

SECTION 285.305

General Information Requirements Applicable for All Utilities Subject to this Part

Utility: The Peoples Gas Light and Coke Company

Subpart (k)

A Priority on *People*

It's Worth The Energy®!



2012 Annual Report & Form 10-K



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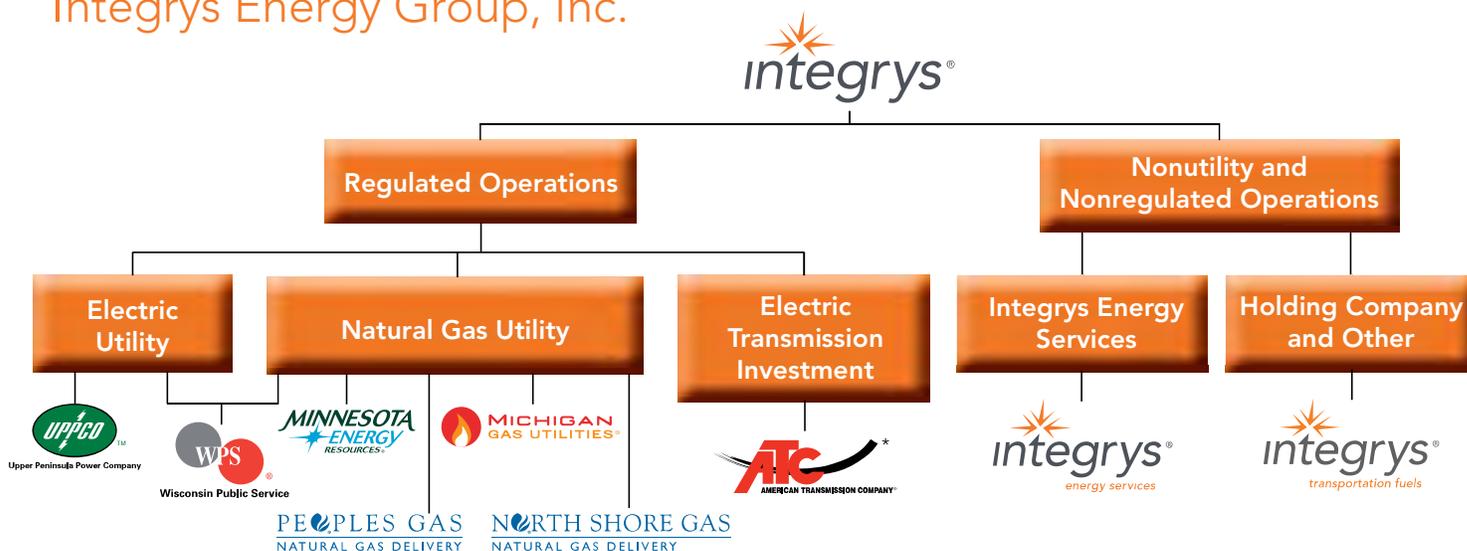
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Highlights

Year Ended December 31	2012	2011	Percent Change
Consolidated revenues – utility (Millions)	\$2,959.5	\$3,294.5	(10.2)
Consolidated revenues – nonregulated (Millions)	1,252.9	1,391.4	(10.0)
Margins – utility (Millions) *	1,633.2	1,659.2	(1.6)
Margins – nonregulated (Millions) *	212.7	117.2	81.5
Net income from continuing operations (Millions) *	294.0	230.0	27.8
Net income attributed to common shareholders (Millions) *	281.4	227.4	23.7
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Earnings (loss) per common share (basic)			
Net income from continuing operations	\$3.70	\$2.89	28.0
Discontinued operations, net of tax	(0.12)	–	N/A
Earnings per common share (basic)	3.58	2.89	23.9
<hr/>			
Earnings (loss) per common share (diluted)			
Net income from continuing operations	\$3.67	\$2.87	27.9
Discontinued operations, net of tax	(0.12)	–	N/A
Earnings per common share (diluted)	3.55	2.87	23.7
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Dividends per common share declared	\$ 2.72	\$ 2.72	–
Book value per share	38.84	38.01	2.2
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Common stock price at year end	\$52.22	\$54.18	(3.6)
Shares outstanding at year end (excludes restricted stock and shares in deferred compensation trust)	77,902,467	77,904,935	–
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Total assets (Millions)	\$10,327.4	\$9,983.2	3.4

* Refer to Management's Discussion and Analysis for an explanation of changes from prior year.
N/A = Not applicable

Integrys Energy Group, Inc.



