial paper rates for 2015 and an average spread between A2/P2 and AA commercial paper. Short-term debt expense also includes bank fees associated with lines of credit.

VIII. Dividends / Common Equity

No dividends are forecasted for 2014 or 2015. Capital contributions are forecasted in June 2014 at $115 million and August 2015 at $45 million.

IX. Capital Expenditures

Capital expenditures are forecasted as follows for calendar 2014 and 2015 ($ in millions):

	2014	2015
Distribution system	$393.2	$324.5
Transmission	30.7	28.0
Underground storage	34.6	24.9
Information technology	2.4	4.5
Transportation	6.1	6.3
Other	6.1	3.4
Total	$473.1	$391.6

Approximately $283 million of the Distribution system expenditures in 2015 relates to Rider QIP (Qualified Infrastructure Plant).

The Peoples Gas Light and Coke Company

Inflation

Line No.	Description	Base Dollars	Inflation Factor	Inflation Amount	Line No.
	[A]	[B]	[C]	[D] = [B] x [C]	
1	**Invoices**				1
2	Customer Accounts				2
3	AE9 CR Contact Supp CHIC	115,000	2.40%	3,000	3
4	Distribution				4
5	P05 Exec Office-Gas Operations	1,700,000	2.40%	41,000	5
6	PC6 Compliance	200,000	2.40%	5,000	6
7	**Materials and Supplies**				7
8	Administrative and General				8
9	P05 Exec Office-Gas Operations	46,000	2.40%	1,000	9
10	**Expense Accounts**				10
11	Distribution				11
12	P24 Corrosion Control	40,000	2.40%	1,000	12
13	**Total Non-Payroll Other**				13
14	Distribution				14
15	P55 Special Projects-Field Serv	130,000	2.40%	3,000	15
16	**Contract/Outsource/Consulting Services**				16
17	Distribution				17
18	AC2 GE Tech Train and Standards	84,000	2.40%	2,000	18
19	AC3 Gas Systems Support	238,000	2.40%	6,000	19
20	AC6 GE Engineering Services	58,000	2.40%	1,000	20
21	P72 North District Operations	150,000	2.40%	4,000	21
22	P73 South District Operations	147,000	2.40%	4,000	22
23	P79 Central District Operations	125,000	2.40%	3,000	23
24	Transmission				24
25	P79 Central District Operations	26,000	2.40%	1,000	25
26	**Rent & Lease Expense Payments**				26
27	Distribution	26,000	2.40%	1,000	27
28	AC3 Gas Systems Support				28
29	**Paving**				29
30	Distribution				30
31	P50 Contact Administration	52,000,000	2.40%	1,248,000	31
32	**Landscaping**				32
33	Distribution				33
34	P50 Contact Administration	2,800,000	2.40%	67,000	34
35	**Contracted Temporary Help**				35
36	Distribution				36
37	PC2 Business Support	100,000	2.40%	2,000	37

The Peoples Gas Light and Coke Company

Proration of Accumulated Deferred Income Taxes

Test Year Ending December 31, 2015

Line No.	Description	Days(1)	Ratio	Liberalized Depreciation (Per Book) Statutory Rate Per Books	QIP-Liberalized Depreciation (Per Book) Statutory Rate Per Books	Net Liberalized Depreciation (Per Book) Statutory Rate Per Books	Net Liberalized Depreciation (Per Book) Statutory Rate Prorated	Line No.
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	
1	Balance 12/31/2014			$ (473,425,000)	$ 0	$ (473,425,000)	$ (473,425,000)	1
2	January	335	100.0%	(1,227,000)	(1,531,000)	304,000	304,000	2
3	February	307	91.6%	(1,227,000)	(1,531,000)	304,000	278,000	3
4	March	276	82.4%	(1,227,000)	(1,532,000)	305,000	251,000	4
5	April	246	73.4%	(1,226,000)	(1,531,000)	305,000	224,000	5
6	May	215	64.2%	(1,227,000)	(1,531,000)	304,000	195,000	6
7	June	185	55.2%	(1,227,000)	(1,531,000)	304,000	168,000	7
8	July	154	46.0%	(1,227,000)	(1,531,000)	304,000	140,000	8
9	August	123	36.7%	(1,227,000)	(1,531,000)	304,000	112,000	9
10	September	93	27.8%	(1,227,000)	(1,532,000)	305,000	85,000	10
11	October	62	18.5%	(1,226,000)	(1,531,000)	305,000	56,000	11
12	November	32	9.6%	(1,227,000)	(1,531,000)	304,000	29,000	12
13	December	1	0.3%	(1,227,000)	(1,531,000)	304,000	1,000	13
14	Balance 12/31/2015			$ (488,147,000)	$ (18,374,000)	$ (469,773,000)	$ (471,582,000)	14
15	Impact of Proration (Col G, line 14 - Col F, line 14) - amount shown on Schedule B-9						$ (1,809,000)	15

Notes: (1)Total days in period: 335

Assumes rates become effective February 1, 2015

The Peoples Gas Light and Coke Company

Actual Gross Additions and Retirements
Compared to Original Budget

		Historical Year Ended December 31, 2010						
		Gross Additions			Retirements			
Line No.	Plant Function	Actual	Budget	Difference	Actual	Budget	Difference	Line No.
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	
1	Distribution	$ 54,549,000	$ 56,040,000	$ (1,491,000)	$ (7,778,000)	$ (11,107,000)	$ 3,329,000	1
2	Manufactured Gas Production	-	-	-	-	-	-	2
3	Underground Storage	13,222,000	14,865,000	(1,643,000)	-	(694,000)	694,000	3
4	Other Storage	-	-	-	-	-	-	4
5	Liquefied Natural Gas	193,000	996,000	(803,000)	-	-	-	5
6	Transmission - Not Leased	1,676,000	3,503,000	(1,827,000)	(40,000)	-	(40,000)	6
7	General	3,018,000	8,888,000	(5,870,000)	(4,805,000)	(171,000)	(4,634,000)	7
8	Intangible	49,000	-	49,000	(28,101,000)	-	(28,101,000)	8
9	Production	-	-	-	-	-	-	9
10	Total Account 101	$ 72,707,000	$ 84,292,000	$ (11,585,000)	$ (40,724,000)	$ (11,972,000)	$ (28,752,000)	10
11	Recoverable Natural Gas (Account 117)	271,000	404,000	(133,000)	-	-	-	11
12	Total Plant In Service	$ 72,978,000	$ 84,696,000	$ (11,718,000)	$ (40,724,000)	$ (11,972,000)	$ (28,752,000)	12

The Peoples Gas Light and Coke Company

Actual Gross Additions and Retirements
Compared to Original Budget

		Historical Year Ended December 31, 2011						
		Gross Additions			Retirements			
Line No.	Plant Function	Actual	Budget	Difference	Actual	Budget	Difference	Line No.
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	
1	Distribution	$ 122,300,000	$ 144,920,000	$ (22,620,000)	$ (23,486,000)	$ (26,840,000)	$ 3,354,000	1
2	Manufactured Gas Production	-	-	-	-	-	-	2
3	Underground Storage	21,695,000	25,366,000	(3,671,000)	(927,000)	(340,000)	(587,000)	3
4	Other Storage	-	-	-	-	-	-	4
5	Liquefied Natural Gas	277,000	4,570,000	(4,293,000)	(3,000)	(527,000)	524,000	5
6	Transmission - Not Leased	527,000	2,566,000	(2,039,000)	(408,000)	(126,000)	(282,000)	6
7	General	11,561,000	12,192,000	(631,000)	(11,484,000)	(271,000)	(11,213,000)	7
8	Intangible	619,000	-	619,000	(642,000)	-	(642,000)	8
9	Production	7,391,000	6,000,000	1,391,000	-	-	-	9
10	Total Account 101	$ 164,370,000	$ 195,614,000	$ (31,244,000)	$ (36,950,000)	$ (28,104,000)	$ (8,846,000)	10
11	Recoverable Natural Gas (Account 117)	254,000	365,000	(111,000)	-	-	-	11
12	Total Plant In Service	$ 164,624,000	$ 195,979,000	$ (31,355,000)	$ (36,950,000)	$ (28,104,000)	$ (8,846,000)	12

The Peoples Gas Light and Coke Company

Actual Gross Additions and Retirements
Compared to Original Budget

		Historical Year Ended December 31, 2012						
		Gross Additions			Retirements			
Line No.	Plant Function	Actual	Budget	Difference	Actual	Budget	Difference	Line No.
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	
1	Distribution	$ 223,711,000	$ 195,024,000	$ 28,687,000	$ (33,850,000)	$ (23,140,000)	$ (10,710,000)	1
2	Manufactured Gas Production	783,000	2,000,000	(1,217,000)	-	-	-	2
3	Underground Storage	23,781,000	33,718,000	(9,937,000)	(444,000)	(681,000)	237,000	3
4	Other Storage	-	5,129,000	(5,129,000)	-	-	-	4
5	Liquefied Natural Gas	(9,000)	-	(9,000)	-	-	-	5
6	Transmission - Not Leased	3,116,000	3,415,000	(299,000)	(133,000)	(278,000)	145,000	6
7	General	16,080,000	22,291,000	(6,211,000)	(2,635,000)	(5,242,000)	2,607,000	7
8	Intangible	595,000	399,000	196,000	(1,049,000)	-	(1,049,000)	8
9	Production	-	-	-	-	-	-	9
10	Total Account 101	$ 268,057,000	$ 261,976,000	$ 6,081,000	$ (38,111,000)	$ (29,341,000)	$ (8,770,000)	10
11	Recoverable Natural Gas (Account 117)	187,000	320,000	(133,000)	-	-	-	11
12	Total Plant In Service	$ 268,244,000	$ 262,296,000	$ 5,948,000	$ (38,111,000)	$ (29,341,000)	$ (8,770,000)	12

The Peoples Gas Light and Coke Company

Comparison of Budgeted Non-Payroll Expense to Actual

Line No.	Account Number and Description		Historical Year Ended December 31, 2010 Actual	Budget	Variance	% Variance	Line No.
	[A]		[B]	[C]	[D]	[E]	
1	**Production**						1
2	813	Other Gas Supply Expenses	$ (153,000)	$ 3,000	$ (156,000)	-5200.00%	2
3		**Total Sales**	**(153,000)**	**3,000**	**(156,000)**	-5200.00%	3
4	**Underground Storage**						4
5	Operation						5
6	814	Operation Supervision and Engineering	8,000	232,000	(224,000)	-96.55%	6
7	816	Wells Expenses	221,000	209,000	12,000	5.74%	7
8	817	Lines Expenses	17,000	27,000	(10,000)	-37.04%	8
9	818	Compressor Station Expense	267,000	265,000	2,000	0.75%	9
10	819	Compressor Station Fuel and Power	2,940,000	3,330,000	(390,000)	-11.71%	10
11	820	Measuring and Regulating Station Expense	36,000	50,000	(14,000)	-28.00%	11
12	821	Purification Expense	757,000	914,000	(157,000)	-17.18%	12
13	824	Other Expense	340,000	272,000	68,000	25.00%	13
14	825	Storage Well Royalties	30,000	29,000	1,000	3.45%	14
15		Total Operation	4,616,000	5,328,000	(712,000)	-13.36%	15
16	Maintenance						16
17	830	Maintenance Supervision and Engineering	1,000	-	1,000	-	17
18	831	Maintenance of Structures and Improvements	243,000	123,000	120,000	97.56%	18
19	832	Maintenance of Reservoirs and Wells	300,000	458,000	(158,000)	-34.50%	19
20	833	Maintenance of Lines	183,000	138,000	45,000	32.61%	20
21	834	Maintenance of Compressor Station Equipment	452,000	608,000	(156,000)	-25.66%	21
22	835	Maintenance of Measuring and Regulating Station Equipment	5,000	6,000	(1,000)	-16.67%	22
23	836	Maintenance of Purification Equipment	410,000	323,000	87,000	26.93%	23
24	837	Maintenance of Other Equipment	349,000	269,000	80,000	29.74%	24
25		Total Maintenance	1,943,000	1,925,000	18,000	0.94%	25
26		**Total Underground Storage**	**6,559,000**	**7,253,000**	**(694,000)**	-9.57%	26
27	**Other Storage**						27
28	Operation						28
29	840	Operation Supervision and Engineering	1,000	-	1,000	-	29
30	841	Operation Labor and Expenses	16,000	13,000	3,000	23.08%	30
31	842.1	Fuel	374,000	531,000	(157,000)	-29.57%	31
32		Total Operation	391,000	544,000	(153,000)	-28.13%	32
33	Maintenance						33
34	843.1	Maintenance Supervision and Engineering	2,000	-	2,000	-	34
35	843.3	Maintenance of Gas Holders	1,000	-	1,000	-	35
36	843.5	Maintenance of Liquefaction Equipment	115,000	1,000	114,000	11400.00%	36
37	843.6	Maintenance of Vaporizing Equipment	52,000	82,000	(30,000)	-36.59%	37
38	843.7	Maintenance of Compressor Equipment	62,000	8,000	54,000	675.00%	38
39	843.8	Maintenance of Measuring and Regulating Equipment	16,000	1,000	15,000	1500.00%	39
40	843.9	Maintenance of Other Equipment	46,000	34,000	12,000	35.29%	40
41		Total Maintenance	294,000	126,000	168,000	133.33%	41
42		**Total Other Storage**	**685,000**	**670,000**	**15,000**	2.24%	42
43	**Transmission**						43
44	Operation						44
45	856	Mains Expenses	426,000	781,000	(355,000)	-45.45%	45
46	857	Measuring and Regulating Station Expenses	655,000	519,000	136,000	26.20%	46
47	859	Other Expenses	218,000	54,000	164,000	303.70%	47
48	860	Rents	210,000	153,000	57,000	37.25%	48
49		Total Operation	1,509,000	1,507,000	2,000	0.13%	49
50	Maintenance						50
51	863	Maintenance of Mains	385,000	1,015,000	(630,000)	-62.07%	51
52	865	Maintenance of Measuring and Regulating Station Equipment	327,000	299,000	28,000	9.36%	52
53	867	Maintenance of Other Equipment	1,000	-	1,000	-	53
54		Total Maintenance	713,000	1,314,000	(601,000)	-45.74%	54
55		**Total Transmission**	**2,222,000**	**2,821,000**	**(599,000)**	-21.23%	55

