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March 29, 1996

IN REPLY REFER TO:

ORIGINAL
FILE COPY

Ansley Watson, Jr.
P. O. Box 1531
Tampa, Florida 33601

VIA FEDERAL EXPRESS

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

960404-GU

Re: Application for approval of new depreciation rates by PEOPLES GAS SYSTEM, INC.

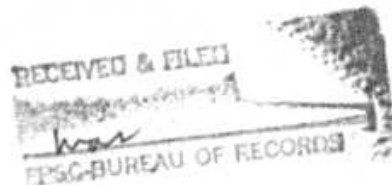
Dear Ms. Bayo:

Enclosed for filing on behalf of Peoples Gas System, Inc., please find the following:

- ① Original and 15 copies of the captioned application;
- ② Fifteen copies of the information required by paragraphs (6)(a) through (6)(f) and (6)(h) of Rule 25-7.045;
- ③ Three copies of the information required by paragraph (6)(g) of Rule 25-7.045 and
4. A computer diskette containing the captioned application in WordPerfect 5.1 format.

Please acknowledge your receipt of the enclosures (together with the docket number assigned to the application) on the duplicate copy of this letter which is also enclosed.

Thank you for your usual assistance.



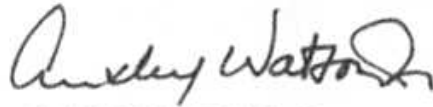
①
DOCUMENT NUMBER-DATE
03735 APR-1 86
FPSC-RECORDS/REPORTING

②
DOCUMENT NUMBER-DATE
03736 APR-1 86
FPSC-RECORDS/REPORTING

DOCUMENT NUMBER-DATE
③
03737 APR-1 86
FPSC-RECORDS/REPORTING

Blanca S. Bayo, Director
March 29, 1996
Page 2

Sincerely,

A handwritten signature in cursive script that reads "Ansley Watson, Jr." The signature is written in dark ink and is positioned above the printed name.

ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Mr. Francis J. Sivard



DEPRECIATION STUDY FOR FISCAL YEARS 1991 THROUGH 1995

Filing requirements per paragraphs (6)(a) through (6)(f) and (6)(h) of Rule 25-7.045

