



PROGRAM LEVEL COST FORECAST AND SCHEDULE MODEL

SUBMITTED TO
THE PEOPLES GAS LIGHT AND COKE COMPANY

30 NOVEMBER 2015

TOTAL PROGRAM COST	New Management Target Case (Billions)	Contingency Case Higher Restoration Costs (Billions)	Pre-Acquisition Path (Billions)
2030	\$6.83	\$8.33	\$9.41
2040	\$7.81	\$9.69	\$10.96
	<ul style="list-style-type: none"> ▪ 75% PI/Si Out of Sequence Work Credit ▪ 14% Efficiency in Contractor Labor ▪ 7.5% Construction Contingency ▪ 80% Installation Efficiency (All MP & HP) ▪ 75% Program Management Efficiency ▪ 40% Reduction in Restoration Cost 	<ul style="list-style-type: none"> ▪ 60% PI/Si Out of Sequence Work Credit ▪ 90% Installation Efficiency (All MP & HP) ▪ 85 % Program Management Efficiency ▪ 10% Reduction in Restoration Cost 	<p>Base Assumptions: Actual Program Cost to Date = \$932.0M</p> <p>Consisting of: AMRP Construction to Date = \$805.4M, Program Costs/Overheads/Etc. = \$126.6M</p> <ul style="list-style-type: none"> ▪ PI/SI Out of Sequence Work Credit = 50% ▪ Engineering Escalation = 2.10% ▪ Contractor Labor Escalation = 3.50% ▪ PGL Labor Escalation = 3.15% ▪ Material, Plastic Pipe Escalation = 1.54% ▪ Material, Steel Pipe Escalation = 3.00% ▪ Permit Escalation = 5.0% ▪ Engineering Contingency = 10% ▪ Construction Contingency = 10% ▪ Meter Installation Contingency = 10% ▪ Permit Contingency = 10% ▪ Program Management Contingency = 10% ▪ Other Program Cost Contingency = 10% ▪ Quantities and Sequencing per Neighborhood Assignments ▪ Unit Prices are Per Historical Data and Industry Standards ▪ Production Rates are Per Historical Data and Industry Standards