The Peoples Gas Light and Coke Company

Comparison of Budgeted Non-Payroll Expense to Actual

Line No.	Account Number and Description		Historical Year Ended December 31, 2010 Actual	Budget	Variance	% Variance	Line No.
	[A]		[B]	[C]	[D]	[E]	
1	**Distribution**						1
2	Operation						2
3	870	Operation Supervision and Engineering	$ 198,000	$ 94,000	$ 104,000	110.64%	3
4	871	Distribution Load Dispatching	67,000	136,000	(69,000)	-50.74%	4
5	874	Mains and Services Expenses	1,380,000	2,025,000	(645,000)	-31.85%	5
6	875	Measuring and Regulating Station Expense - General	68,000	-	68,000	-	6
7	877	Measuring and Regulating Station Expense - City Gate	45,000	10,000	35,000	350.00%	7
8	878	Meter and House Regulator Expenses	6,409,000	3,242,000	3,167,000	97.69%	8
9	879	Customer Installations Expenses	2,262,000	1,293,000	969,000	74.94%	9
10	880	Other Expenses	951,000	13,478,000	(12,527,000)	-92.94%	10
11	881	Rents	142,000	77,000	65,000	84.42%	11
12		Total Operation	11,522,000	20,355,000	(8,833,000)	-43.39%	12
13	Maintenance						13
14	885	Maintenance Supervision and Engineering	391,000	86,000	305,000	354.65%	14
15	886	Maintenance of Structures and Improvements	168,000	161,000	7,000	4.35%	15
16	887	Maintenance of Mains	21,795,000	16,246,000	5,549,000	34.16%	16
17	889	Maintenance of Measuring and Regulating Station - General	628,000	55,000	573,000	1041.82%	17
18	892	Maintenance of Services	8,402,000	6,169,000	2,233,000	36.20%	18
19	893	Maintenance of Meters and House Regulators	22,000	119,000	(97,000)	-81.51%	19
20	894	Maintenance of Other Equipment	2,000	-	2,000	-	20
21		Total Maintenance	31,408,000	22,836,000	8,572,000	37.54%	21
22		**Total Distribution**	**42,930,000**	**43,191,000**	**(261,000)**	-0.60%	22
23	**Customer Accounts**						23
24	901	Customer Accounts Supervision	7,000	5,000	2,000	40.00%	24
25	902	Meter Reading Expenses	76,000	147,000	(71,000)	-48.30%	25
26	903	Customer Records and Collection Expenses	11,772,000	11,187,000	585,000	5.23%	26
27	904	Uncollectible Accounts	24,323,000	30,723,000	(6,400,000)	-20.83%	27
28	905	Miscellaneous Customer Accounts Expenses	19,733,000	6,677,000	13,056,000	195.54%	28
29		**Total Customer Accounts**	**55,911,000**	**48,739,000**	**7,172,000**	14.72%	29
30	**Customer Service and Informational Expenses**						30
31	908	Customer Assistance Expenses	80,000	85,000	(5,000)	-5.88%	31
32	909	Information and Instructional Advertising Expense	249,000	885,000	(636,000)	-71.86%	32
33	910	Miscellaneous Customer Service and Informational Expense	4,000	-	4,000	-	33
34		**Total Customer Service and Informational Expenses**	**333,000**	**970,000**	**(637,000)**	-65.67%	34
35	**Administrative and General**						35
36	Operation						36
37	920	Administrative and General Salaries	799,000	1,937,000	(1,138,000)	-58.75%	37
38	921	Office Supplies and Expense	7,140,000	8,579,000	(1,439,000)	-16.77%	38
39	922	Administrative Expenses Transferred - Credit	(4,000)	(5,000,000)	4,996,000	-99.92%	39
40	923	Outside Services Employed	6,017,000	7,515,000	(1,498,000)	-19.93%	40
41	924	Property Insurance	206,000	199,000	7,000	3.52%	41
42	925	Injuries and Damages	8,676,000	12,018,000	(3,342,000)	-27.81%	42
43	926	Employee Pensions and Benefits	47,150,000	43,902,000	3,248,000	7.40%	43
44	928	Regulatory Commission Expenses	1,946,000	1,079,000	867,000	80.35%	44
45	929	Duplicate Charges - Credit	(14,000)	(14,000)	-	-	45
46	930.1	General Advertising Expenses	8,000	160,000	(152,000)	-95.00%	46
47	930.2	Miscellaneous General Expenses	33,526,000	38,429,000	(4,903,000)	-12.76%	47
48	931	Rents	4,499,000	6,214,000	(1,715,000)	-27.60%	48
49		Total Operation	109,949,000	115,018,000	(5,069,000)	-4.41%	49
50	Maintenance						50
51	932	Maintenance of General Plant	2,000	16,000	(14,000)	-87.50%	51
52		Total Maintenance	2,000	16,000	(14,000)	-87.50%	52
53		**Total Administrative and General**	**109,951,000**	**115,034,000**	**(5,083,000)**	-4.42%	53
54		**Total Operation and Maintenance Non-Payroll**	**$ 218,438,000**	**$ 218,681,000**	**$ (243,000)**	-0.11%	54

The Peoples Gas Light and Coke Company

Comparison of Budgeted Non-Payroll Expense to Actual

Line No.		Account Number and Description	Historical Year Ended December 31, 2011 Actual	Budget	Variance	% Variance	Line No.
		[A]	[B]	[C]	[D]	[E]	
1	**Underground Storage**						1
2	Operation						2
3	814	Operation Supervision and Engineering	$ 49,000	$ 29,000	$ 20,000	68.97%	3
4	815	Maps and Records	1,000	-	1,000	-	4
5	816	Wells Expenses	180,000	198,000	(18,000)	-9.09%	5
6	817	Lines Expenses	1,000	33,000	(32,000)	-96.97%	6
7	818	Compressor Station Expense	473,000	269,000	204,000	75.84%	7
8	819	Compressor Station Fuel and Power	3,000,000	3,318,000	(318,000)	-9.58%	8
9	820	Measuring and Regulating Station Expense	56,000	39,000	17,000	43.59%	9
10	821	Purification Expense	642,000	861,000	(219,000)	-25.44%	10
11	824	Other Expense	370,000	667,000	(297,000)	-44.53%	11
12	825	Storage Well Royalties	36,000	27,000	9,000	33.33%	12
13		Total Operation	4,808,000	5,441,000	(633,000)	-11.63%	13
14	Maintenance						14
15	830	Maintenance Supervision and Engineering	21,000	-	21,000	-	15
16	831	Maintenance of Structures and Improvements	212,000	105,000	107,000	101.90%	16
17	832	Maintenance of Reservoirs and Wells	337,000	595,000	(258,000)	-43.36%	17
18	833	Maintenance of Lines	529,000	146,000	383,000	262.33%	18
19	834	Maintenance of Compressor Station Equipment	569,000	503,000	66,000	13.12%	19
20	835	Maintenance of Measuring and Regulating Station Equipment	19,000	7,000	12,000	171.43%	20
21	836	Maintenance of Purification Equipment	753,000	88,000	665,000	755.68%	21
22	837	Maintenance of Other Equipment	411,000	283,000	128,000	45.23%	22
23		Total Maintenance	2,851,000	1,727,000	1,124,000	65.08%	23
24		**Total Underground Storage**	**7,659,000**	**7,168,000**	**491,000**	6.85%	24
25	**Other Storage**						25
26	Operation						26
27	840	Operation Supervision and Engineering	38,000	-	38,000	-	27
28	841	Operation Labor and Expenses	29,000	14,000	15,000	107.14%	28
29	842.1	Fuel	493,000	528,000	(35,000)	-6.63%	29
30		Total Operation	560,000	542,000	18,000	3.32%	30
31	Maintenance						31
32	843.1	Maintenance Supervision and Engineering	3,000	-	3,000	-	32
33	843.3	Maintenance of Gas Holders	4,000	-	4,000	-	33
34	843.5	Maintenance of Liquefaction Equipment	24,000	-	24,000	-	34
35	843.6	Maintenance of Vaporizing Equipment	98,000	89,000	9,000	10.11%	35
36	843.7	Maintenance of Compressor Equipment	57,000	111,000	(54,000)	-48.65%	36
37	843.8	Maintenance of Measuring and Regulating Equipment	30,000	1,000	29,000	2900.00%	37
38	843.9	Maintenance of Other Equipment	84,000	36,000	48,000	133.33%	38
39		Total Maintenance	300,000	237,000	63,000	26.58%	39
40		**Total Other Storage**	**860,000**	**779,000**	**81,000**	10.40%	40
41	**Transmission**						41
42	Operation						42
43	856	Mains Expenses	6,000	574,000	(568,000)	-98.95%	43
44	857	Measuring and Regulating Station Expenses	618,000	361,000	257,000	71.19%	44
45	859	Other Expenses	145,000	235,000	(90,000)	-38.30%	45
46	860	Rents	128,000	166,000	(38,000)	-22.89%	46
47		Total Operation	897,000	1,336,000	(439,000)	-32.86%	47
48	Maintenance						48
49	863	Maintenance of Mains	140,000	862,000	(722,000)	-83.76%	49
50	865	Maintenance of Measuring and Regulating Station Equipment	328,000	2,000	326,000	16300.00%	50
51	867	Maintenance of Other Equipment	1,000	-	1,000	-	51
52		Total Maintenance	469,000	864,000	(395,000)	-45.72%	52
53		**Total Transmission**	**1,366,000**	**2,200,000**	**(834,000)**	-37.91%	53

The Peoples Gas Light and Coke Company

Comparison of Budgeted Non-Payroll Expense to Actual

Line No.	Account Number and Description [A]		Historical Year Ended December 31, 2011 Actual [B]	Budget [C]	Variance [D]	% Variance [E]	Line No.
1	**Distribution**						1
2	Operation						2
3	870	Operation Supervision and Engineering	$ 83,000	$ 1,797,000	$ (1,714,000)	-95.38%	3
4	871	Distribution Load Dispatching	210,000	363,000	(153,000)	-42.15%	4
5	874	Mains and Services Expenses	1,711,000	2,707,000	(996,000)	-36.79%	5
6	875	Measuring and Regulating Station Expense - General	231,000	-	231,000	-	6
7	877	Measuring and Regulating Station Expense - City Gate	39,000	10,000	29,000	290.00%	7
8	878	Meter and House Regulator Expenses	7,698,000	3,228,000	4,470,000	138.48%	8
9	879	Customer Installations Expenses	2,816,000	1,024,000	1,792,000	175.00%	9
10	880	Other Expenses	5,685,000	13,706,000	(8,021,000)	-58.52%	10
11	881	Rents	104,000	80,000	24,000	30.00%	11
12		Total Operation	18,577,000	22,915,000	(4,338,000)	-18.93%	12
13	Maintenance						13
14	885	Maintenance Supervision and Engineering	197,000	133,000	64,000	48.12%	14
15	886	Maintenance of Structures and Improvements	260,000	100,000	160,000	160.00%	15
16	887	Maintenance of Mains	23,003,000	18,226,000	4,777,000	26.21%	16
17	889	Maintenance of Measuring and Regulating Station - General	(358,000)	44,000	(402,000)	-913.64%	17
18	892	Maintenance of Services	7,358,000	6,928,000	430,000	6.21%	18
19	893	Maintenance of Meters and House Regulators	69,000	50,000	19,000	38.00%	19
20		Total Maintenance	30,529,000	25,481,000	5,048,000	19.81%	20
21		**Total Distribution**	**49,106,000**	**48,396,000**	**710,000**	1.47%	21
22	**Customer Accounts**						22
23	901	Customer Accounts Supervision	4,000	35,000	(31,000)	-88.57%	23
24	902	Meter Reading Expenses	53,000	123,000	(70,000)	-56.91%	24
25	903	Customer Records and Collection Expenses	10,861,000	9,621,000	1,240,000	12.89%	25
26	904	Uncollectible Accounts	22,466,000	28,489,000	(6,023,000)	-21.14%	26
27	905	Miscellaneous Customer Accounts Expenses	7,156,000	5,712,000	1,444,000	25.28%	27
28		**Total Customer Accounts**	**40,540,000**	**43,980,000**	**(3,440,000)**	-7.82%	28
29	**Customer Service and Informational Expenses**						29
30	907	Customer Service Supervision	1,000	-	1,000	-	30
31	908	Customer Assistance Expenses	76,000	24,000	52,000	216.67%	31
32	909	Information and Instructional Advertising Expense	13,000	861,000	(848,000)	-98.49%	32
33		**Total Customer Service and Informational Expenses**	**90,000**	**885,000**	**(795,000)**	-89.83%	33
34	**Administrative and General**						34
35	Operation						35
36	920	Administrative and General Salaries	351,000	2,939,000	(2,588,000)	-88.06%	36
37	921	Office Supplies and Expense	7,259,000	9,112,000	(1,853,000)	-20.34%	37
38	922	Administrative Expenses Transferred - Credit	-	(630,000)	630,000	-100.00%	38
39	923	Outside Services Employed	5,597,000	5,361,000	236,000	4.40%	39
40	924	Property Insurance	198,000	204,000	(6,000)	-2.94%	40
41	925	Injuries and Damages	13,316,000	12,853,000	463,000	3.60%	41
42	926	Employee Pensions and Benefits	45,514,000	55,928,000	(10,414,000)	-18.62%	42
43	928	Regulatory Commission Expenses	2,172,000	2,019,000	153,000	7.58%	43
44	929	Duplicate Charges - Credit	(14,000)	(14,000)	-	-	44
45	930.1	General Advertising Expenses	11,000	160,000	(149,000)	-93.13%	45
46	930.2	Miscellaneous General Expenses	22,583,000	26,639,000	(4,056,000)	-15.23%	46
47	931	Rents	5,308,000	6,291,000	(983,000)	-15.63%	47
48		**Total Administrative and General**	**102,295,000**	**120,862,000**	**(18,567,000)**	-15.36%	48
49		**Total Operation and Maintenance Non-Payroll**	**$ 201,916,000**	**$ 224,270,000**	**$ (22,354,000)**	-9.97%	49