* Integrys Energy Group owned approximately 34% of American Transmission Company LLC at December 31, 2012.

IntegrYS Energy Group is a holding company headquartered in Chicago, Illinois. Subsidiaries provide products and services in both regulated and nonregulated energy markets. The following descriptions are reflective as of December 31, 2012.

Regulated Operations

The Peoples Gas Light and Coke Company

Business

- Established in 1855 (acquired by IntegrYS Energy Group in 2007).
- Regulated natural gas utility.
- Operates in Illinois (see map on the right).
- 1,183 employees.

Market

- Serves approximately 829,000 residential, commercial, and industrial retail sales and transportation customers in the city of Chicago.
- Natural gas revenues are comprised of 100% retail sales.

Facilities

- Approximately 4,520 miles of natural gas distribution and transmission main (approximately 33% is cast iron main and 29% is plastic main), 11 natural gas distribution and transmission gate stations, and approximately 514,000 natural gas lateral services.
- Owns and operates a 38.2 billion-cubic-foot underground natural gas storage reservoir (Manlove Field) and a 2 billion-cubic-foot liquefied natural gas plant in central Illinois.
- Owns a natural gas pipeline system that runs from Manlove Field (located in central Illinois) to Chicago with 8 major interstate pipeline interconnects.

Wisconsin Public Service Corporation

Business

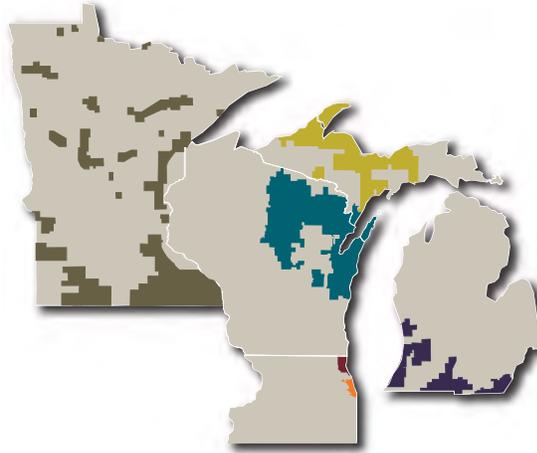
- Established in 1883.
- Regulated electric and natural gas utility.
- Operates in northeastern Wisconsin and an adjacent portion of Upper Michigan (see map above).
- 1,283 employees.

Market

- Serves approximately 443,000 electric customers and approximately 321,000 natural gas customers within its 12,000-square-mile service area.
- Provides electric and natural gas products and services to residential, farm, commercial, and industrial customers. Also provides electric power to wholesale customers.
- Electric operations accounted for 80% and natural gas operations accounted for 20% of 2012 revenues.
- Electric revenues are comprised of 86.4% retail sales and 13.6% wholesale sales.
- Wisconsin customers accounted for 98% and Michigan customers accounted for 2% of 2012 revenues, excluding the impact of decoupling.

Facilities

- Electric generating capacity based on summer capacity ratings is 2,173.7 megawatts, including the utility's share of jointly owned facilities. A peak demand was reached on July 16, 2012, with a system demand of 2,347 megawatts. At the time of this summer peak, total firm resources (i.e., generation plus firm purchases) totaled 3,173 megawatts.
- Electric property includes approximately 21,700 miles of electric distribution lines, 97.5% of which are operated at 24.9 kilovolts, and 124 distribution substations.
- Natural gas property includes approximately 7,950 miles of distribution and transmission main (75% is plastic main), 86 natural gas distribution and transmission gate stations, and approximately 299,000 natural gas lateral services.



- Michigan Gas Utilities Corporation
- Minnesota Energy Resources Corporation
- North Shore Gas Company
- The Peoples Gas Light and Coke Company
- Upper Peninsula Power Company
- Wisconsin Public Service Corporation

Minnesota Energy Resources Corporation

Business

- Natural gas distribution operations for more than 80 years (acquired by IntegrYS Energy Group in 2006).
- Regulated natural gas utility.
- Operates in Minnesota (see map above).
- 214 employees.

Market

- Provides natural gas distribution services to approximately 214,000 natural gas customers in 165 communities.
- Natural gas revenues are comprised of 100% retail sales.

