

The Peoples Gas Light and Coke Company

Embedded Cost of Long-Term Debt

Net Proceeds Method

Test Year Ending December 31, 2015

Line No.	Debt Issue Type, Coupon Rate	Date Issued [A]	Maturity Date [C]	Date Reacquired [D]	Principal Amount at Issuance [E]	New and Retired		Thirteen Month Average		Carrying Value [I]=[F-G-H]	Coupon Interest Expense [J]=[A*F]	Amortization of Debt Discount or (Premium) (4) [K]	Amortization of Debt Expense (4) [L]	Total Expense [M]=[J+K+L]	Line No.
						Time Weighted Face Amount Outstanding [F]	Unamortized Discount or (Premium) [G]	Unamortized Debt Expense (Gain) [H]							
Test Year Ending December 31, 2015 (1)															
1	First and Refunding Mortgage Bonds:														
2	Series RR 4.300%	(2) 06/01/05	06/01/35	-	\$ 50,000,000	\$ 50,000,000	\$ -	\$ 690,000	\$ 49,310,000.00	\$ 2,150,000	\$ -	\$ 35,000	\$ 2,185,000	1	
3	Series TT 8.00%	(2) 11/03/08	11/01/18	-	5,000,000	5,000,000	-	21,000	4,979,000	400,000	-	6,000	406,000	2	
4	Series UU 4.63%	(2) 09/30/09	09/01/19	-	75,000,000	75,000,000	-	324,000	74,676,000	3,473,000	-	78,000	3,551,000	3	
5	Series WW 2.625%	(2) 10/05/10	02/01/33	08/01/15	50,000,000	29,167,000	-	304,000	28,863,000	766,000	-	16,000	782,000	4	
6	Series XX 2.21%	(2) 11/01/11	11/01/16	-	50,000,000	50,000,000	-	149,000	49,851,000	1,105,000	-	112,000	1,217,000	5	
7	Series YY 3.98%	(2) 12/04/12	12/01/42	-	100,000,000	100,000,000	-	893,000	99,107,000	3,980,000	-	33,000	4,013,000	6	
8	Series ZZ 4.00%	(2) 04/18/13	02/01/33	-	50,000,000	50,000,000	-	695,000	49,305,000	2,000,000	-	40,000	2,040,000	7	
9	Series AAA 3.96%	(2) 08/01/13	08/01/43	-	220,000,000	220,000,000	-	1,674,000	218,326,000	8,712,000	-	60,000	8,772,000	8	
10	Series VV Remarketing 3.90%	(2) 07/01/14	03/01/30	-	50,000,000	50,000,000	-	866,000	49,134,000	1,950,000	-	59,000	2,009,000	9	
11	Series BBB 4.70%	(2) 10/01/14	10/01/44	-	200,000,000	200,000,000	-	1,423,000	198,577,000	9,400,000	-	49,000	9,449,000	10	
12	Series WW Remarketing 5.05%	(2) 08/01/15	02/01/33	-	50,000,000	20,833,000	-	342,000	20,491,000	1,052,000	-	22,000	1,074,000	11	
13	Series CCC 5.50%	(2) 10/01/15	10/01/45	-	150,000,000	37,500,000	-	303,000	37,197,000	2,063,000	-	12,000	2,075,000	12	
14	Sub-Total				1,050,000,000	887,500,000	-	7,684,000	879,816,000	37,051,000	-	522,000	37,573,000	13	
15	Less: Amortization of Losses on Reacquired Bonds													14	
16	Series X 6.875%	(2) 03/01/85	02/01/33	03/14/03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	15	
17	Series KK 5.000%	(2) 02/06/03	02/01/33	04/18/13	-	-	-	2,581,000	(6) (2,581,000)	-	-	147,000	(6) 147,000	16	
18	Series Y 7.50%	(2) 03/01/85	02/01/33	04/03/00	-	-	-	-	-	-	-	-	-	17	