DOCUMENT NUMBER-DATE

03736 APR-18

FPSC-RECORDS/REPORTING

FILING REQUIREMENT 6 (a)		PEOPLES GAS SYSTEM, INC. DEPRECIATION STUDY							
PLANT ACCT#	DESCRIPTION	CURRENT AVERAGE S/L-YRS	CURRENT NET SALV. %	CURRENT DEPRC. RATE-%	PROPOSED CURVE R/L-YRS	PROPOSED NET SALV. %	PROPOSED DEPRC. RESV. %	PROPOSED R/L RATE-%	
37500	STRUCTURES AND IMPROVEMENTS	40.0	-4.00%	2.60%	31.8	-4.00%	16.13%	2.8%	
37600	MAINS-OTHER THAN PLASTIC	40.0	-25.00%	3.50%	25.4	-45.00%	42.70%	4.0%	
37602	MAINS-PLASTIC	40.0	-10.00%	2.70%	32.7	-6.00%	20.78%	2.6%	
37800	MEAS. & REG. STA. EQPT-GENERAL	31.0	-4.00%	3.70%	22.9	-4.00%	27.00%	3.4%	
37900	MEAS. & REG. STA. EQPT-CITY GATE	31.0	-4.00%	3.70%	23.9	-4.00%	27.74%	3.2%	
38000	SERVICES-OTHER THAN PLASTIC	32.0	-60.00%	6.20%	15.6	-80.00%	72.14%	6.9%	
38002	SERVICES-PLASTIC	32.0	-30.00%	4.10%	27.7	-35.00%	30.48%	3.8%	
38100	METERS	25.0	2.00%	4.40%	13.9	2.00%	52.28%	3.3%	
38200	METER INSTALLATIONS	32.0	-4.00%	3.30%	11.6	-18.00%	25.16%	8.0%	
38300	REGULATORS	28.0	0.00%	3.50%	19.0	0.00%	33.78%	3.5%	
38400	REGULATOR INSTALLATIONS	32.0	-4.00%	3.40%	12.6	-18.00%	23.86%	7.5%	
38500	INDUSTRIAL MEAS. & REG. STA. EQPT	32.0	0.00%	3.10%	24.5	0.00%	23.85%	3.1%	
38700	OTHER DISTRIBUTION EQUIPMENT	14.0	0.00%	7.20%	9.4	0.00%	33.56%	7.1%	
39100	OFFICE FURNITURE	20.0	1.00%	5.70%	15.4	1.00%	27.57%	4.6%	
39101	COMPUTER EQUIPMENT	6.0	2.00%	12.50%	4.3	2.00%	50.70%	11.0%	
39102	OFFICE MACHINES	15.0	0.00%	7.30%	9.1	4.00%	49.83%	5.1%	
39201	AUTOS & TRUCKS THRU 1 TON	7.0	10.00%	13.00%	4.7	10.00%	41.01%	10.4%	
39203	AIRPLANES	12.0	25.00%	7.10%	2.3	25.00%	68.93%	2.6%	
39204	OTHER TRANSPORTATION EQPT	20.0	0.00%	4.40%	12.3	14.00%	48.80%	3.0%	
39205	TRUCKS OVER 1 TON	11.0	5.00%	8.80%	4.6	5.00%	64.91%	6.5%	
39300	STORES EQUIPMENT	25.0	0.00%	4.90%	3.3	0.00%	57.97%	12.7%	
39400	TOOLS-SHOP & GARAGE EQUIPMENT	15.0	0.00%	6.70%	9.4	1.00%	33.59%	7.0%	
39500	LABORATORY EQUIPMENT	25.0	0.00%	4.00%	20.5	0.00%	11.05%	4.3%	
39600	POWER OPERATED EQUIPMENT	15.0	5.00%	7.60%	6.1	5.00%	58.04%	6.1%	
39700	COMMUNICATIONS EQUIPMENT	12.0	0.00%	14.70%	6.7	0.00%	68.15%	4.8%	
39800	MISCELLANEOUS EQUIPMENT	20.0	0.00%	5.40%	15.5	0.00%	21.36%	5.1%	
		CURRENT RATES EFFECTIVE: 10/01/90			PROPOSED EFFECTIVE DATE: 10/01/96				

FILING REQUIREMENT 6 (b)		PEOPLES GAS SYSTEM, INC.	
USING ESTIMATED BALANCES AS OF SEPTEMBER 30, 1996		DEPRECIATION STUDY	
PLANT ACCT#	DESCRIPTION	DEPRECIATION EXPENSE CURRENT RATE	DEPRECIATION EXPENSE PROPOSED RATE
=====			
37500	STRUCTURES AND IMPROVEMENTS	396,243.74	420,633.28
37600	MAINS-OTHER THAN PLASTIC	4,707,635.02	5,420,505.47
37602	MAINS-PLASTIC	1,925,745.78	1,861,554.25
37800	MEAS. & REG. STA. EQPT-GENERAL	71,417.67	64,854.97
37900	MEAS. & REG. STA. EQPT-CITY GATE	126,062.46	108,686.29
38000	SERVICES-OTHER THAN PLASTIC	1,911,832.51	2,130,768.17
38002	SERVICES-PLASTIC	2,268,281.75	2,085,712.74
38100	METERS	716,540.77	535,777.08
38200	METER INSTALLATIONS	440,627.93	1,068,188.93
38300	REGULATORS	179,955.60	179,441.44
38400	REGULATOR INSTALLATIONS	142,268.33	312,571.89
38500	INDUSTRIAL MEAS. & REG. STA. EQPT	197,210.23	197,846.39
38700	OTHER DISTRIBUTION EQUIPMENT	69,518.77	68,263.57
39100	OFFICE FURNITURE	161,150.88	131,182.47
39101	COMPUTER EQUIPMENT	1,828,114.10	1,608,740.41
39102	OFFICE MACHINES	43,768.92	30,398.41
39201	AUTOS & TRUCKS THRU 1 TON	1,387,692.75	1,112,289.11
39203	AIRPLANES	96,283.29	35,801.11
39204	OTHER TRANSPORTATION EQPT	9,300.24	6,383.35
39205	TRUCKS OVER 1 TON	95,779.50	71,181.58
39300	STORES EQUIPMENT	4,560.34	11,856.89
39400	TOOLS-SHOP & GARAGE EQUIPMEN	217,264.51	225,695.67
39500	LABORATORY EQUIPMENT	7,258.72	7,875.71
39600	POWER OPERATED EQUIPMENT	127,454.98	101,628.58
39700	COMMUNICATIONS EQUIPMENT	358,697.02	115,905.50
39800	MISCELLANEOUS EQUIPMENT	11,693.57	10,978.96
		17,502,364.39	17,924,722.21