The Peoples Gas Light and Coke Company

Comparison of Budgeted Non-Payroll Expense to Actual

Line No.		Account Number and Description	Actual	Budget	Variance	% Variance	Line No.
			Historical Year Ended December 31, 2012				
		[A]	[B]	[C]	[D]	[E]	
1	**Production**						1
2	813	Other Gas Supply Expenses	$ 181,000	$ -	$ 181,000	-	2
3		**Total Sales**	**181,000**	**-**	**181,000**	-	3
4	**Underground Storage**						4
5	Operation						5
6	814	Operation Supervision and Engineering	108,000	-	108,000	-	6
7	815	Maps and Records	1,000	-	1,000	-	7
8	816	Wells Expenses	262,000	338,000	(76,000)	-22.49%	8
9	817	Lines Expenses	-	25,000	(25,000)	-100.00%	9
10	818	Compressor Station Expense	334,000	313,000	21,000	6.71%	10
11	819	Compressor Station Fuel and Power	2,219,000	2,684,000	(465,000)	-17.32%	11
12	820	Measuring and Regulating Station Expense	63,000	36,000	27,000	75.00%	12
13	821	Purification Expense	633,000	762,000	(129,000)	-16.93%	13
14	823	Gas Losses	84,000	-	84,000	-	14
15	824	Other Expense	460,000	427,000	33,000	7.73%	15
16	825	Storage Well Royalties	31,000	19,000	12,000	63.16%	16
17		Total Operation	4,195,000	4,604,000	(409,000)	-8.88%	17
18	Maintenance						18
19	830	Maintenance Supervision and Engineering	23,000	1,000	22,000	2200.00%	19
20	831	Maintenance of Structures and Improvements	260,000	285,000	(25,000)	-8.77%	20
21	832	Maintenance of Reservoirs and Wells	711,000	490,000	221,000	45.10%	21
22	833	Maintenance of Lines	247,000	237,000	10,000	4.22%	22
23	834	Maintenance of Compressor Station Equipment	291,000	355,000	(64,000)	-18.03%	23
24	835	Maintenance of Measuring and Regulating Station Equipment	18,000	8,000	10,000	125.00%	24
25	836	Maintenance of Purification Equipment	97,000	93,000	4,000	4.30%	25
26	837	Maintenance of Other Equipment	311,000	254,000	57,000	22.44%	26
27		Total Maintenance	1,958,000	1,723,000	235,000	13.64%	27
28		**Total Underground Storage**	**6,153,000**	**6,327,000**	**(174,000)**	-2.75%	28
29	**Other Storage**						29
30	Operation						30
31	840	Operation Supervision and Engineering	7,000	-	7,000	-	31
32	841	Operation Labor and Expenses	30,000	14,000	16,000	114.29%	32
33	842.1	Fuel	471,000	554,000	(83,000)	-14.98%	33
34		Total Operation	508,000	568,000	(60,000)	-10.56%	34
35	Maintenance						35
36	843.1	Maintenance Supervision and Engineering	3,000	4,000	(1,000)	-25.00%	36
37	843.3	Maintenance of Gas Holders	19,000	-	19,000	-	37
38	843.5	Maintenance of Liquefaction Equipment	11,000	35,000	(24,000)	-68.57%	38
39	843.6	Maintenance of Vaporizing Equipment	16,000	108,000	(92,000)	-85.19%	39
40	843.7	Maintenance of Compressor Equipment	181,000	219,000	(38,000)	-17.35%	40
41	843.8	Maintenance of Measuring and Regulating Equipment	10,000	2,000	8,000	400.00%	41
42	843.9	Maintenance of Other Equipment	83,000	32,000	51,000	159.38%	42
43		Total Maintenance	323,000	400,000	(77,000)	-19.25%	43
44		**Total Other Storage**	**831,000**	**968,000**	**(137,000)**	-14.15%	44
45	**Transmission**						45
46	Operation						46
47	856	Mains Expenses	100,000	108,000	(8,000)	-7.41%	47
48	857	Measuring and Regulating Station Expenses	643,000	300,000	343,000	114.33%	48
49	859	Other Expenses	54,000	250,000	(196,000)	-78.40%	49
50	860	Rents	120,000	186,000	(66,000)	-35.48%	50
51		Total Operation	917,000	844,000	73,000	8.65%	51
52	Maintenance						52
53	863	Maintenance of Mains	1,037,000	425,000	612,000	144.00%	53
54	865	Maintenance of Measuring and Regulating Station Equipment	349,000	30,000	319,000	1063.33%	54
55		Total Maintenance	1,386,000	455,000	931,000	204.62%	55
56		**Total Transmission**	**2,303,000**	**1,299,000**	**1,004,000**	77.29%	56

The Peoples Gas Light and Coke Company

Comparison of Budgeted Non-Payroll Expense to Actual

Line No.	Account Number and Description		Historical Year Ended December 31, 2012 Actual	Budget	Variance	% Variance	Line No.
	[A]		[B]	[C]	[D]	[E]	
1	**Distribution**						1
2	Operation						2
3	870	Operation Supervision and Engineering	$ 8,000	$ 55,000	$ (47,000)	-85.45%	3
4	871	Distribution Load Dispatching	571,000	509,000	62,000	12.18%	4
5	874	Mains and Services Expenses	4,887,000	1,914,000	2,973,000	155.33%	5
6	875	Measuring and Regulating Station Expense - General	47,000	-	47,000	-	6
7	877	Measuring and Regulating Station Expense - City Gate	58,000	9,000	49,000	544.44%	7
8	878	Meter and House Regulator Expenses	7,089,000	3,869,000	3,220,000	83.23%	8
9	879	Customer Installations Expenses	3,098,000	1,349,000	1,749,000	129.65%	9
10	880	Other Expenses	7,122,000	9,634,000	(2,512,000)	-26.07%	10
11	881	Rents	122,000	80,000	42,000	52.50%	11
12		Total Operation	23,002,000	17,419,000	5,583,000	32.05%	12
13	Maintenance						13
14	885	Maintenance Supervision and Engineering	201,000	135,000	66,000	48.89%	14
15	886	Maintenance of Structures and Improvements	631,000	162,000	469,000	289.51%	15
16	887	Maintenance of Mains	31,311,000	21,831,000	9,480,000	43.42%	16
17	889	Maintenance of Measuring and Regulating Station - General	1,000	140,000	(139,000)	-99.29%	17
18	892	Maintenance of Services	9,125,000	9,268,000	(143,000)	-1.54%	18
19	893	Maintenance of Meters and House Regulators	56,000	50,000	6,000	12.00%	19
20		Total Maintenance	41,325,000	31,586,000	9,739,000	30.83%	20
21		**Total Distribution**	**64,327,000**	**49,005,000**	**15,322,000**	31.27%	21
22	**Customer Accounts**						22
23	902	Meter Reading Expenses	13,000	-	13,000	-	23
24	903	Customer Records and Collection Expenses	11,947,000	11,925,000	22,000	0.18%	24
25	904	Uncollectible Accounts	17,970,000	26,983,000	(9,013,000)	-33.40%	25
26	905	Miscellaneous Customer Accounts Expenses	3,657,000	1,381,000	2,276,000	164.81%	26
27		**Total Customer Accounts**	**33,587,000**	**40,289,000**	**(6,702,000)**	-16.63%	27
28	**Customer Service and Informational Expenses**						28
29	908	Customer Assistance Expenses	80,000	31,000	49,000	158.06%	29
30	909	Information and Instructional Advertising Expense	684,000	787,000	(103,000)	-13.09%	30
31	910	Miscellaneous Customer Service and Informational Expense	17,000	-	17,000	-	31
32		**Total Customer Service and Informational Expenses**	**781,000**	**818,000**	**(37,000)**	-4.52%	32
33	**Administrative and General**						33
34	Operation						34
35	920	Administrative and General Salaries	380,000	381,000	(1,000)	-0.26%	35
36	921	Office Supplies and Expense	8,518,000	7,552,000	966,000	12.79%	36
37	923	Outside Services Employed	5,457,000	4,653,000	804,000	17.28%	37
38	924	Property Insurance	208,000	180,000	28,000	15.56%	38
39	925	Injuries and Damages	10,001,000	11,893,000	(1,892,000)	-15.91%	39
40	926	Employee Pensions and Benefits	43,494,000	48,612,000	(5,118,000)	-10.53%	40
41	928	Regulatory Commission Expenses	2,780,000	3,166,000	(386,000)	-12.19%	41
42	929	Duplicate Charges - Credit	(14,000)	(14,000)	-	-	42
43	930.1	General Advertising Expenses	14,000	160,000	(146,000)	-91.25%	43
44	930.2	Miscellaneous General Expenses	33,180,000	45,973,000	(12,793,000)	-27.83%	44
45	931	Rents	4,938,000	5,130,000	(192,000)	-3.74%	45
46		**Total Administrative and General**	**108,956,000**	**127,686,000**	**(18,730,000)**	-14.67%	46
47		**Total Operation and Maintenance Non-Payroll**	**$ 217,119,000**	**$ 226,392,000**	**$ (9,273,000)**	-4.10%	47

The Peoples Gas Light and Coke Company

Budgeted Payroll Expense (1)

Line No.		Account Number and Description	Historical Year Ended December 31, 2010 Actual	Budget	Variance	% Variance	Line No.
		[A]	[B]	[C]	[D]	[E]	
1	**Production**						1
2	Operation						2
3	813	Other Gas Supply Expenses	$ 153,000	$ 1,006,000	$ (853,000)	-84.79%	3
4		**Total Production**	**153,000**	**1,006,000**	**(853,000)**	-84.79%	4
5	**Underground Storage**						5
6	Operation						6
7	814	Operation Supervision and Engineering	413,000	470,000	(57,000)	-12.13%	7
8	815	Maps and Records	8,000	-	8,000	-	8
9	816	Wells Expenses	106,000	159,000	(53,000)	-33.33%	9
10	818	Compressor Station Expenses	243,000	149,000	94,000	63.09%	10
11	819	Compressor Station Fuel and Power	77,000	60,000	17,000	28.33%	11
12	820	Measuring and Regulating Station Expenses	153,000	119,000	34,000	28.57%	12
13	821	Purification Expenses	231,000	149,000	82,000	55.03%	13
14	824	Other Expenses	205,000	243,000	(38,000)	-15.64%	14
15		Total Operation	1,436,000	1,349,000	87,000	6.45%	15
16	Maintenance						16
17	830	Maintenance Supervision and Engineering	190,000	189,000	1,000	0.53%	17
18	831	Maintenance of Structures and Improvements	-	25,000	(25,000)	-100.00%	18
19	832	Maintenance of Reservoirs and Wells	249,000	344,000	(95,000)	-27.62%	19
20	833	Maintenance of Lines	4,000	-	4,000	-	20
21	834	Maintenance of Compressor Station Equipment	215,000	225,000	(10,000)	-4.44%	21
22	835	Maintenance of Measuring and Regulating Station Equipment	100,000	126,000	(26,000)	-20.63%	22
23	836	Maintenance of Purification Equipment	123,000	148,000	(25,000)	-16.89%	23
24	837	Maintenance of Other Equipment	434,000	399,000	35,000	8.77%	24
25		Total Maintenance	1,315,000	1,456,000	(141,000)	-9.68%	25
26		**Total Underground Storage**	**2,751,000**	**2,805,000**	**(54,000)**	-1.93%	26
27	**Other Storage**						27
28	Operation						28
29	840	Operation Supervision and Engineering	44,000	64,000	(20,000)	-31.25%	29
30	841	Operation Labor and Expenses	221,000	144,000	77,000	53.47%	30
31		Total Operation	265,000	208,000	57,000	27.40%	31
32	Maintenance						32
33	843.1	Maintenance Supervision and Engineering	32,000	32,000	-	0.00%	33
34	843.8	Maintenance of Measuring and Regulating Equipment	55,000	37,000	18,000	48.65%	34
35	843.9	Maintenance of Other Equipment	105,000	70,000	35,000	50.00%	35
36		Total Maintenance	192,000	139,000	53,000	38.13%	36
37		**Total Other Storage**	**457,000**	**347,000**	**110,000**	31.70%	37
38	**Transmission**						38
39	Operation						39
40	856	Mains Expense	62,000	-	62,000	-	40
41	857	Measuring and Regulating Station Expenses	5,000	409,000	(404,000)	-98.78%	41
42		Total Operation	67,000	409,000	(342,000)	-83.62%	42
43	Maintenance						43
44	863	Maintenance of Mains	359,000	681,000	(322,000)	-47.28%	44
45	865	Maintenance of Measuring and Regulating Station Equipment	256,000	159,000	97,000	61.01%	45
46		Total Maintenance	615,000	840,000	(225,000)	-26.79%	46
47		**Total Transmission**	**682,000**	**1,249,000**	**(567,000)**	-45.40%	47
48	**Distribution**						48
49	Operation						49
50	870	Operation Supervision and Engineering	2,989,000	10,200,000	(7,211,000)	-70.70%	50
51	871	Distribution Load Dispatching	1,154,000	675,000	479,000	70.96%	51
52	874	Mains and Services Expenses	3,994,000	4,089,000	(95,000)	-2.32%	52
53	877	Measuring and Regulating Station Expense - City Gate	362,000	414,000	(52,000)	-12.56%	53
54	878	Meter and House Regulator Expenses	7,554,000	7,679,000	(125,000)	-1.63%	54
55	879	Customer Installations Expenses	4,256,000	6,213,000	(1,957,000)	-31.50%	55
56	880	Other Expenses	19,037,000	14,725,000	4,312,000	29.28%	56
57		Total Operation	39,346,000	43,995,000	(4,649,000)	-10.57%	57
58	Maintenance						58
59	885	Maintenance Supervision and Engineering	2,702,000	3,420,000	(718,000)	-20.99%	59
60	886	Maintenance of Structures and Improvements	90,000	10,000	80,000	800.00%	60
61	887	Maintenance of Mains	13,418,000	12,048,000	1,370,000	11.37%	61
62	889	Maintenance of Measuring and Regulating Station Equipment - General	5,000	-	5,000	-	62
63	892	Maintenance of Services	5,296,000	6,214,000	(918,000)	-14.77%	63
64	893	Maintenance of Meters and House Regulators	337,000	295,000	42,000	14.24%	64
65		Total Maintenance	21,848,000	21,987,000	(139,000)	-0.63%	65
66		**Total Distribution**	**61,194,000**	**65,982,000**	**(4,788,000)**	-7.26%	66

The Peoples Gas Light and Coke Company

Budgeted Payroll Expense

Line No.	Account Number and Description		Historical Year Ended December 31, 2010 Actual	Budget	Variance	% Variance	Line No.
	[A]		[B]	[C]	[D]	[E]	
1	**Customer Accounts**						1
2	901	Customer Accounts Supervision	$ 2,810,000	$ 1,510,000	$ 1,300,000	86.09%	2
3	902	Meter Reading Expenses	405,000	478,000	(73,000)	-15.27%	3
4	903	Customer Records and Collection Expenses	9,115,000	11,162,000	(2,047,000)	-18.34%	4
5	905	Miscellaneous Customer Accounts Expenses	1,979,000	2,668,000	(689,000)	-25.82%	5
6		**Total Customer Accounts**	**14,309,000**	**15,818,000**	**(1,509,000)**	-9.54%	6
7	**Customer Service and Informational Expenses**						7
8	907	Customer Service Supervision	694,000	459,000	235,000	51.20%	8
9	908	Customer Service Customer Assistance Expense	823,000	970,000	(147,000)	-15.15%	9
10	909	Informational and Instructional Advertising Expenses	61,000	417,000	(356,000)	-85.37%	10
11		**Total Customer Service and Informational Expenses**	**1,578,000**	**1,846,000**	**(268,000)**	-14.52%	11
12	**Administrative and General**						12
13	920	Administrative and General Salaries	25,841,000	18,213,000	7,628,000	41.88%	13
14	921	Office Supplies and Expenses	37,000	-	37,000	-	14
15	922	Administrative Expenses Transferred - Credit	-	(4,000,000)	4,000,000	-100.00%	15
16	925	Injuries and Damages	8,000	-	8,000	-	16
17	926	Employee Pensions and Benefits	(1,053,000)	(818,000)	(235,000)	28.73%	17
15	930.1	General Advertising Expense	59,000	-	59,000	-	15
18	930.2	Miscellaneous General Expenses	248,000	-	248,000	-	18
19		**Total Administrative and General**	**25,140,000**	**13,395,000**	**11,745,000**	87.68%	19
20		**Total Operation and Maintenance Payroll**	**$ 106,264,000**	**$ 102,448,000**	**$ 3,816,000**	3.72%	20

Note: (1) Payroll expense includes labor and incentives direct billed or allocated to PGL by affiliates consistent with amounts shown on schedule C-11.1.