Facilities

- Natural gas property includes approximately 4,500 miles of distribution and transmission main (approximately 66% is plastic main), 164 natural gas distribution and transmission gate stations, and 203,800 natural gas lateral services.

Michigan Gas Utilities Corporation

Business

- Natural gas distribution operations since 1859 (acquired by IntegrYS Energy Group in 2006).
- Regulated natural gas utility.
- Operates in southern and western Michigan (see map above).
- 153 employees.

Market

- Provides natural gas distribution services to approximately 168,000 natural gas customers in 147 communities.
- Natural gas revenues are comprised of 100% retail sales.

Facilities

- Owns a 3.9 billion-cubic-foot natural gas storage field.
- Natural gas property includes approximately 3,860 miles of distribution and transmission main (approximately 52% is plastic main), 33 natural gas distribution and transmission gate stations, and approximately 165,000 natural gas lateral services.

North Shore Gas Company

Business

- Established in 1900 (acquired by IntegrYS Energy Group in 2007).
- Regulated natural gas utility.
- Operates in Illinois (see map above).
- 161 employees.

Market

- Serves approximately 158,000 residential, commercial, and industrial retail sales and transportation customers located in 54 communities within the northern suburbs of Chicago.
- Natural gas revenues are comprised of 100% retail sales.

Facilities

- Approximately 2,330 miles of natural gas distribution and transmission main (approximately 39% is plastic main), 6 natural gas distribution and transmission gate stations, and approximately 144,000 natural gas lateral services.

Upper Peninsula Power Company

Business

- Established in 1884 (acquired by IntegrYS Energy Group in 1998).
- Regulated electric utility.
- Operates primarily in rural countryside covering 10 of the 15 counties in the Upper Peninsula of Michigan (see map above).
- 114 employees.

Market

- Serves approximately 52,000 electric customers in 86 incorporated communities.
- Electric revenues are comprised of 98.9% retail sales and 1.1% wholesale sales.

Facilities

- Electric generating capacity based on summer capacity ratings is 49.2 megawatts. A peak demand was reached on July 5, 2012, with a system demand of 105 megawatts. At the time of this peak, total firm resources totaled 195 megawatts.
- Electric property includes approximately 3,300 miles of electric distribution lines and 57 distribution substations.

At-A-Glance

Electric Transmission Investment

American Transmission Company LLC

Business

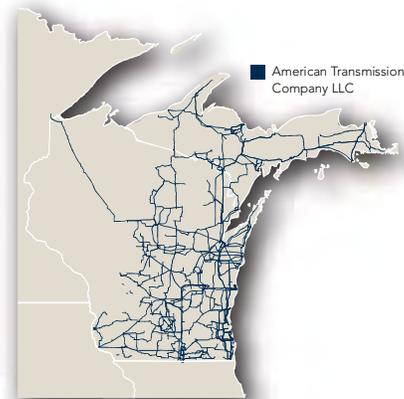
- A federally regulated for-profit, transmission-only company that owns, maintains, monitors, and operates electric transmission assets in Wisconsin, Michigan, Minnesota, and Illinois (see map at right).
- Assets were previously owned and operated by multiple electric utilities serving the upper Midwest, all of which transferred their transmission assets to American Transmission Company. Companies that transferred transmission assets or cash to American Transmission Company are now equity owners.
- The Midwest Independent Transmission System Operator (MISO) directs American Transmission Company's operation of the transmission system.
- Regulated by the Federal Energy Regulatory Commission for rates and tariffs and by the states in which it operates for siting transmission infrastructure.
- Domiciled in the United States and began operations in 2001.

- Integrys Energy Group owns approximately 34% of American Transmission Company.
- Wisconsin Public Service and Upper Peninsula Power provide construction and other services to, and receive network transmission services from, American Transmission Company.
- Integrys Energy Group has \$476.6 million invested in American Transmission Company.