FILING REQUIREMENT 6 (c)

PEOPLES GAS SYSTEM, INC.
DEPRECIATION STUDY

RECOVERY SCHEDULE CURRENTLY IN EFFECT

NONE

FILING REQUIREMENT 6 (d)			
		PEOPLES GAS SYSTEM, INC.	
		DEPRECIATION STUDY	
PLANT ACCT#	DESCRIPTION	DEPRECIATION RESERVE	THEORETICAL RESERVE
=====			
37500	STRUCTURES AND IMPROVEMENTS	(2,403,502.47)	(3,176,285.61)
37600	MAINS-OTHER THAN PLASTIC	(54,544,451.92)	(67,600,699.01)
37602	MAINS-PLASTIC	(13,611,300.63)	(12,674,283.06)
37800	MEAS. & REG. STA. EQPT-GENERAL	(501,379.08)	(504,634.07)
37900	MEAS. & REG. STA. EQPT-CITY GATE	(898,045.87)	(771,123.33)
38000	SERVICES-OTHER THAN PLASTIC	(21,987,694.02)	(28,115,632.40)
38002	SERVICES-PLASTIC	(16,107,036.59)	(14,880,491.71)
38100	METERS	(7,971,426.72)	(7,525,207.54)
38200	METER INSTALLATIONS	(3,187,382.30)	(6,277,544.60)
38300	REGULATORS	(1,654,261.40)	(1,574,311.05)
38400	REGULATOR INSTALLATIONS	(941,730.37)	(1,723,388.40)
38500	INDUSTRIAL MEAS. & REG. STA. EQPT	(1,473,918.08)	(1,448,697.01)
38700	OTHER DISTRIBUTION EQUIPMENT	(286,200.01)	(351,739.38)
39100	OFFICE FURNITURE	(736,096.74)	(607,841.53)
39101	COMPUTER EQUIPMENT	(6,830,683.69)	(6,106,036.00)
39102	OFFICE MACHINES	(293,836.91)	(222,661.85)
39201	AUTOS & TRUCKS THRU 1 TON	(4,106,787.69)	(3,718,047.80)
39203	AIRPLANES	(934,825.55)	(822,137.26)
39204	OTHER TRANSPORTATION EQPT	(97,649.64)	(66,253.33)
39205	TRUCKS OVER 1 TON	(689,919.85)	(622,649.03)
39300	STORES EQUIPMENT	(53,954.16)	(76,903.72)
39400	TOOLS-SHOP & GARAGE EQUIPMEN	(904,496.39)	(995,199.61)
39500	LABORATORY EQUIPMENT	(20,058.01)	(32,664.24)
39600	POWER OPERATED EQUIPMENT	(906,850.91)	(880,673.48)
39700	COMMUNICATIONS EQUIPMENT	(1,655,433.54)	(1,072,836.49)
39800	MISCELLANEOUS EQUIPMENT	(46,255.15)	(48,723.22)
		(142,845,177.69)	(161,896,653.71)

Filing Requirement 6 (e)