The Peoples Gas Light and Coke Company

Budgeted Payroll Expense (1)

Line No.	Account Number and Description [A]		Historical Year Ended December 31, 2011 Actual [B]	Budget [C]	Variance [D]	% Variance [E]	Line No.
1	**Underground Storage**						1
2	Operation						2
3	814	Operation Supervision and Engineering	$ 427,000	$ 467,000	$ (40,000)	-8.57%	3
4	815	Maps and Records	5,000	-	5,000	-	4
5	816	Wells Expenses	105,000	130,000	(25,000)	-19.23%	5
6	818	Compressor Station Expenses	222,000	175,000	47,000	26.86%	6
7	819	Compressor Station Fuel and Power	86,000	70,000	16,000	22.86%	7
8	820	Measuring and Regulating Station Expenses	166,000	140,000	26,000	18.57%	8
9	821	Purification Expenses	249,000	175,000	74,000	42.29%	9
10	824	Other Expenses	246,000	222,000	24,000	10.81%	10
11		Total Operation	1,506,000	1,379,000	127,000	9.21%	11
12	Maintenance						12
13	830	Maintenance Supervision and Engineering	181,000	187,000	(6,000)	-3.21%	13
14	831	Maintenance of Structures and Improvements	-	24,000	(24,000)	-100.00%	14
15	832	Maintenance of Reservoirs and Wells	220,000	256,000	(36,000)	-14.06%	15
16	833	Maintenance of Lines	1,000	-	1,000	-	16
17	834	Maintenance of Compressor Station Equipment	234,000	181,000	53,000	29.28%	17
18	835	Maintenance of Measuring and Regulating Station Equipment	86,000	114,000	(28,000)	-24.56%	18
19	836	Maintenance of Purification Equipment	130,000	131,000	(1,000)	-0.76%	19
20	837	Maintenance of Other Equipment	437,000	407,000	30,000	7.37%	20
21		Total Maintenance	1,289,000	1,300,000	(11,000)	-0.85%	21
22		**Total Underground Storage**	**2,795,000**	**2,679,000**	**116,000**	4.33%	22
23	**Other Storage**						23
24	Operation						24
25	840	Operation Supervision and Engineering	44,000	53,000	(9,000)	-16.98%	25
26	841	Operation Labor and Expenses	220,000	194,000	26,000	13.40%	26
27		Total Operation	264,000	247,000	17,000	6.88%	27
28	Maintenance						28
29	843.1	Maintenance Supervision and Engineering	26,000	27,000	(1,000)	-3.70%	29
30	843.8	Maintenance of Measuring and Regulating Equipment	37,000	49,000	(12,000)	-24.49%	30
31	843.9	Maintenance of Other Equipment	93,000	111,000	(18,000)	-16.22%	31
32		Total Maintenance	156,000	187,000	(31,000)	-16.58%	32
33		**Total Other Storage**	**420,000**	**434,000**	**(14,000)**	-3.23%	33
34	**Transmission**						34
35	Operation						35
36	856	Mains Expense	36,000	-	36,000	-	36
37	857	Measuring and Regulating Station Expenses	7,000	-	7,000	-	37
38		Total Operation	43,000	-	43,000	-	38
39	Maintenance						39
40	863	Maintenance of Mains	263,000	696,000	(433,000)	-62.21%	40
41	865	Maintenance of Measuring and Regulating Station Equipment	253,000	606,000	(353,000)	-58.25%	41
42		Total Maintenance	516,000	1,302,000	(786,000)	-60.37%	42
43		**Total Transmission**	**559,000**	**1,302,000**	**(743,000)**	-57.07%	43
44	**Distribution**						44
45	Operation						45
46	870	Operation Supervision and Engineering	1,631,000	6,087,000	(4,456,000)	-73.21%	46
47	871	Distribution Load Dispatching	1,234,000	609,000	625,000	102.63%	47
48	874	Mains and Services Expenses	2,816,000	3,864,000	(1,048,000)	-27.12%	48
49	877	Measuring and Regulating Station Expense - City Gate	343,000	423,000	(80,000)	-18.91%	49
50	878	Meter and House Regulator Expenses	6,576,000	7,765,000	(1,189,000)	-15.31%	50
51	879	Customer Installations Expenses	4,116,000	6,131,000	(2,015,000)	-32.87%	51
52	880	Other Expenses	24,474,000	15,400,000	9,074,000	58.92%	52
53		Total Operation	41,190,000	40,279,000	911,000	2.26%	53
54	Maintenance						54
55	885	Maintenance Supervision and Engineering	1,474,000	1,482,000	(8,000)	-0.54%	55
56	886	Maintenance of Structures and Improvements	56,000	11,000	45,000	409.09%	56
57	887	Maintenance of Mains	11,906,000	12,144,000	(238,000)	-1.96%	57
58	892	Maintenance of Services	5,544,000	6,139,000	(595,000)	-9.69%	58
59	893	Maintenance of Meters and House Regulators	545,000	357,000	188,000	52.66%	59
60		Total Maintenance	19,525,000	20,133,000	(608,000)	-3.02%	60
61		**Total Distribution**	**60,715,000**	**60,412,000**	**303,000**	0.50%	61

The Peoples Gas Light and Coke Company

Budgeted Payroll Expense

Line No.	Account Number and Description		Historical Year Ended December 31, 2011 Actual	Budget	Variance	% Variance	Line No.
	[A]		[B]	[C]	[D]	[E]	
1	**Customer Accounts**						1
2	901	Customer Accounts Supervision	$ 2,569,000	$ 1,298,000	$ 1,271,000	97.92%	2
3	902	Meter Reading Expenses	213,000	358,000	(145,000)	-40.50%	3
4	903	Customer Records and Collection Expenses	7,624,000	9,599,000	(1,975,000)	-20.58%	4
5	905	Miscellaneous Customer Accounts Expenses	1,620,000	1,300,000	320,000	24.62%	5
6		**Total Customer Accounts**	**12,026,000**	**12,555,000**	**(529,000)**	-4.21%	6
7	**Customer Service and Informational Expenses**						7
8	907	Customer Service Supervision	468,000	50,000	418,000	836.00%	8
9	908	Customer Service Customer Assistance Expense	1,060,000	1,038,000	22,000	2.12%	9
10	909	Informational and Instructional Advertising Expenses	-	256,000	(256,000)	-100.00%	10
11		**Total Customer Service and Informational Expenses**	**1,528,000**	**1,344,000**	**184,000**	13.69%	11
12	**Administrative and General**						12
13	920	Administrative and General Salaries	25,415,000	20,231,000	5,184,000	25.62%	13
14	921	Office Supplies and Expenses	1,000	-	1,000	-	14
15	922	Administrative Expenses Transferred - Credit	-	(380,000)	380,000	-100.00%	15
16	926	Employee Pensions and Benefits	(323,000)	-	(323,000)	-	16
17	930.1	General Advertising Expense	49,000	-	49,000	-	17
17	930.2	Miscellaneous General Expenses	82,000	-	82,000	-	17
18		**Total Administrative and General**	**25,224,000**	**19,851,000**	**5,373,000**	27.07%	18
19		**Total Operation and Maintenance Payroll**	**$ 103,267,000**	**$ 98,577,000**	**$ 4,690,000**	4.76%	19

Note: (1) Payroll expense includes labor and incentives direct billed or allocated to PGL by affiliates consistent with amounts shown on schedule C-11.1.

The Peoples Gas Light and Coke Company

Budgeted Payroll Expense (1)

Line No.	Account Number and Description		Historical Year Ended December 31, 2012 Actual	Budget	Variance	% Variance	Test Year Ending December 31, 2015	Line No.
	[A]		[B]	[C]	[D]	[E]	[F]	
1	**Production**							1
2	Operation							2
3	813	Other Gas Supply Expenses	$ 1,011,000	$ -	$ 1,011,000	-	$ 1,243,000	3
4		**Total Production**	**1,011,000**	**-**	**1,011,000**	-	**1,243,000**	4
5	**Underground Storage**							5
6	Operation							6
7	814	Operation Supervision and Engineering	415,000	504,000	(89,000)	-17.66%	502,000	7
8	815	Maps and Records	17,000	-	17,000	-	-	8
9	816	Wells Expenses	99,000	129,000	(30,000)	-23.26%	152,000	9
10	818	Compressor Station Expenses	230,000	183,000	47,000	25.68%	179,000	10
11	819	Compressor Station Fuel and Power	96,000	73,000	23,000	31.51%	72,000	11
12	820	Measuring and Regulating Station Expenses	184,000	147,000	37,000	25.17%	143,000	12
13	821	Purification Expenses	262,000	184,000	78,000	42.39%	179,000	13
14	824	Other Expenses	180,000	226,000	(46,000)	-20.35%	300,000	14
15		Total Operation	1,483,000	1,446,000	37,000	2.56%	1,527,000	15
16	Maintenance							16
17	830	Maintenance Supervision and Engineering	180,000	203,000	(23,000)	-11.33%	210,000	17
18	831	Maintenance of Structures and Improvements	-	25,000	(25,000)	-100.00%	27,000	18
19	832	Maintenance of Reservoirs and Wells	223,000	254,000	(31,000)	-12.20%	296,000	19
20	834	Maintenance of Compressor Station Equipment	223,000	187,000	36,000	19.25%	224,000	20
21	835	Maintenance of Measuring and Regulating Station Equipment	107,000	116,000	(9,000)	-7.76%	134,000	21
22	836	Maintenance of Purification Equipment	120,000	135,000	(15,000)	-11.11%	161,000	22
23	837	Maintenance of Other Equipment	448,000	413,000	35,000	8.47%	484,000	23
24		Total Maintenance	1,301,000	1,333,000	(32,000)	-2.40%	1,536,000	24
25		**Total Underground Storage**	**2,784,000**	**2,779,000**	**5,000**	0.18%	**3,063,000**	25
26	**Other Storage**							26
27	Operation							27
28	840	Operation Supervision and Engineering	41,000	58,000	(17,000)	-29.31%	63,000	28
29	841	Operation Labor and Expenses	241,000	204,000	37,000	18.14%	219,000	29
30		Total Operation	282,000	262,000	20,000	7.63%	282,000	30
31	Maintenance							31
32	843.1	Maintenance Supervision and Engineering	25,000	29,000	(4,000)	-13.79%	133,000	32
33	843.8	Maintenance of Measuring and Regulating Equipment	46,000	50,000	(4,000)	-8.00%	58,000	33
34	843.9	Maintenance of Other Equipment	118,000	116,000	2,000	1.72%	46,000	34
35		Total Maintenance	189,000	195,000	(6,000)	-3.08%	237,000	35
36		**Total Other Storage**	**471,000**	**457,000**	**14,000**	3.06%	**519,000**	36
37	**Transmission**							37
38	Operation							38
39	856	Mains Expense	5,000	-	5,000	-	-	39
40	857	Measuring and Regulating Station Expenses	7,000	422,000	(415,000)	-98.34%	426,000	40
41		Total Operation	12,000	422,000	(410,000)	-97.16%	426,000	41
42	Maintenance							42
43	863	Maintenance of Mains	259,000	676,000	(417,000)	-61.69%	819,000	43
44	865	Maintenance of Measuring and Regulating Station Equipment	269,000	235,000	34,000	14.47%	173,000	44
45		Total Maintenance	528,000	911,000	(383,000)	-42.04%	992,000	45
46		**Total Transmission**	**540,000**	**1,333,000**	**(793,000)**	-59.49%	**1,418,000**	46
47	**Distribution**							47
48	Operation							48
49	870	Operation Supervision and Engineering	2,063,000	2,072,000	(9,000)	-0.43%	3,770,000	49
50	871	Distribution Load Dispatching	1,484,000	675,000	809,000	119.85%	486,000	50
51	874	Mains and Services Expenses	3,028,000	4,212,000	(1,184,000)	-28.11%	3,495,000	51
52	877	Measuring and Regulating Station Expense - City Gate	416,000	652,000	(236,000)	-36.20%	517,000	52
53	878	Meter and House Regulator Expenses	5,937,000	7,468,000	(1,531,000)	-20.50%	5,787,000	53
54	879	Customer Installations Expenses	4,905,000	5,910,000	(1,005,000)	-17.01%	5,565,000	54
55	880	Other Expenses	27,232,000	22,265,000	4,967,000	22.31%	32,857,000	55
56		Total Operation	45,065,000	43,254,000	1,811,000	4.19%	52,477,000	56
57	Maintenance							57
58	885	Maintenance Supervision and Engineering	1,628,000	1,566,000	62,000	3.96%	1,399,000	58
59	886	Maintenance of Structures and Improvements	143,000	9,000	134,000	1488.89%	193,000	59
60	887	Maintenance of Mains	12,420,000	12,664,000	(244,000)	-1.93%	14,150,000	60
61	892	Maintenance of Services	6,865,000	6,098,000	767,000	12.58%	7,295,000	61
62	893	Maintenance of Meters and House Regulators	589,000	538,000	51,000	9.48%	695,000	62
63		Total Maintenance	21,645,000	20,875,000	770,000	3.69%	23,732,000	63
64		**Total Distribution**	**66,710,000**	**64,129,000**	**2,581,000**	4.02%	**76,209,000**	64

The Peoples Gas Light and Coke Company

Budgeted Payroll Expense

Line No.	Account Number and Description		Historical Year Ended December 31, 2012 Actual	Budget	Variance	% Variance	Test Year Ending December 31, 2015	Line No.
	[A]		[B]	[C]	[D]	[E]	[F]	
1	**Customer Accounts**							1
2	901	Customer Accounts Supervision	$ 2,475,000	$ 1,307,000	$ 1,168,000	89.36%	$ 1,117,000	2
3	902	Meter Reading Expenses	185,000	311,000	(126,000)	-40.51%	203,000	3
4	903	Customer Records and Collection Expenses	7,068,000	10,408,000	(3,340,000)	-32.09%	8,671,000	4
5	905	Miscellaneous Customer Accounts Expenses	820,000	1,623,000	(803,000)	-49.48%	608,000	5
6		**Total Customer Accounts**	**10,548,000**	**13,649,000**	**(3,101,000)**	-22.72%	**10,599,000**	6
7	**Customer Service and Informational Expenses**							7
8	907	Customer Service Supervision	335,000	678,000	(343,000)	-50.59%	240,000	8
9	908	Customer Service Customer Assistance Expense	1,210,000	414,000	796,000	192.27%	1,318,000	9
10	909	Informational and Instructional Advertising Expenses	123,000	266,000	(143,000)	-53.76%	103,000	10
11		**Total Customer Service and Informational Expenses**	**1,668,000**	**1,358,000**	**310,000**	22.83%	**1,661,000**	11
12	**Administrative and General**							12
13	920	Administrative and General Salaries	24,203,000	27,298,000	(3,095,000)	-11.34%	32,032,000	13
14	925	Injuries and Damages	1,000	23,000	(22,000)	-95.65%	-	14
15	926	Employee Pensions and Benefits	(447,000)	328,000	(775,000)	-236.28%	477,000	15
16	930.2	Miscellaneous General Expenses	50,000	297,000	(247,000)	-83.16%	61,000	16
17		**Total Administrative and General**	**23,807,000**	**27,946,000**	**(4,139,000)**	-14.81%	**32,570,000**	17
18		**Total Operation and Maintenance Payroll**	**$ 107,539,000**	**$ 111,651,000**	**$ (4,112,000)**	-3.68%	**$ 127,282,000**	18

Note: (1) Payroll expense includes labor and incentives direct billed or allocated to PGL by affiliates consistent with amounts shown on schedule C-11.1.