Facilities

- \$3.3 billion of transmission assets consisting of 9,440 circuit miles of transmission line and 525 substations (wholly or jointly owned).
- American Transmission Company plans to invest between \$3.9 billion and \$4.8 billion during the next 10 years based on its 2012 Ten-Year Transmission System Assessment (dated September 2012).
- In September 2011, DATC, a joint venture between Duke Energy and American Transmission Company that was created to develop projects throughout North America, submitted to MISO a plan that includes seven distinct projects in Iowa, Wisconsin, Illinois, Indiana, and Ohio. The DATC projects include between 900 and 1,000 circuit miles of

345-kilovolt lines and 550 miles of 500-kilovolt high-voltage direct-current lines. The individual projects range from 65 to 680 miles and have a total cost of between \$4.2 billion and \$4.5 billion.



Nonregulated Operations

Integrys Energy Services, Inc.

Business

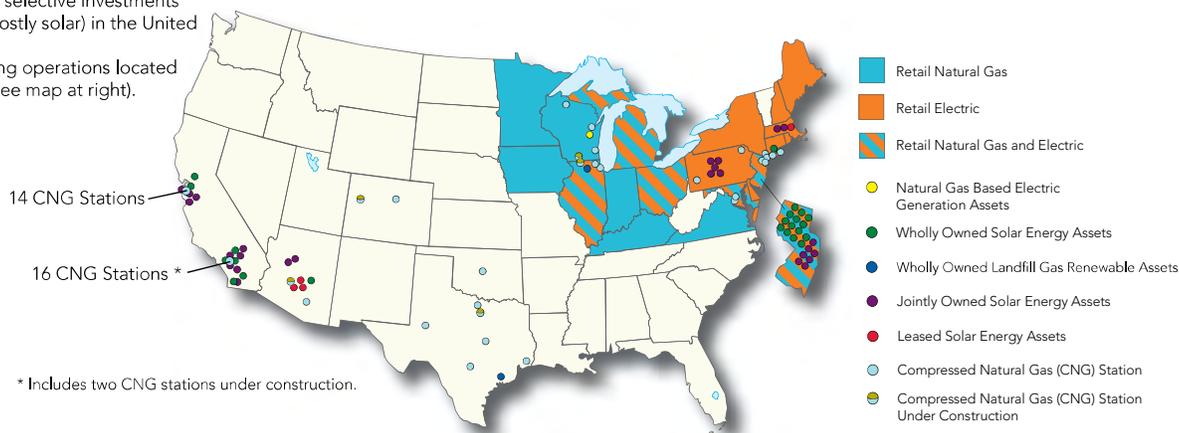
- Established in 1994.
- Competitive retail natural gas and electricity supply and services company, which also owns and operates various nonregulated electric generation facilities.
- Emphasis is on serving retail (industrial, commercial, and residential) customers in the northeast quadrant of the United States with selective investments in renewable projects (mostly solar) in the United States.
- Principal energy marketing operations located near customers served (see map at right).
- 267 employees.

Products and Services

- Provides individualized natural gas and electricity supply solutions, structured products, and strategies that allow customers to manage energy needs.
- Comprehensive community aggregation energy solutions.
- Generation areas of expertise include cogeneration, distributed generation, renewables such as solar and landfill gas, as well as other clean fuel generation.

Facilities

- Renewable generation facilities totaling 34.0 megawatts of summer-rated capacity as follows:
 - 27.9 megawatts of photovoltaic solar generation facilities.
 - 6.1 megawatts of landfill gas-fueled reciprocating engine facilities.
- 208.1 megawatts (summer rated capacity) of traditional fossil-fuel facilities, all held for sale at December 31, 2012.



Holding Company and Other

The Holding Company and Other segment includes the operations of the Integrys Energy Group holding company, Integrys Business Support, LLC, and Integrys Transportation Fuels, LLC, along with the nonutility activities at The Peoples Gas Light and Coke Company, Wisconsin Public Service Corporation, Minnesota Energy Resources Corporation, Michigan Gas Utilities Corporation, North Shore Gas Company, and Upper Peninsula Power Company.

Integrys Business Support, LLC

Business

- Established in 2007, became operational on January 1, 2008.
- Provides centralized business support services to Integrys Energy Group, Inc. and its subsidiaries.
- 1,254 employees.

Integrys Transportation Fuels, LLC

Business

- Established in 2011.
- Acquired Pinnacle CNG Systems and Trillium USA in September 2011. Together, Trillium (founded in 1991) and Pinnacle (founded in 1994) are the second-largest compressed natural gas station operators in the United States.
- Provides compressed natural gas transportation fuel products and services.
- Designs, builds, and operates compressed natural gas fueling stations (see map above).
- 88 employees.