**PEOPLES GAS SYSTEM, INC.
DEPRECIATION STUDY**

The Company's objective is to provide efficient natural gas service to new and existing residential, commercial, and industrial customers within our service area so as to achieve customer satisfaction while earning an acceptable rate of return on invested capital. Our service area is comprised of thirteen separate geographical areas of the state. Each of these thirteen Divisions serves one or more franchised areas. Our Divisions are: North Miami, Tampa, St. Petersburg, Orlando, Eustis, Jacksonville, Miami, Lakeland, Daytona, Avon Park, Sarasota, West Pasco, and Palm Beach Gardens. The Company Headquarters, located in Tampa, house corporate officers and staff, who provide support for the Divisions.

Filing Requirement 6 (f)**PEOPLES GAS SYSTEM, INC.
DEPRECIATION STUDY****EXPLANATION FOR EACH CATEGORY OF DEPRECIABLE PLANT****A/C 375 - STRUCTURES AND IMPROVEMENTS**

The study indicated an average service life of 7.1 years. We feel this is grossly distorted as only minor items of property, such as heating and air-conditioning units, have been retired. We therefore propose the continued use of an average service life of 40 years as previously prescribed.

We propose the continued use of net salvage of 4% as previously prescribed and as indicated in the study.

A/C 376-00 - MAINS, OTHER THAN PLASTIC

The study indicated an average service life of 31.7 years. Mains of recent vintages have been retired due to governmental improvements at some of our divisions. This tends to shorten the average service life and is not indicative of the overall majority of steel mains. We therefore propose the use of an average service life of 40 years as previously prescribed.

The study indicated a removal cost of 60%. This increase is mainly due to Department of Transportation requirements that our mains be physically removed rather than abandoned in place. Additionally, as our growth pattern is mainly into the suburbs, we believe that in the future a smaller portion of our system will be under paving which will reduce costly surface restoration. Due to the foregoing, we propose a removal cost of 45%.

A/C 376-02 - MAINS, PLASTIC

The study indicated an average service life of 14.3 years. This is not indicative of the expected useful life of the majority of our plastic mains. We believe these mains will last at least as long as steel mains. We therefore propose an average service life of 40 years as previously prescribed.

We propose the use of removal cost of 6% as indicated in the study.

A/C 378 - MEASURING & REGULATING STATION EQUIPMENT - GENERAL

The study indicated an average service life of 12.3 years. Many minor items of property, such as temperature and pressure recorders, were retired due to upgrades in this account. We therefore propose the use of an average service life of 31 years as previously prescribed for this type of equipment.

A removal cost of 6.5% was indicated in the study which we feel is high due to the type of items being retired. We therefore propose the continued use of a removal cost of 4% as previously prescribed.

A/C 379 - MEASURING & REGULATING STATION EQUIPMENT - CITY GATE

The study indicated an average service life of 21.2 years. Many minor items of property, such as temperature, pressure and chart recorders, were retired due to upgrades in this account. We therefore propose the use of an average service life of 31 years as previously prescribed for this type of equipment.

We propose the continued use of a removal cost of 4% as previously prescribed.

A/C 380-00 - SERVICE LINES, OTHER THAN PLASTIC

The study indicated an average service life of 25.9 years. Service lines of recent vintage have been retired in some of our divisions due to demolition, upgrades and inactivity. This tends to shorten the service life and is not indicative of the overall majority of steel service lines throughout our system. Therefore, we propose the continued use of an average service life of 32 years as previously prescribed.

The study indicated a removal cost of 103.5%. We do not expect this level of removal cost to continue in the future. Surface restoration would normally occur at two locations for each service retired; one at the point of the service riser and the other at the property line or at the connection to the main. The Company has experienced the majority of its customer loss in urban areas over the last several years. The cutting and capping of services in these areas usually requires expensive pavement restoration. Additionally, as our growth pattern is mainly into the suburbs, we believe that in the future a smaller portion of our system will be under paving which will reduce costly surface restoration. Due to the foregoing, we propose the use of a removal cost of 80%.