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Test Year Ending December 31, 2015

Line No	Department [A]	January Budget [B]	February Budget [C]	March Budget [D]	April Budget [E]	May Budget [F]	June Budget [G]	July Budget [H]	August Budget [I]	September Budget [J]	October Budget [K]	November Budget [L]	December Budget [M]	Line No
1	**Officers and Administrative**													1
2	P06 Executive Office - President/COO													2
3	Full Time Employees (a)	2	2	2	2	2	2	2	2	2	2	2	2	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	6
7	**Operations**													7
8	**Executive Office**													8
9	P05 Executive Office - Gas Operations													9
10	Full Time Employees (a)	5	5	5	5	5	5	5	5	5	5	5	5	10
11	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12
13	Total Full Time Equivalents (a)+(b)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	13
14	**Compliance**													14
15	PC6 Compliance													15
16	Full Time Employees (a)	7	7	7	7	7	7	7	7	7	7	7	7	16
17	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18
19	Total Full Time Equivalents (a)+(b)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	19
20	**Field Operations**													20
21	P50 Contractor Administration													21
22	Full Time Employees (a)	11	11	11	11	11	11	11	11	11	11	11	11	22
23	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24
25	Total Full Time Equivalents (a)+(b)	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	25
26	P52 Gas Operations													26
27	Full Time Employees (a)	28	28	28	28	28	28	28	28	28	28	28	28	27
28	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	28
29	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29
30	Total Full Time Equivalents (a)+(b)	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	30
31	P72 North District Operations													31
32	Full Time Employees (a)	389	389	389	389	389	389	389	389	389	389	389	389	32
33	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34
35	Total Full Time Equivalents (a)+(b)	389.00	389.00	389.00	389.00	389.00	389.00	389.00	389.00	389.00	389.00	389.00	389.00	35
36	P73 South District Operations													36
37	Full Time Employees (a)	319	319	319	319	319	319	319	319	319	319	319	319	37
38	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39
40	Total Full Time Equivalents (a)+(b)	319.00	319.00	319.00	319.00	319.00	319.00	319.00	319.00	319.00	319.00	319.00	319.00	40
41	P79 Central District Operations													41
42	Full Time Employees (a)	307	307	307	307	307	307	307	307	307	307	307	307	42
43	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	43
44	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44
45	Total Full Time Equivalents (a)+(b)	307.00	307.00	307.00	307.00	307.00	307.00	307.00	307.00	307.00	307.00	307.00	307.00	45

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Test Year Ending December 31, 2015

Line No	Department [A]	January Budget [B]	February Budget [C]	March Budget [D]	April Budget [E]	May Budget [F]	June Budget [G]	July Budget [H]	August Budget [I]	September Budget [J]	October Budget [K]	November Budget [L]	December Budget [M]	Line No
1	Total Field Operations													1
2	Full Time Employees (a)	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	2
3	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4
5	Total Full Time Equivalents (a)+(b)	1,054.00	1,054.00	1,054.00	1,054.00	1,054.00	1,054.00	1,054.00	1,054.00	1,054.00	1,054.00	1,054.00	1,054.00	5
6	**Field Support**													6
7	P23 Construction Planning													7
8	Full Time Employees (a)	18	18	18	18	18	18	18	18	18	18	18	18	8
9	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10
11	Total Full Time Equivalents (a)+(b)	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	11
12	P24 Corrosion Control													12
13	Full Time Employees (a)	18	18	18	18	18	18	18	18	18	18	18	18	13
14	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15
16	Total Full Time Equivalents (a)+(b)	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	16
17	P48 Field Service Planning													17
18	Full Time Employees (a)	38	38	38	38	38	38	38	38	38	38	38	38	18
19	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	19
20	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20
21	Total Full Time Equivalents (a)+(b)	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	21
22	P49 Distribution Planning													22
23	Full Time Employees (a)	18	18	18	18	18	18	18	18	18	18	18	18	23
24	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	24
25	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25
26	Total Full Time Equivalents (a)+(b)	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	26
27	P55 Special Projects - Field Services													27
28	Full Time Employees (a)	65	65	65	65	65	65	65	65	65	65	65	65	28
29	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	29
30	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30
31	Total Full Time Equivalents (a)+(b)	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	31
32	P56 System Integrity													32
33	Full Time Employees (a)	15	15	15	15	15	15	15	15	15	15	15	15	33
34	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	34
35	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35
36	Total Full Time Equivalents (a)+(b)	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	36
37	P57 Energy Efficiency & Commercial Account													37
38	Full Time Employees (a)	6	6	6	6	6	6	6	6	6	6	6	6	38
39	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40
41	Total Full Time Equivalents (a)+(b)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	41
42	PC2 Business Support													42
43	Full Time Employees (a)	44	44	44	44	44	44	44	44	44	44	44	44	43
44	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	44
45	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45
46	Total Full Time Equivalents (a)+(b)	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	46

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Test Year Ending December 31, 2015

Line No	Department [A]	January Budget [B]	February Budget [C]	March Budget [D]	April Budget [E]	May Budget [F]	June Budget [G]	July Budget [H]	August Budget [I]	September Budget [J]	October Budget [K]	November Budget [L]	December Budget [M]	Line No
1	PC5 Workforce Planning													1
2	Full Time Employees (a)	4	4	4	4	4	4	4	4	4	4	4	4	2
3	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4
5	Total Full Time Equivalents (a)+(b)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5
6	Total Field Support													6
7	Full Time Employees (a)	226	226	226	226	226	226	226	226	226	226	226	226	7
8	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	8
9	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9
10	Total Full Time Equivalents (a)+(b)	226.00	226.00	226.00	226.00	226.00	226.00	226.00	226.00	226.00	226.00	226.00	226.00	10
11	Total Operations													11
12	Full Time Employees (a)	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	1,292	12
13	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14
15	Total Full Time Equivalents (a)+(b)	1,292.00	1,292.00	1,292.00	1,292.00	1,292.00	1,292.00	1,292.00	1,292.00	1,292.00	1,292.00	1,292.00	1,292.00	15
16	**Fleet, Supply Chain, Facilities and Meter Testing**													16
17	P02 Fleet													17
18	Full Time Employees (a)	31	31	31	31	31	31	31	31	31	31	31	31	18
19	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	19
20	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20
21	Total Full Time Equivalents (a)+(b)	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	21
22	P03 Supply Chain													22
23	Full Time Employees (a)	12	12	12	12	12	12	12	12	12	12	12	12	23
24	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	24
25	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25
26	Total Full Time Equivalents (a)+(b)	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	26
27	P14 Facilities													27
28	Full Time Employees (a)	2	2	2	2	2	2	2	2	2	2	2	2	28
29	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	29
30	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30
31	Total Full Time Equivalents (a)+(b)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	31
32	P53 Meter Testing													32
33	Full Time Employees (a)	17	17	17	17	17	17	17	17	17	17	17	17	33
34	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	34
35	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35
36	Total Full Time Equivalents (a)+(b)	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	36
37	Total Fleet, Supply Chain, Facilities and Meter Testing													37
38	Full Time Employees (a)	62	62	62	62	62	62	62	62	62	62	62	62	38
39	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40
41	Total Full Time Equivalents (a)+(b)	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00	41
42	**Total Peoples Gas Light and Coke Company**													42
43	Full Time Employees (a)	1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356	43
44	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	44
45	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45
46	Total Full Time Equivalents (a)+(b)	1,356.00	1,356.00	1,356.00	1,356.00	1,356.00	1,356.00	1,356.00	1,356.00	1,356.00	1,356.00	1,356.00	1,356.00	46

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Historical Year Ended December 31, 2012

Line No	Department	January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Line No
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
1	**Officers and Administrative**													1
2	P06 Executive Office - President/COO													2
3	Full Time Employees (a)	2	2	2	2	2	2	2	2	2	2	2	2	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	6
7	**Operations**													7
8	**Executive Office**													8
9	P05 Executive Office - Gas Operations													9
10	Full Time Employees (a)	8	8	8	8	8	8	8	8	8	8	8	8	10
11	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12
13	Total Full Time Equivalents (a)+(b)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	13
14	**Field Operations**													14
15	P50 Contractor Services													15
16	Full Time Employees (a)	12	12	12	12	12	12	12	12	12	12	12	12	16
17	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18
19	Total Full Time Equivalents (a)+(b)	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	19
20	P52 Gas Operations													20
21	Full Time Employees (a)	19	19	19	19	19	19	19	19	19	19	19	19	21
22	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23
24	Total Full Time Equivalents (a)+(b)	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	24
25	P72 North District Operations													25
26	Full Time Employees (a)	346	372	392	392	392	392	392	392	392	392	392	392	26
27	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	27
28	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28
29	Total Full Time Equivalents (a)+(b)	346.00	372.00	392.00	392.00	392.00	392.00	392.00	392.00	392.00	392.00	392.00	392.00	29
30	P73 South District Operations													30
31	Full Time Employees (a)	286	298	300	300	300	300	300	300	300	300	300	300	31
32	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	32
33	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33
34	Total Full Time Equivalents (a)+(b)	286.00	298.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	34
35	P79 Central District Operations													35
36	Full Time Employees (a)	280	293	297	297	297	297	297	297	297	297	297	297	36
37	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	37
38	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38
39	Total Full Time Equivalents (a)+(b)	280.00	293.00	297.00	297.00	297.00	297.00	297.00	297.00	297.00	297.00	297.00	297.00	39
40	Total Field Operations													40
41	Full Time Employees (a)	943	994	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	41
42	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43
44	Total Full Time Equivalents (a)+(b)	943.00	994.00	1,020.00	1,020.00	1,020.00	1,020.00	1,020.00	1,020.00	1,020.00	1,020.00	1,020.00	1,020.00	44
45	**Field Support**													45
46	P23 Construction Planning													46
47	Full Time Employees (a)	8	8	8	8	8	8	8	8	8	8	8	8	47
48	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	48
49	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49
50	Total Full Time Equivalents (a)+(b)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	50

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Historical Year Ended December 31, 2012

Line No	Department	January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Line No
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
1	P48 Field Service Planning													1
2	Full Time Employees (a)	11	11	11	11	11	11	11	11	11	11	11	11	2
3	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4
5	Total Full Time Equivalents (a)+(b)	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	5
6	P49 Distribution Planning													6
7	Full Time Employees (a)	55	57	57	57	57	57	57	57	57	57	57	57	7
8	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	8
9	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9
10	Total Full Time Equivalents (a)+(b)	55.00	57.00	57.00	57.00	57.00	57.00	57.00	57.00	57.00	57.00	57.00	57.00	10
11	P55 Special Projects - Field Services													11
12	Full Time Employees (a)	95	95	95	95	95	95	95	95	95	95	95	95	12
13	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14
15	Total Full Time Equivalents (a)+(b)	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	15
16	P56 System Integrity													16
17	Full Time Employees (a)	21	21	21	21	21	21	21	21	21	21	21	21	17
18	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19
20	Total Full Time Equivalents (a)+(b)	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	20
21	P57 Energy Efficiency & Commercial Account													21
22	Full Time Employees (a)	6	6	6	6	6	6	6	6	6	6	6	6	22
23	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24
25	Total Full Time Equivalents (a)+(b)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	25
26	PC2 Business Support													26
27	Full Time Employees (a)	11	11	11	11	11	11	11	11	11	11	11	11	27
28	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	28
29	Full Time Equivalents for PT Employees (b)	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	29
30	Total Full Time Equivalents (a)+(b)	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	30
31	Total Field Support													31
32	Full Time Employees (a)	207	209	209	209	209	209	209	209	209	209	209	209	32
33	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	33
34	Full Time Equivalents for PT Employees (b)	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	34
35	Total Full Time Equivalents (a)+(b)	207.50	209.50	209.50	209.50	209.50	209.50	209.50	209.50	209.50	209.50	209.50	209.50	35
36	Total Operations													36
37	Full Time Employees (a)	1,158	1,211	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	37
38	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	38
39	Full Time Equivalents for PT Employees (b)	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	39
40	Total Full Time Equivalents (a)+(b)	1,158.50	1,211.50	1,237.50	1,237.50	1,237.50	1,237.50	1,237.50	1,237.50	1,237.50	1,237.50	1,237.50	1,237.50	40
41	**Fleet, Supply Chain, Facilities and Meter Testing**													41
42	P02 Fleet													42
43	Full Time Employees (a)	26	26	26	26	26	26	26	26	26	26	26	26	43
44	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	44
45	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45
46	Total Full Time Equivalents (a)+(b)	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	46

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Historical Year Ended December 31, 2012