19	Series GG Variable Rate	(2) 03/01/00	02/01/33	03/27/03	-	-	-	-	-	-	-	-	-	18	
20	Series LL 3.75%	(2) 02/20/03	02/01/33	10/04/10	-	-	-	-	-	-	-	-	-	19	
21	Series WW 2.625%	(2) 10/05/10	02/01/33	08/01/15	-	-	-	2,349,000	(7) (2,349,000)	-	-	135,000	(7) 135,000	20	
22	Series Z 7.50%	(2) 03/01/85	03/01/15	04/03/00	-	-	-	-	-	-	-	-	-	21	
23	Series HH 4.75%	(2) 03/01/00	03/01/30	08/18/10	-	-	-	-	-	-	-	-	-	22	
24	Series VV 4.75%	(2) 03/01/00	03/01/30	08/18/10	-	-	-	2,005,000	(8) (2,005,000)	-	-	137,000	(6)(8) 137,000	23	
25	Series AA 10.25%	(2) 03/01/85	06/01/35	08/01/95	-	-	-	-	-	-	-	-	-	24	
26	Series FF 6.10%	(2) 06/01/95	06/01/35	06/02/05	-	-	-	2,020,000	(9) (2,020,000)	-	-	101,000	(9) 101,000	25	
27	Series BB 8.10%	(2) 05/01/90	10/01/37	05/01/00	-	-	-	-	-	-	-	-	-	26	
28	Series II Variable Rate	(2) 03/01/00	10/01/37	11/12/03	-	-	-	-	-	-	-	-	-	27	
29	Series JJ 36% Variable Rate	(2) 03/01/00	10/01/37	10/14/03	-	-	-	-	-	-	-	-	-	28	
30	Series OO Variable Rate	(2) 10/09/03	10/01/37	08/18/11	-	-	-	1,879,000	(10) (1,879,000)	-	-	84,000	(10) 84,000	29	
31	Series BB 8.10%	(2) 05/01/90	10/01/37	05/01/00	-	-	-	-	-	-	-	-	-	30	
32	Series JJ 64% Variable Rate	(2) 03/01/00	10/01/37	10/14/03	-	-	-	-	-	-	-	-	-	31	
33	Series EE Variable Rate	(2) 12/01/93	10/01/37	10/14/03	-	-	-	-	-	-	-	-	-	32	
34	Series PP Variable Rate	(2) 10/09/03	10/01/37	04/17/08	-	-	-	1,440,000	(11) (1,440,000)	-	-	65,000	(11) 65,000	33	
35	Series DD 0.0575	(2) 12/01/93	11/01/38	12/01/03	-	-	-	1,628,000	(1,628,000)	-	-	70,000	70,000	34	
36	Series QQ (12) 4.875%	(2) 11/25/03	11/01/38	10/01/14	-	-	-	1,325,000	(1,325,000)	-	-	57,000	57,000	35	
37	Sub-Total				-	-	-	15,227,000	(15,227,000)	-	-	796,000	796,000	36	
38	Total				\$ 1,050,000,000	\$ 887,500,000	\$ -	\$ 22,911,000	\$ 864,589,000	\$ 37,051,000	\$ -	\$ 1,318,000	\$ 38,369,000	37	
39	Embedded Cost of Long-Term Debt (M / I)												4.44%	38	

Notes: (1) Based on zero months of actual data and 12 months of forecasted data.
 (2) Tax-exempt bonds.
 (3) Total costs amortized based on life of the debt.
 (4) Annualized amounts were created using the 12/31/11 amortization amounts multiplied by 12 months.
 (5) Amount based on life of the debt.
 (6) Refinancing Series combined (X and KK). Lines 16 and 17.
 (7) Refinancing Series combined (Y, GG, LL, and WW). Lines 18 through 21.
 (8) Refinancing Series combined (Z, HH, and VV). Lines 22 through 24.
 (9) Refinancing Series combined (AA and FF). Lines 25 and 26.
 (10) Refinancing Series combined (BB, JJ, JJ 36% and OO). Lines 27 through 30.
 (11) Refinancing Series combined (BB, JJ 64%, EE, and PP). Lines 31 through 34.
 (12) Peoples Gas is forecasted to refinance Series QQ in 2014 as part of the 2014 Series BBB bond issuance