A/C 380-02 - SERVICE LINES, PLASTIC

The study indicated an average service life of 14.8 years. This is not indicative of the expected useful life of the majority of our plastic services. As our growth pattern is mainly into the suburbs, especially upscale neighborhoods and golf course communities, we believe that these services will last longer than steel services and therefore propose an average service life of 35 years.

We propose the use of removal costs of 35% as indicated in the study.

A/C 381 - METERS

We propose the use of an average service life of 28 years as indicated in the study.

We propose the continued use of net salvage of 2% as previously prescribed and as indicated in the study.

A/C 382 - METER INSTALLATIONS

An average service life of 18.7 years was indicated in the study. Information is now available to us through enhanced software programs that allow us to track meter installations and retirements on a detailed basis. However, information on older meter installations is lacking due to our previous capitalization practices. We therefore propose the use of an average service life of 20 years.

We propose the use of removal costs of 18% as indicated in the study.

A/C 383 - REGULATORS

An average service life of 26 years was indicated in the study. We propose the continued use of an average service life of 28 years as previously prescribed.

We propose the use of net salvage of 0% as indicated in the study.

A/C 384 - REGULATOR INSTALLATIONS

An average service life of 12.7 years was indicated in the study. Information is now available to us through enhanced software programs that allow us to track regulator installations and retirements on a detailed basis. However, information on older regulator installations is lacking due to our previous capitalization practices. We therefore propose the use of an average service life of 20 years which is the same as meter installations due to their direct relationship.

The study indicated a removal cost of 21.8% for this category. We propose the use of removal costs of 18% as indicated for meter installations due to their direct relationship.

A/C 385 - INDUSTRIAL INSTALLATIONS

The study indicated an average service life of 16.5 years. Many minor items of property, such as temperature and pressure recorders, were retired due to upgrades in this account. We therefore propose the use of an average service life of 32 years as previously prescribed for this type of equipment.

We propose the continued use of net salvage of 0% as previously prescribed.

A/C 387 - OTHER DISTRIBUTION EQUIPMENT

We propose the use of an average service life of 16 years as indicated in the study.

We propose the continued use of net salvage of 0% as previously prescribed and as indicated in the study.

A/C 390 - STRUCTURES AND IMPROVEMENTS

We presently have no investment in this account. If the commission staff feels that we should establish a depreciation rate and cost of removal for this account, we would propose the same rates used for account 375.

A/C 391-00 - OFFICE FURNITURE

An average service life of 15.5 years was indicated in the study. However, many minor items of property were included in this study and tend to reduce the average service life. We therefore propose the continued use of an average service life of 20 years as previously prescribed.

We propose the continued use of net salvage of 1% as previously prescribed and as indicated in the study.

A/C 391-01 - COMPUTER EQUIPMENT

We propose the use of an average service life of 8 years as indicated in the study. This category of plant includes major software systems which tend to have a much longer service life than the hardware.

The study indicated net salvage of 0.4%, however, we expect more salvage to be realized when we sell retired hardware. We therefore propose the use of net salvage of 2%.

A/C 391-02 - OFFICE MACHINES

An average service life of 12.5 years was indicated in the study. However, many minor items of property were included in this study and tend to reduce the average service life. We therefore propose the continued use of an average service life of 15 years as previously prescribed.

We propose the use of net salvage of 4% as indicated in the study.

A/C 392-01 - AUTOS & TRUCKS THROUGH 1 TON

We propose the use of an average service life of 8 years as indicated in the study.

We propose the use of net salvage of 10% as previously prescribed.

A/C 392-03 - AIRPLANES

We have not retired any equipment from this account. However, we do anticipate the replacement of our single airplane in the near future. We therefore propose the continued use of 12 years as previously prescribed.

We propose the continued use of net salvage of 25%.

A/C 392-04 - OTHER TRANSPORTATION EQUIPMENT (TRAILERS)

The study indicated an average service life of 18.4 years. However, the retirement data is limited and may not be indicative of a proper service life. We propose the continued use of an average service life of 20 years as previously prescribed for this type of equipment.