Line No	Department	January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Line No
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
1	P03 Supply Chain													1
2	Full Time Employees (a)	10	10	10	10	10	10	10	10	10	10	10	10	2
3	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4
5	Total Full Time Equivalents (a)+(b)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	5
6	P14 Facilities Services													6
7	Full Time Employees (a)	2	2	2	2	2	2	2	2	2	2	2	2	7
8	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	8
9	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9
10	Total Full Time Equivalents (a)+(b)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	10
11	P53 Meter Testing													11
12	Full Time Employees (a)	17	17	17	17	17	17	17	17	17	17	17	17	12
13	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14
15	Total Full Time Equivalents (a)+(b)	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	15
16	Total Fleet, Supply Chain, Facilities and Meter Testing													16
17	Full Time Employees (a)	55	55	55	55	55	55	55	55	55	55	55	55	17
18	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19
20	Total Full Time Equivalents (a)+(b)	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	20
21	**Total Peoples Gas Light and Coke Company**													21
22	Full Time Employees (a)	1,215	1,268	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	22
23	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	23
24	Full Time Equivalents for PT Employees (b)	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	24
25	Total Full Time Equivalents (a)+(b)	1,215.50	1,268.50	1,294.50	1,294.50	1,294.50	1,294.50	1,294.50	1,294.50	1,294.50	1,294.50	1,294.50	1,294.50	25

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Historical Year Ended December 31, 2011

Line No	Department [A]	January Budget [B]	February Budget [C]	March Budget [D]	April Budget [E]	May Budget [F]	June Budget [G]	July Budget [H]	August Budget [I]	September Budget [J]	October Budget [K]	November Budget [L]	December Budget [M]	Line No
1	**Officers and Administrative**													1
2	P06 Executive Office - President/COO													2
3	Full Time Employees (a)	4	4	4	4	4	4	4	4	4	4	4	4	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	6
7	**Operations**													7
8	**Executive Office**													8
9	P05 Executive Office - Gas Operations													9
10	Full Time Employees (a)	5	5	5	5	5	5	5	5	5	5	5	5	10
11	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12
13	Total Full Time Equivalents (a)+(b)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	13
14	**Field Operations**													14
15	P50 Contractor Services													15
16	Full Time Employees (a)	8	8	8	8	8	8	8	8	8	8	8	8	16
17	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18
19	Total Full Time Equivalents (a)+(b)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	19
20	P72 North District Operations													20
21	Full Time Employees (a)	303	303	303	303	303	303	303	303	303	303	303	303	21
22	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23
24	Total Full Time Equivalents (a)+(b)	303.00	303.00	303.00	303.00	303.00	303.00	303.00	303.00	303.00	303.00	303.00	303.00	24
25	P73 South District Operations													25
26	Full Time Employees (a)	272	272	272	272	272	272	272	272	272	272	272	272	26
27	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	27
28	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28
29	Total Full Time Equivalents (a)+(b)	272.00	272.00	272.00	272.00	272.00	272.00	272.00	272.00	272.00	272.00	272.00	272.00	29
30	P79 Central District Operations													30
31	Full Time Employees (a)	282	282	282	282	282	282	282	282	282	282	282	282	31
32	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	32
33	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33
34	Total Full Time Equivalents (a)+(b)	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	34
35	Total Field Operations													35
36	Full Time Employees (a)	865	865	865	865	865	865	865	865	865	865	865	865	36
37	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	37
38	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38
39	Total Full Time Equivalents (a)+(b)	865.00	865.00	865.00	865.00	865.00	865.00	865.00	865.00	865.00	865.00	865.00	865.00	39
40	**Field Support**													40
41	P48 Special Projects - Admin													41
42	Full Time Employees (a)	19	19	19	19	19	19	19	19	19	19	19	19	42
43	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	43
44	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44
45	Total Full Time Equivalents (a)+(b)	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	45

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Historical Year Ended December 31, 2011

Line No	Department	January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Line No
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
1	P49 Centralized Planning													1
2	Full Time Employees (a)	47	47	47	47	47	47	47	47	47	47	47	47	2
3	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4
5	Total Full Time Equivalents (a)+(b)	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	5
6	P55 Special Projects - Field Services													6
7	Full Time Employees (a)	101	101	101	101	101	101	101	101	101	101	101	101	7
8	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	8
9	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9
10	Total Full Time Equivalents (a)+(b)	101.00	101.00	101.00	101.00	101.00	101.00	101.00	101.00	101.00	101.00	101.00	101.00	10
11	P56 System Integrity													11
12	Full Time Employees (a)	18	18	18	18	18	18	18	18	18	18	18	18	12
13	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14
15	Total Full Time Equivalents (a)+(b)	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	15
16	P57 Energy Efficiency & Commercial Account													16
17	Full Time Employees (a)	6	6	6	6	6	6	6	6	6	6	6	6	17
18	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19
20	Total Full Time Equivalents (a)+(b)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	20
21	Total Field Support													21
22	Full Time Employees (a)	191	191	191	191	191	191	191	191	191	191	191	191	22
23	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24
25	Total Full Time Equivalents (a)+(b)	191.00	191.00	191.00	191.00	191.00	191.00	191.00	191.00	191.00	191.00	191.00	191.00	25
26	Total Operations													26
27	Full Time Employees (a)	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	27
28	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	28
29	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29
30	Total Full Time Equivalents (a)+(b)	1,061.00	1,061.00	1,061.00	1,061.00	1,061.00	1,061.00	1,061.00	1,061.00	1,061.00	1,061.00	1,061.00	1,061.00	30
31	**Fleet, Supply Chain, Facilities and Meter Testing**													31
32	P02 Fleet													32
33	Full Time Employees (a)	26	26	26	26	26	26	26	26	26	26	26	26	33
34	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	34
35	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35
36	Total Full Time Equivalents (a)+(b)	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	36
37	P03 Supply Chain													37
38	Full Time Employees (a)	10	10	10	10	10	10	10	10	10	10	10	10	38
39	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40
41	Total Full Time Equivalents (a)+(b)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	41
42	P14 Facilities Services													42
43	Full Time Employees (a)	2	2	2	2	2	2	2	2	2	2	2	2	43
44	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	44
45	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45
46	Total Full Time Equivalents (a)+(b)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	46

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Historical Year Ended December 31, 2011

Line No	Department	January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Line No
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
1	P53 Meter Testing													1
2	Full Time Employees (a)	17	17	17	17	17	17	17	17	17	17	17	17	2
3	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4
5	Total Full Time Equivalents (a)+(b)	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	5
6	Total Fleet, Supply Chain, Facilities and Meter Testing													6
7	Full Time Employees (a)	55	55	55	55	55	55	55	55	55	55	55	55	7
8	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	8
9	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9
10	Total Full Time Equivalents (a)+(b)	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	10
11	**Total Peoples Gas Light and Coke Company**													11
12	Full Time Employees (a)	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	12
13	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14
15	Total Full Time Equivalents (a)+(b)	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	15

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Historical Year Ended December 31, 2010

Line No	Department	January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Line No
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
1	**Officers and Administrative**													1
2	P06 Executive Office - President/COO													2
3	Full Time Employees (a)	5	5	5	5	5	5	5	5	5	5	5	5	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6
7	**Operations**													7
8	**Executive Office**													8
9	P05 Executive Office - Gas Operations													9
10	Full Time Employees (a)	17	17	17	17	17	17	11	11	11	11	11	11	10
11	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12
13	Total Full Time Equivalents (a)+(b)	17.00	17.00	17.00	17.00	17.00	17.00	11.00	11.00	11.00	11.00	11.00	11.00	13
14	**Field Operations**													14
15	P44 New Installations													15
16	Full Time Employees (a)	11	11	11	11	11	11	11	11	11	11	11	11	16
17	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18
19	Total Full Time Equivalents (a)+(b)	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	19
20	P50 Contractor Services													20
21	Full Time Employees (a)	15	15	15	15	15	15	15	15	15	15	15	15	21
22	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23
24	Total Full Time Equivalents (a)+(b)	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	24
25	P52 Gas Operations													25
26	Full Time Employees (a)	22	22	22	22	22	22	22	22	22	22	22	22	26
27	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	27
28	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28
29	Total Full Time Equivalents (a)+(b)	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	29
30	P72 North District Operations													30
31	Full Time Employees (a)	303	303	303	303	303	303	306	306	306	306	306	306	31
32	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	32
33	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33
34	Total Full Time Equivalents (a)+(b)	303.00	303.00	303.00	303.00	303.00	303.00	306.00	306.00	306.00	306.00	306.00	306.00	34
35	P73 South District Operations													35
36	Full Time Employees (a)	271	271	271	271	271	271	274	274	274	274	274	274	36
37	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	37
38	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38
39	Total Full Time Equivalents (a)+(b)	271.00	271.00	271.00	271.00	271.00	271.00	274.00	274.00	274.00	274.00	274.00	274.00	39
40	P79 Central District Operations													40
41	Full Time Employees (a)	275	275	275	275	275	275	275	275	275	275	275	275	41
42	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43
44	Total Full Time Equivalents (a)+(b)	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	44
45	Total Field Operations													45
46	Full Time Employees (a)	897	897	897	897	897	897	903	903	903	903	903	903	46
47	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	47
48	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48
49	Total Full Time Equivalents (a)+(b)	897.00	897.00	897.00	897.00	897.00	897.00	903.00	903.00	903.00	903.00	903.00	903.00	49

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Historical Year Ended December 31, 2010

Line No	Department	January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Line No
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
1	**Field Support**													1
2	P48 Special Projects - Admin													2
3	Full Time Employees (a)	9	9	9	9	10	10	10	10	10	10	10	10	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	6
7	P49 Centralized Planning													7
8	Full Time Employees (a)	35	35	35	35	35	35	35	35	35	35	35	35	8
9	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10
11	Total Full Time Equivalents (a)+(b)	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	11
12	P55 Special Projects - Field Services													12
13	Full Time Employees (a)	86	86	86	86	86	86	86	86	86	86	86	86	13
14	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15
16	Total Full Time Equivalents (a)+(b)	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	16
17	P56 System Integrity													17
18	Full Time Employees (a)	16	16	16	16	16	16	16	16	16	16	16	16	18
19	Part Time Employees	2	2	2	2	2	2	2	2	2	2	2	2	19
20	Full Time Equivalents for PT Employees (b)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	20
21	Total Full Time Equivalents (a)+(b)	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	21
22	Total Field Support													22
23	Full Time Employees (a)	146	146	146	146	147	147	147	147	147	147	147	147	23
24	Part Time Employees	2	2	2	2	2	2	2	2	2	2	2	2	24
25	Full Time Equivalents for PT Employees (b)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	25
26	Total Full Time Equivalents (a)+(b)	147.00	147.00	147.00	147.00	148.00	148.00	148.00	148.00	148.00	148.00	148.00	148.00	26
27	Total Operations													27
28	Full Time Employees (a)	1,060	1,060	1,060	1,060	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	28
29	Part Time Employees	2	2	2	2	2	2	2	2	2	2	2	2	29
30	Full Time Equivalents for PT Employees (b)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	30
31	Total Full Time Equivalents (a)+(b)	1,061.00	1,061.00	1,061.00	1,061.00	1,062.00	1,062.00	1,062.00	1,062.00	1,062.00	1,062.00	1,062.00	1,062.00	31
32	**Fleet, Supply Chain and Facilities**													32
33	P02 Fleet													33
34	Full Time Employees (a)	26	26	26	26	26	26	26	26	26	26	26	26	34
35	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36
37	Total Full Time Equivalents (a)+(b)	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	37
38	P03 Supply Chain													38
39	Full Time Employees (a)	10	10	10	10	10	10	10	10	10	10	10	10	39
40	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41
42	Total Full Time Equivalents (a)+(b)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	42
43	P14 Facilities Services													43
44	Full Time Employees (a)	2	2	2	2	2	2	2	2	2	2	2	2	44
45	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	45
46	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	46
47	Total Full Time Equivalents (a)+(b)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	47

The Peoples Gas Light and Coke Company

Budgeted Number of Employees

Historical Year Ended December 31, 2010

Line No	Department	January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Line No
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
1	Total Fleet, Supply Chain and Facilities													1
2	Full Time Employees (a)	38	38	38	38	38	38	38	38	38	38	38	38	2
3	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4
5	Total Full Time Equivalents (a)+(b)	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	5
6	**Meter Testing**													
7	P53 Meter Testing													7
8	Full Time Employees (a)	16	16	17	17	17	17	17	17	17	17	17	17	8
9	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10
11	Total Full Time Equivalents (a)+(b)	16.00	16.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	11
12	**Total Peoples Gas Light and Coke Company**													12
13	Full Time Employees (a)	1,119	1,119	1,120	1,120	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	13
14	Part Time Employees	2	2	2	2	2	2	2	2	2	2	2	2	14
15	Full Time Equivalents for PT Employees (b)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15
16	Total Full Time Equivalents (a)+(b)	1,120.00	1,120.00	1,121.00	1,121.00	1,122.00	1,122.00	1,122.00	1,122.00	1,122.00	1,122.00	1,122.00	1,122.00	16

The Peoples Gas Light and Coke Company

Forecasted Property Taxes

		Forecasted Year Ending December 31, 2013 (1)		Forecasted Year Ending December 31, 2014 (2)		Test Year Ending December 31, 2015		
Line No.	County	Equalized Assessed Value	Effective Tax Rate	Equalized Assessed Value	Effective Tax Rate	Equalized Assessed Value	Effective Tax Rate	Basis for Escalation Rate Used in Test Year
	[A]	[D]	[E]	[F]	[G]	[H]	[I]	[H]
1	Champaign	$1,464,440	7.714%	$1,464,440	7.868%	$1,464,440	8.080%	The Company assumed an increase in the effective tax rate of 2.1% for 2013 and 2014 and 2.4% for 2015.
2	Cook	$13,122,056	6.597%	$13,122,056	6.729%	$13,122,056	6.911%	
3	Will	$942,703	8.175%	$942,703	8.339%	$942,703	8.564%	

5 Description of Methodology Used to Derive Forecasted Amounts Reflected on Schedule C-19 (Property Taxes):

6 The company used the last known liability paid (2012 in 2013) as the starting point, and estimated the taxes
7 based upon the taxes paid using the inflation assumptions of 2.1% for 2013 and 2014 and 2.4% for 2015.

8 Property tax recoveries obtained from any appeals process for 2013, 2012, 2011

		2013	2012	2011
		[A]	[B]	[C]
9	Amount Recovered	$37,097	$154,485	$11,494

Notes: (1) Includes six months of actual and six months of forecasted data.
(2) Includes zero months of actual and twelve months of forecasted data.