We propose the use of net salvage of 14% as indicated in the study.

A/C 392-05 - TRUCKS OVER 1 TON

We propose the use of an average service life of 12 years as indicated in the study.

We propose the continued use of net salvage of 5% as previously prescribed and as indicated in the study.

A/C 393 - STORES EQUIPMENT

We propose the use of an average service life of 19 years as indicated in the study.

We propose the use of net salvage of 0% as indicated in the study.

A/C 394 - TOOLS, SHOP & GARAGE EQUIPMENT

An average service life of 14.4 years was indicated in the study. We propose the continued use of an average service life of 15 years as previously prescribed.

We propose the use of net salvage of 1% as indicated in the study.

A/C 395 - LABORATORY EQUIPMENT

The study indicated an average service life of 18.5 years. However, the retirement data is limited and may not be indicative of a proper service life. We propose the continued use of an average service life of 25 years as previously prescribed for this type of equipment.

We propose the use of net salvage of 0% as indicated in the study.

A/C 396 - POWER OPERATED EQUIPMENT

An average service life of 14.3 years was indicated in the study. We propose the continued use of an average service life of 15 years as previously prescribed.

We propose the use of net salvage of 5% as previously prescribed.

A/C 397 - COMMUNICATIONS EQUIPMENT

An average service life of 9.7 years was indicated in the study. Most of our communications systems have been replaced with current technology during this study period. We therefore propose the continued use of an average service life of 12 years as previously prescribed.

We propose the use of net salvage of 0% as previously prescribed.

A/C 398 - MISCELLANEOUS EQUIPMENT

The study indicated an average service life of 16.7 years. However, the retirement data is limited and may not be indicative of a proper service life for the remaining plant in this classification. We therefore propose the continued use of an average service life of 20 years as previously prescribed for this type of equipment.

We propose the use of net salvage of 0% as indicated in the study.

PEOPLES GAS SYSTEM, INC.

DEPRECIATION STUDY

FILING REQUIREMENT 6(h)

ITEMS DELETED FROM THE DEPRECIATION STUDY

PEOPLES GAS SYSTEM, INC.
 DEPRECIATION STUDY
 ITEMS DELETED FROM STUDY
 ACCT# 37400 LAND

AGE	DESCRIPTION	REASON	ORIGINAL COST	REMOVAL COST	SALVAGE
4.5	LAND-EVERGREEN AVE & 47th STREET, PARCEL #15	NON-DEPRECIABLE PLANT	8,518.25	0.00	-10,000.00
32.5	LAND-MAIN GATE STATION, 77TH AVE & 18TH WAY, ST PETE, PAR #4	NON-DEPRECIABLE PLANT	72,072.00	0.00	0.00
34.5	LAND-SPRINGFIELD, SILVER & 12TH STREET, REG STA, PARCEL #10	NON-DEPRECIABLE PLANT	1,200.00	0.00	0.00
TOTALS			81,790.25	0.00	-10,000.00

PEOPLES GAS SYSTEM, INC.
DEPRECIATION STUDY
ITEMS DELETED FROM STUDY
ACCT# 37500 STRUCTURES & IMPROVEMENTS

AGE	DESCRIPTION	REASON	ORIGINAL COST	REMOVAL COST	SALVAGE
8.5	REMOVAL COST	REYMT IN PROGRESS-RMYCOST ONLY	0.00	51.88	0.00
			-----	-----	-----
TOTALS			0.00	51.88	0.00
			-----	-----	-----