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to
the Originally Approved Forecast

Line No.	Account	December, 2012 Actual	Budget	Actual Vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 115,639,000	$ 165,792,000	$ (50,153,000)	(30.3%)	1
2	Operating Expenses:					2
3	Cost Of Gas	50,660,000	92,231,000	(41,571,000)	(45.1%)	3
4	Other Operation and Maintenance	36,581,000	36,569,000	12,000	0.0%	4
5	Depreciation Expense	6,853,000	7,282,000	(429,000)	(5.9%)	5
6	Amortization Of Other Limited Term Gas Plant	465,000	458,000	7,000	1.5%	6
7	Taxes Other Than Income	1,760,000	1,622,000	138,000	8.5%	7
8	Federal Income Taxes - Current	(335,000)	2,079,000	(2,414,000)	(116.1%)	8
9	State Income Taxes - Current	5,644,000	555,000	5,089,000	916.9%	9
10	Deferred Income Taxes	2,021,000	7,967,000	(5,946,000)	(74.6%)	10
11	Investment Tax Credit	397,000	6,000	391,000	6516.7%	11
12	Total Operating Expenses	104,046,000	148,769,000	(44,723,000)	(30.1%)	12
13	Operating Income	11,593,000	17,023,000	(5,430,000)	(31.9%)	13
14	Income From Utility Plant Leased to Others	6,000	(1,000)	7,000	(700.0%)	14
15	Utility Operating Income	11,599,000	17,022,000	(5,423,000)	(31.9%)	15
16	Other Income, Net of Income Deductions	(428,000)	119,000	(547,000)	(459.7%)	16
17	Income Before Interest Charges	11,171,000	17,141,000	(5,970,000)	(34.8%)	17
18	Interest Charges	2,204,000	2,505,000	(301,000)	(12.0%)	18
19	Net Income	$ 8,967,000	$ 14,636,000	$ (5,669,000)	(38.7%)	19

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to
the Originally Approved Forecast

Line No.	Account	January, 2013				Line No.
		Actual	Budget	Actual Vs. Budget	Percentage Variation Actual vs. Budget	
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 154,195,000	$ 169,901,000	$ (15,706,000)	(9.2%)	1
2	Operating Expenses:					2
3	Cost Of Gas	76,636,000	89,163,000	(12,527,000)	(14.0%)	3
4	Other Operation and Maintenance	34,795,000	36,019,000	(1,224,000)	(3.4%)	4
5	Depreciation Expense	7,330,000	7,353,000	(23,000)	(0.3%)	5
6	Amortization Of Other Limited Term Gas Plant	465,000	464,000	1,000	0.2%	6
7	Taxes Other Than Income	2,136,000	1,785,000	351,000	19.7%	7
8	Federal Income Taxes - Current	7,238,000	12,422,000	(5,184,000)	(41.7%)	8
9	State Income Taxes - Current	2,858,000	1,938,000	920,000	47.5%	9
10	Deferred Income Taxes	2,477,000	(354,000)	2,831,000	(799.7%)	10
11	Investment Tax Credit	53,000	53,000	-	0.0%	11
12	Total Operating Expenses	133,988,000	148,843,000	(14,855,000)	(10.0%)	12
13	Operating Income	20,207,000	21,058,000	(851,000)	(4.0%)	13
14	Income From Utility Plant Leased to Others	5,000	(1,000)	6,000	(600.0%)	14
15	Utility Operating Income	20,212,000	21,057,000	(845,000)	(4.0%)	15
16	Other Income, Net of Income Deductions	87,000	12,000	75,000	625.0%	16
17	Income Before Interest Charges	20,299,000	21,069,000	(770,000)	(3.7%)	17
18	Interest Charges	2,390,000	2,394,000	(4,000)	(0.2%)	18
19	Net Income	$ 17,909,000	$ 18,675,000	$ (766,000)	(4.1%)	19

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to
the Originally Approved Forecast

Line No.	Account	February, 2013 Actual	Budget	Actual Vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 141,813,000	$ 150,443,000	$ (8,630,000)	(5.7%)	1
2	Operating Expenses:					2
3	Cost Of Gas	70,092,000	77,551,000	(7,459,000)	(9.6%)	3
4	Other Operation and Maintenance	33,851,000	36,174,000	(2,323,000)	(6.4%)	4
5	Depreciation Expense	7,385,000	7,374,000	11,000	0.1%	5
6	Amortization Of Other Limited Term Gas Plant	465,000	464,000	1,000	0.2%	6
7	Taxes Other Than Income	2,051,000	1,806,000	245,000	13.6%	7
8	Federal Income Taxes - Current	6,538,000	9,460,000	(2,922,000)	(30.9%)	8
9	State Income Taxes - Current	2,648,000	1,441,000	1,207,000	83.8%	9
10	Deferred Income Taxes	1,464,000	(354,000)	1,818,000	(513.6%)	10
11	Investment Tax Credit	53,000	54,000	(1,000)	(1.9%)	11
12	Total Operating Expenses	124,547,000	133,970,000	(9,423,000)	(7.0%)	12
13	Operating Income	17,266,000	16,473,000	793,000	4.8%	13
14	Income From Utility Plant Leased to Others	5,000	(1,000)	6,000	(600.0%)	14
15	Utility Operating Income	17,271,000	16,472,000	799,000	4.9%	15
16	Other Income, Net of Income Deductions	(54,000)	(33,000)	(21,000)	63.6%	16
17	Income Before Interest Charges	17,217,000	16,439,000	778,000	4.7%	17
18	Interest Charges	2,368,000	2,394,000	(26,000)	(1.1%)	18
19	Net Income	$ 14,849,000	$ 14,045,000	$ 804,000	5.7%	19

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to the Originally Approved Forecast

Line No.	Account	March, 2013 Actual	Budget	Actual Vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 139,114,000	$ 126,270,000	$ 12,844,000	10.2%	1
2	Operating Expenses:					2
3	Cost Of Gas	59,462,000	60,721,000	(1,259,000)	(2.1%)	3
4	Other Operation and Maintenance	35,636,000	40,025,000	(4,389,000)	(11.0%)	4
5	Depreciation Expense	7,422,000	7,394,000	28,000	0.4%	5
6	Amortization Of Other Limited Term Gas Plant	465,000	464,000	1,000	0.2%	6
7	Taxes Other Than Income	1,898,000	2,060,000	(162,000)	(7.9%)	7
8	Federal Income Taxes - Current	564,000	5,238,000	(4,674,000)	(89.2%)	8
9	State Income Taxes - Current	(778,000)	733,000	(1,511,000)	(206.1%)	9
10	Deferred Income Taxes	14,096,000	(354,000)	14,450,000	(4081.9%)	10
11	Investment Tax Credit	53,000	53,000	-	0.0%	11
12	Total Operating Expenses	118,818,000	116,334,000	2,484,000	2.1%	12
13	Operating Income	20,296,000	9,936,000	10,360,000	104.3%	13
14	Income From Utility Plant Leased to Others	26,000	(2,000)	28,000	(1400.0%)	14
15	Utility Operating Income	20,322,000	9,934,000	10,388,000	104.6%	15
16	Other Income, Net of Income Deductions	107,000	(80,000)	187,000	(233.8%)	16
17	Income Before Interest Charges	20,429,000	9,854,000	10,575,000	107.3%	17
18	Interest Charges	2,667,000	2,393,000	274,000	11.5%	18
19	Net Income	$ 17,762,000	$ 7,461,000	$ 10,301,000	138.1%	19

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to
the Originally Approved Forecast

Line No.	Account	April, 2013 Actual	Budget	Actual Vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 91,238,000	$ 83,841,000	$ 7,397,000	8.8%	1
2	Operating Expenses:					2
3	Cost Of Gas	39,978,000	33,888,000	6,090,000	18.0%	3
4	Other Operation and Maintenance	32,555,000	33,400,000	(845,000)	(2.5%)	4
5	Depreciation Expense	7,471,000	7,420,000	51,000	0.7%	5
6	Amortization Of Other Limited Term Gas Plant	465,000	464,000	1,000	0.2%	6
7	Taxes Other Than Income	1,679,000	1,808,000	(129,000)	(7.1%)	7
8	Federal Income Taxes - Current	(4,941,000)	2,022,000	(6,963,000)	(344.4%)	8
9	State Income Taxes - Current	(749,000)	193,000	(942,000)	(488.1%)	9
10	Deferred Income Taxes	8,427,000	(354,000)	8,781,000	(2480.5%)	10
11	Investment Tax Credit	54,000	53,000	1,000	1.9%	11
12	Total Operating Expenses	84,939,000	78,894,000	6,045,000	7.7%	12
13	Operating Income	6,299,000	4,947,000	1,352,000	27.3%	13
14	Income From Utility Plant Leased to Others	5,000	(2,000)	7,000	(350.0%)	14
15	Utility Operating Income	6,304,000	4,945,000	1,359,000	27.5%	15
16	Other Income, Net of Income Deductions	137,000	(27,000)	164,000	(607.4%)	16
17	Income Before Interest Charges	6,441,000	4,918,000	1,523,000	31.0%	17
18	Interest Charges	2,325,000	2,390,000	(65,000)	(2.7%)	18
19	Net Income	$ 4,116,000	$ 2,528,000	$ 1,588,000	62.8%	19

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to
the Originally Approved Forecast

		May, 2013				
Line No.	Account	Actual	Budget	Actual Vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 57,011,000	$ 54,206,000	$ 2,805,000	5.2%	1
2	Operating Expenses:					2
3	Cost Of Gas	18,112,000	16,049,000	2,063,000	12.9%	3
4	Other Operation and Maintenance	28,693,000	29,833,000	(1,140,000)	(3.8%)	4
5	Depreciation Expense	7,529,000	7,456,000	73,000	1.0%	5
6	Amortization Of Other Limited Term Gas Plant	465,000	464,000	1,000	0.2%	6
7	Taxes Other Than Income	1,873,000	1,516,000	357,000	23.5%	7
8	Federal Income Taxes - Current	(4,314,000)	(810,000)	(3,504,000)	432.6%	8
9	State Income Taxes - Current	(561,000)	(282,000)	(279,000)	98.9%	9
10	Deferred Income Taxes	4,121,000	(354,000)	4,475,000	(1264.1%)	10
11	Investment Tax Credit	54,000	53,000	1,000	1.9%	11
12	Total Operating Expenses	55,972,000	53,925,000	2,047,000	3.8%	12
13	Operating Income	1,039,000	281,000	758,000	269.8%	13
14	Income From Utility Plant Leased to Others	5,000	(1,000)	6,000	(600.0%)	14
15	Utility Operating Income	1,044,000	280,000	764,000	272.9%	15
16	Other Income, Net of Income Deductions	(64,000)	(19,000)	(45,000)	236.8%	16
17	Income Before Interest Charges	980,000	261,000	719,000	275.5%	17
18	Interest Charges	2,028,000	2,112,000	(84,000)	(4.0%)	18
19	Net Income	$ (1,048,000)	$ (1,851,000)	$ 803,000	(43.4%)	19

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to
the Originally Approved Forecast

Line No.	Account	Actual (June, 2013)	Budget (June, 2013)	Actual Vs. Budget (June, 2013)	Percentage Variation Actual vs. Budget (June, 2013)	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 52,499,000	$ 48,782,000	$ 3,717,000	7.6%	1
2	Operating Expenses:					2
3	Cost Of Gas	16,293,000	13,392,000	2,901,000	21.7%	3
4	Other Operation and Maintenance	29,870,000	30,971,000	(1,101,000)	(3.6%)	4
5	Depreciation Expense	7,605,000	7,502,000	103,000	1.4%	5
6	Amortization Of Other Limited Term Gas Plant	465,000	468,000	(3,000)	(0.6%)	6
7	Taxes Other Than Income	1,762,000	1,558,000	204,000	13.1%	7
8	Federal Income Taxes - Current	(385,000)	(2,291,000)	1,906,000	(83.2%)	8
9	State Income Taxes - Current	(90,000)	(530,000)	440,000	(83.0%)	9
10	Deferred Income Taxes	(2,977,000)	(354,000)	(2,623,000)	741.0%	10
11	Investment Tax Credit	54,000	53,000	1,000	1.9%	11
12	Total Operating Expenses	52,597,000	50,769,000	1,828,000	3.6%	12
13	Operating Income	(98,000)	(1,987,000)	1,889,000	(95.1%)	13
14	Income From Utility Plant Leased to Others	6,000	(1,000)	7,000	(700.0%)	14
15	Utility Operating Income	(92,000)	(1,988,000)	1,896,000	(95.4%)	15
16	Other Income, Net of Income Deductions	(1,055,000)	(13,000)	(1,042,000)	8015.4%	16
17	Income Before Interest Charges	(1,147,000)	(2,001,000)	854,000	(42.7%)	17
18	Interest Charges	2,008,000	2,138,000	(130,000)	(6.1%)	18
19	Net Income	$ (3,155,000)	$ (4,139,000)	$ 984,000	(23.8%)	19

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to
the Originally Approved Forecast

Line No.	Account	July, 2013 Actual	Budget	Actual Vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 48,891,000	$ 45,487,000	$ 3,404,000	7.5%	1
2	Operating Expenses:					2
3	Cost Of Gas	12,913,000	10,017,000	2,896,000	28.9%	3
4	Other Operation and Maintenance	32,664,000	29,736,000	2,928,000	9.8%	4
5	Depreciation Expense	7,668,000	7,563,000	105,000	1.4%	5
6	Amortization Of Other Limited Term Gas Plant	465,000	476,000	(11,000)	(2.3%)	6
7	Taxes Other Than Income	1,623,000	1,556,000	67,000	4.3%	7
8	Federal Income Taxes - Current	(2,618,000)	(1,837,000)	(781,000)	42.5%	8
9	State Income Taxes - Current	(223,000)	(454,000)	231,000	(50.9%)	9
10	Deferred Income Taxes	(707,000)	(354,000)	(353,000)	99.7%	10
11	Investment Tax Credit	53,000	53,000	-	0.0%	11
12	Total Operating Expenses	51,838,000	46,756,000	5,082,000	10.9%	12
13	Operating Income	(2,947,000)	(1,269,000)	(1,678,000)	132.2%	13
14	Income From Utility Plant Leased to Others	5,000	(1,000)	6,000	(600.0%)	14
15	Utility Operating Income	(2,942,000)	(1,270,000)	(1,672,000)	131.7%	15
16	Other Income, Net of Income Deductions	169,000	(4,000)	173,000	(4325.0%)	16
17	Income Before Interest Charges	(2,773,000)	(1,274,000)	(1,499,000)	117.7%	17
18	Interest Charges	2,032,000	2,154,000	(122,000)	(5.7%)	18
19	Net Income	$ (4,805,000)	$ (3,428,000)	$ (1,377,000)	40.2%	19

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to
the Originally Approved Forecast