PEOPLES GAS SYSTEM, INC.
DEPRECIATION STUDY
ITEMS DELETED FROM STUDY
ACCT# 37600 MAINS - OTHER THAN PLASTIC

AGE	DESCRIPTION	REASON	ORIGINAL COST	REMOVAL COST	SALVAGE
5.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	4,596.09	0.00
8.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	2,576.21	0.00
9.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	400.38	0.00
9.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	204.71	0.00
9.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	609.61	0.00
9.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	801.01	0.00
9.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	281.51	0.00
9.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	407.13	0.00
9.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	281.51	0.00
22.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	236.32	0.00
26.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	915.92	0.00
27.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	1,551.44	0.00
27.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	230.42	0.00
34.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	84.15	0.00
35.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	9,722.28	0.00
35.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	8,524.79	0.00
35.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	350.00	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	360.01	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	10,597.72	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	281.27	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	222.67	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	317.55	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	198.56	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	3,375.66	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	449.18	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	134.01	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	8,356.09	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	1,338.67	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	579.60	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	134.44	0.00
36.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	596.71	0.00
37.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	1,325.45	0.00
60.5	MAINS - REMOVAL COST	RETMT IN PROGRESS-RMVCOST ONLY	0.00	745.67	0.00
TOTALS			0.00	60,984.74	0.00

PEOPLES GAS SYSTEM, INC.
DEPRECIATION STUDY
ITEMS DELETED FROM STUDY
ACCT# 37602 MAINS - PLASTIC

AGE	DESCRIPTION	REASON	ORIGINAL COST	REMOVAL COST	SALVAGE
	9.5 MAINS - REMOVAL COST ONLY	RETMT IN PROGRESS-RMVCOST ONLY	0.00	35.00	0.00
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TOTALS			0.00	35.00	0.00
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PEOPLES GAS SYSTEM, INC.
DEPRECIATION STUDY
ITEMS DELETED FROM STUDY
ACCT# 37800 MEASURING & REGULATING STATION EQ.-GENERAL

AGE	DESCRIPTION	REASON	ORIGINAL COST	REMOVAL COST	SALVAGE
9.5	DISTR REG STA - REMOVAL COST	RETMT IN PROGRESS-RMYCOST ONLY	0.00	2,019.87	0.00
TOTALS			0.00	2,019.87	0.00