		August, 2013				
Line No.	Account	Actual	Budget	Actual Vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 46,399,000	$ 44,378,000	$ 2,021,000	4.6%	1
2	Operating Expenses:					2
3	Cost Of Gas	11,458,000	9,242,000	2,216,000	24.0%	3
4	Other Operation and Maintenance	28,218,000	29,163,000	(945,000)	(3.2%)	4
5	Depreciation Expense	7,719,000	7,635,000	84,000	1.1%	5
6	Amortization Of Other Limited Term Gas Plant	469,000	491,000	(22,000)	(4.5%)	6
7	Taxes Other Than Income	2,187,000	1,563,000	624,000	39.9%	7
8	Federal Income Taxes - Current	(2,752,000)	(2,059,000)	(693,000)	33.7%	8
9	State Income Taxes - Current	(264,000)	(492,000)	228,000	(46.3%)	9
10	Deferred Income Taxes	336,000	(354,000)	690,000	(194.9%)	10
11	Investment Tax Credit	54,000	53,000	1,000	1.9%	11
12	Total Operating Expenses	47,425,000	45,242,000	2,183,000	4.8%	12
13	Operating Income	(1,026,000)	(864,000)	(162,000)	18.8%	13
14	Income From Utility Plant Leased to Others	15,000	(1,000)	16,000	(1600.0%)	14
15	Utility Operating Income	(1,011,000)	(865,000)	(146,000)	16.9%	15
16	Other Income, Net of Income Deductions	60,000	(16,000)	76,000	(475.0%)	16
17	Income Before Interest Charges	(951,000)	(881,000)	(70,000)	7.9%	17
18	Interest Charges	2,726,000	2,903,000	(177,000)	(6.1%)	18
19	Net Income	$ (3,677,000)	$ (3,784,000)	$ 107,000	(2.8%)	19

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to
the Originally Approved Forecast

		September, 2013				
Line No.	Account	Actual	Budget	Actual Vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	$ 49,084,000	$ 45,410,000	$ 3,674,000	8.1%	1
2	Operating Expenses:					2
3	Cost Of Gas	13,292,000	10,304,000	2,988,000	29.0%	3
4	Other Operation and Maintenance	32,542,000	31,314,000	1,228,000	3.9%	4
5	Depreciation Expense	7,787,000	7,724,000	63,000	0.8%	5
6	Amortization Of Other Limited Term Gas Plant	473,000	509,000	(36,000)	(7.1%)	6
7	Taxes Other Than Income	1,774,000	1,563,000	211,000	13.5%	7
8	Federal Income Taxes - Current	(6,629,000)	(2,893,000)	(3,736,000)	129.1%	8
9	State Income Taxes - Current	(496,000)	(631,000)	135,000	(21.4%)	9
10	Deferred Income Taxes	(144,000)	(354,000)	210,000	(59.3%)	10
11	Investment Tax Credit	54,000	53,000	1,000	1.9%	11
12	Total Operating Expenses	48,653,000	47,589,000	1,064,000	2.2%	12
13	Operating Income	431,000	(2,179,000)	2,610,000	(119.8%)	13
14	Income From Utility Plant Leased to Others	5,000	(2,000)	7,000	(350.0%)	14
15	Utility Operating Income	436,000	(2,181,000)	2,617,000	(120.0%)	15
16	Other Income, Net of Income Deductions	7,000	(43,000)	50,000	(116.3%)	16
17	Income Before Interest Charges	443,000	(2,224,000)	2,667,000	(119.9%)	17
18	Interest Charges	2,717,000	2,876,000	(159,000)	(5.5%)	18
19	Net Income	$ (2,274,000)	$ (5,100,000)	$ 2,826,000	(55.4%)	19

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to
the Originally Approved Forecast

		October, 2013				
Line No.	Account	Actual	Budget	Actual Vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	[redacted]				1
2	Operating Expenses:					2
3	Cost Of Gas					3
4	Other Operation and Maintenance					4
5	Depreciation Expense					5
6	Amortization Of Other Limited Term Gas Plant					6
7	Taxes Other Than Income					7
8	Federal Income Taxes - Current					8
9	State Income Taxes - Current					9
10	Deferred Income Taxes					10
11	Investment Tax Credit					11
12	Total Operating Expenses					12
13	Operating Income					13
14	Income From Utility Plant Leased to Others					14
15	Utility Operating Income					15
16	Other Income, Net of Income Deductions					16
17	Income Before Interest Charges					17
18	Interest Charges					18
19	Net Income					19

The Peoples Gas Light and Coke Company

Comparison of Actual Financial Results to
the Originally Approved Forecast

		November, 2013				
Line No.	Account	Actual	Budget	Actual Vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	[redacted]				1
2	Operating Expenses:					2
3	Cost Of Gas					3
4	Other Operation and Maintenance					4
5	Depreciation Expense					5
6	Amortization Of Other Limited Term Gas Plant					6
7	Taxes Other Than Income					7
8	Federal Income Taxes - Current					8
9	State Income Taxes - Current					9
10	Deferred Income Taxes					10
11	Investment Tax Credit					11
12	Total Operating Expenses					12
13	Operating Income					13
14	Income From Utility Plant Leased to Others					14
15	Utility Operating Income					15
16	Other Income, Net of Income Deductions					16
17	Income Before Interest Charges					17
18	Interest Charges					18
19	Net Income					19

The Peoples Gas Light and Coke Company

Income Statement

Line No.	Description [A]	Test Year Ending December 31, 2015 [B]	Forecasted Year Ending December 31, 2014 (1) [C]	Forecasted Year Ending December 31, 2013 (2) [D]	Historical Year Ended December 31, 2012 (E)	Line No.
1	OPERATING REVENUES	$ 1,176,503,000	$ 1,150,045,000	$ 1,106,284,000	$ 882,516,000	1
2	OPERATING EXPENSES					2
3	Cost Of Gas	450,648,000	445,044,000	445,448,000	332,461,000	3
4	Other Operation and Maintenance	452,831,000	436,581,000	397,172,000	324,658,000	4
5	Depreciation Expense	117,083,000	102,229,000	92,477,000	82,592,000	5
6	Amortization Of Other Limited Term Gas Plant	2,081,000	5,583,000	5,599,000	5,701,000	6
7	Taxes Other Than Income	26,382,000	23,592,000	22,086,000	19,995,000	7
8	Income Taxes					8
9	Federal Income Taxes-Current	(8,150,000)	(1,242,000)	34,432,000	(37,724,000)	9
10	State Income Taxes-Current	(1,582,000)	4,895,000	4,042,000	(2,676,000)	10
11	Deferred Income Taxes	41,546,000	36,633,000	3,435,000	77,851,000	11
12	Investment Tax Credit	1,496,000	1,908,000	2,074,000	675,000	12
13	Total Operating Expenses	1,082,335,000	1,055,223,000	1,006,765,000	803,533,000	13
14	OPERATING INCOME	94,168,000	94,822,000	99,519,000	78,983,000	14
15	INCOME FROM GAS PLANT LEASED TO OTHERS					15
16	Revenues From Gas Plant Leased To Others	-	-	62,000	120,000	16
17	Expenses From Gas Plant Leased To Others	(16,000)	(17,000)	(17,000)	(17,000)	17
18	Total Income from Gas Plant Leased to Others	(16,000)	(17,000)	45,000	103,000	18
19	UTILITY OPERATING INCOME	94,152,000	94,805,000	99,564,000	79,086,000	19
20	OTHER INCOME AND (INCOME DEDUCTIONS)					20
21	Other Income					21
22	Interest and Dividend Income	2,268,000	1,565,000	1,335,000	804,000	22
23	Gain on Disposition of Property	-	-	-	-	23
24	Equity Earnings of Subsidiary Companies	36,000	34,000	31,000	14,000	24
25	Other	247,000	177,000	256,000	637,000	25
26	Total Other Income	2,551,000	1,776,000	1,622,000	1,455,000	26
27	Other Income Deductions	(2,053,000)	(2,052,000)	(2,879,000)	(1,707,000)	27
28	Taxes Applicable to Other Income and Deductions	(492,000)	(189,000)	(33,000)	(119,000)	28
29	Net Other Income and Income Deductions	6,000	(465,000)	(1,290,000)	(371,000)	29
30	INCOME BEFORE INTEREST CHARGES	94,158,000	94,340,000	98,274,000	78,715,000	30
31	INTEREST CHARGES					31
32	Interest on Long Term Debt	40,635,000	30,645,000	26,728,000	22,653,000	32
33	Amortization of Debt Discount and Expense	576,000	506,000	612,000	716,000	33
34	Amortization of Loss on Reacquired Debt	739,000	709,000	664,000	603,000	34
35	Other Interest	2,073,000	1,140,000	1,021,000	235,000	35
36	Total Interest Charges	44,023,000	33,000,000	29,025,000	24,207,000	36
37	NET INCOME/(LOSS)	$ 50,135,000	$ 61,340,000	$ 69,249,000	$ 54,508,000	37

Notes: (1) Includes zero months of actual data and twelve months of forecasted data.
(2) Includes six months of actual data and six months of forecasted data.

The Peoples Gas Light and Coke Company

Comparative Balance Sheets

Line No.	Description	Test Year Ending December 31, 2015	Forecasted Year Ending December 31, 2014 (1)	Forecasted Year Ending December 31, 2013 (2)	Historical Year Ended December 31, 2012	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	**Assets**					1
2	Utility Plant, Net	$ 2,918,179,000	$ 2,681,723,000	$ 2,353,633,000	$ 2,140,354,000	2
3	Investment in Subsidiary Companies	4,805,000	4,769,000	4,735,000	4,705,000	3
4	Other Property and Investments	499,000	537,000	574,000	77,000	4
5	Current Assets	336,160,000	327,996,000	326,064,000	345,423,000	5
6	Other Assets	987,343,000	991,629,000	999,606,000	1,029,427,000	6
7	Total Assets	$ 4,246,986,000	$ 4,006,654,000	$ 3,684,612,000	$ 3,519,986,000	7
8	**Capitalization and Liabilities**					8
9	Proprietary Capital	$ 1,042,645,000	$ 946,810,000	$ 769,754,000	$ 699,691,000	9
10	Long Term Debt	1,025,000,000	875,000,000	725,000,000	624,536,000	10
11	Current Liabilities	430,100,000	436,879,000	464,174,000	478,600,000	11
12	Deferred Credits and Other Liabilities	1,749,241,000	1,747,965,000	1,725,684,000	1,717,159,000	12
13	Total Capitalization and Liabilities	$ 4,246,986,000	$ 4,006,654,000	$ 3,684,612,000	$ 3,519,986,000	13

Note: (1) Includes zero months actual data and twelve months of forecasted data.
(2) Includes six months actual data and six months of forecasted data.

The Peoples Gas Light and Coke Company

Statement of Cash Flows

Line No.	Description	Test Year Ending December 31, 2015	Forecasted Year Ending December 31, 2014 (1)	Forecasted Year Ending December 31, 2013 (2)	Historical Year Ended December 31, 2012	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	**Net Income**	$ 50,135,000	$ 61,340,000	$ 69,249,000	$ 54,508,000	1
2	**Adjustments to Reconcile Net Income to Net Cash**					2
3	**Flow Provided from Operating Activities:**					3
4	Depreciation and Amortization	119,203,000	107,852,000	98,099,000	88,293,000	4
5	Deferred Income Taxes and Investment Tax Credits, net	43,139,000	38,697,000	5,402,000	78,512,000	5
6	Pension (income)/ Post Retirement Liability	36,343,000	34,903,000	33,650,000	18,940,000	6
7	Pension and Post Retirement Funding	(23,093,000)	(7,241,000)	(10,740,000)	(86,399,000)	7
8	Other Changes	44,960,000	33,322,000	64,642,000	40,614,000	8
9	Changes in Working Capital, net	(54,915,000)	(16,466,000)	(87,695,000)	(81,361,000)	9
10	Net Cash Flow (used for) provided from Operating Activities	215,772,000	252,407,000	172,607,000	113,107,000	10
11	**Investing Activities**					11
12	Capital Expenditures	(391,626,000)	(473,529,000)	(321,885,000)	(287,415,000)	12
13	Other Investing Activities, net	-	-	22,059,000	(10,161,000)	13
14	Net Cash Flow used for Investing Activities	(391,626,000)	(473,529,000)	(299,826,000)	(297,576,000)	14
15	**Financing Activities**					15
16	Issuance of Long-Term Debt	200,000,000	200,000,000	270,000,000	100,000,000	16
17	Redemption of Long-Term Debt	(50,000,000)	(50,000,000)	(170,000,000)	-	17
18	Intercompany Loan Payable	-	-	-	-	18
19	Net Increase (Decrease) in Short-Term Debt	(16,769,000)	(41,502,000)	25,304,000	141,600,000	19
20	Equity Contribution from Parent	45,000,000	115,000,000	-	-	20
21	Return of Capital Paid to Parent	-	-	-	-	21
22	Other	(2,377,000)	(2,376,000)	(2,633,000)	(2,131,000)	22
23	Dividends Paid to Parent	-	-	-	(55,000,000)	23
24	Net Cash Flow provided from (used for) Financing Activities	175,854,000	221,122,000	122,671,000	184,469,000	24
25	**Net Increase (Decrease) in Cash**	$ -	$ -	$ (4,548,000)	$ -	25

Note: (1) Includes zero months actual data and twelve months of forecasted data.
(2) Includes six months actual data and six months of forecasted data.

The Peoples Gas Light and Coke Company

Statement of Retained Earnings (1)

Line No.	Description	Historical Year Ended December 31, 2012	Forecasted Year Ending December 31, 2013 (2)	Forecasted Year Ending December 31, 2014 (3)	Test Year Ending December 31, 2015	Line No.
	[A]	[B]	[B]	[C]	[D]	
1	Account 21600 Unappropriated Retained Earnings					1
2	Balance at Beginning of Period	$ 478,446,000	$ 477,966,000	$ 547,190,000	$ 608,496,000	2
3	Add:					3
4	Net Income	54,494,000	69,218,000	61,306,000	50,099,000	4
5	Other	26,000	6,000	-	1,000	5
6	Less:					6
7	Common Stock Dividends Declared	55,000,000	-	-	-	7
8	Other	-	-	-	-	8
9	Balance at End of Period	$ 477,966,000	$ 547,190,000	$ 608,496,000	$ 658,596,000	9
10	Account 21610 Unappropriated Undistributed Subsidiary Earnings					10
11	Balance at Beginning of Period	$ 1,633,000	$ 1,647,000	$ 1,678,000	$ 1,712,000	11
12	Add:					12
13	Net Income	14,000	31,000	34,000	36,000	13
14	Other	-		-	-	14
15	Less:					15
16	Common Stock Dividends Declared	-	-	-	-	16
17	Balance at End of Period	$ 1,647,000	$ 1,678,000	$ 1,712,000	$ 1,748,000	17

Notes: (1) Excludes Accumulated Other Comprehensive (Income) Loss of $239,000 ($379,000 less tax impact of $140,000), $22,000 ($8,000 plus tax impact of $14,000), $14,000 ($0 plus tax impact of $14,000) and $14,000 ($0 plus tax impact of $14,000), at 12/31/2012, 12/31/2013, 12/31/2014 and 12/31/2015 respectively.

Total Comprehensive Income (Loss) is $55,004,000, $69,466,000, $61,348,000 and $50,135,000 for Calendar Years 2012, 2013, 2014 and 2015 respectively.

(2) Includes six months of actual data and six months of forecasted data.
(3) Includes zero months of actual data and twelve months of forecasted data.