PEOPLES GAS SYSTEM, INC.
DEPRECIATION STUDY
ITEMS DELETED FROM STUDY
ACCT# 39002 LEASEHOLD IMPROVEMENTS

AGE	DESCRIPTION	REASON	ORIGINAL COST	REMOVAL COST	SALVAGE
2.5	AIR CONDITIONING UNIT- ARKA 5 TON MODEL ACC60-00	NON-DEPRECIABLE PLANT	4,108.52	0.00	0.00
3.5	LEASEHOLD IMPROVEMENTS @ SALES OFFICE AT 509 N. FRANKLIN STR	NON-DEPRECIABLE PLANT	15,393.59	0.00	0.00
3.5	CARPET & TILE FOR DIVISION OFFICE/ 2ND FLOOR ONLY	NON-DEPRECIABLE PLANT	3,270.47	0.00	0.00
4.5	RENOVATION- 3RD FLOOR 215 E. MADISON	NON-DEPRECIABLE PLANT	88,424.55	0.00	0.00
4.5	CONSTRUCTION - MISCELLANEOUS FROM HOME DEPOT	NON-DEPRECIABLE PLANT	180.41	0.00	0.00
4.5	CONSTRUCTION - MISCELLANEOUS FROM EASTERN PIPE	NON-DEPRECIABLE PLANT	538.16	0.00	0.00
4.5	CONSTRUCTION - MISCELLANEOUS	NON-DEPRECIABLE PLANT	260.00	0.00	0.00
4.5	AIR CONDITIONER- 5TN CHILLER @ BISCAYNE OFFICE	NON-DEPRECIABLE PLANT	3,634.39	0.00	0.00
4.5	MIS RENOVATION 12 FLOOR 220 MADISON ST	NON-DEPRECIABLE PLANT	3,407.16	0.00	0.00
5.5	RENOVATE COMPUTER ROOM-215 E. MADISON	NON-DEPRECIABLE PLANT	193,188.89	0.00	0.00
5.5	ALARM SYSTEM- UPGRADE FOR BISCAYNE OFFICE	NON-DEPRECIABLE PLANT	945.91	0.00	0.00
5.5	A/C UNIT FOR DIVISION OFFICE, DOMESTIC CORP SERVEL ACC60-00	NON-DEPRECIABLE PLANT	3,491.41	0.00	0.00
5.5	RENOVATION 12TH FLOOR-222 MADISON FOR MIS DEPT MOVE	NON-DEPRECIABLE PLANT	72,599.82	0.00	0.00
6.5	BUILDING IMPROVEMENT-3 ROLLS/WALL COVERING,1085 W MAIN ST	NON-DEPRECIABLE PLANT	77.58	0.00	0.00
6.5	SECURITY SYSTEM-2300 BISCAYNE BLVD,COMMERCIAL OFFICE	NON-DEPRECIABLE PLANT	1,494.61	0.00	0.00
6.5	AIR CONDITIONING UNIT-ARKLA MOD#ACC60-00 5TON FOR SHOP OFFIC	NON-DEPRECIABLE PLANT	3,464.12	0.00	0.00
7.5	CARPET-AT 555 NE 124th STREET	NON-DEPRECIABLE PLANT	7,815.42	0.00	0.00
7.5	BUILDING IMPROVEMENT-YAZAKI 30 TON A/C,555 NE 124 STREET	NON-DEPRECIABLE PLANT	24,631.68	0.00	0.00
7.5	BUILDING IMPROVEMENT-BALTIMORE COOLING TOWER,MOD FYT-32R	NON-DEPRECIABLE PLANT	5,737.03	0.00	0.00
7.5	CONSTRUCTION - LABOR - KEITH BLALOCK	NON-DEPRECIABLE PLANT	246.00	0.00	0.00
7.5	CONSTRUCTION - MISCELLANEOUS	NON-DEPRECIABLE PLANT	310.72	0.00	0.00
7.5	CONSTRUCTION - CONTRACT LABOR & MATERIALS / RAPP CONSTRUCT	NON-DEPRECIABLE PLANT	7,606.00	0.00	0.00
7.5	CONSTRUCTION - CONTRACT LABOR & MATERIALS / RAPP CONSTRUCT	NON-DEPRECIABLE PLANT	7,606.00	0.00	0.00
7.5	CONSTRUCTION - G L RESTORATION BY S.S.K.	NON-DEPRECIABLE PLANT	1,523.00	0.00	0.00
7.5	CONSTRUCTION - MISCELLANEOUS	NON-DEPRECIABLE PLANT	99.64	0.00	0.00
8.5	BUILDING IMPROVEMENT-ROLLING SECURITY SYS,1085 W MAIN ST	NON-DEPRECIABLE PLANT	1,466.45	0.00	0.00
8.5	CONSTRUCTION - PAYROLL	NON-DEPRECIABLE PLANT	773.54	0.00	0.00
8.5	DOOR/GLASS - PARK GLASS	NON-DEPRECIABLE PLANT	185.00	0.00	0.00
8.5	CONSTRUCTION - CONTRACT LABOR & MATERIALS / RAPP CONSTRUCT	NON-DEPRECIABLE PLANT	12,549.50	0.00	0.00
8.5	CABINET DOORS - BY MICHAEL DALESSIO	NON-DEPRECIABLE PLANT	495.00	0.00	0.00
8.5	CONSTRUCTION - PAYROLL	NON-DEPRECIABLE PLANT	114.40	0.00	0.00
8.5	MISCELLANEOUS MATERIALS - BY BONNIE TILE	NON-DEPRECIABLE PLANT	395.31	0.00	0.00
8.5	MISCELLANEOUS MATERIALS - CEILING TILE	NON-DEPRECIABLE PLANT	27.55	0.00	0.00
8.5	SIGN FOR BLDG - PALM BEACH COUNTY UTILITIES	NON-DEPRECIABLE PLANT	420.00	0.00	0.00
8.5	CONSTRUCTION - LABOR - ROBERT KELLAR	NON-DEPRECIABLE PLANT	220.00	0.00	0.00
8.5	AWNINGS - AWNINGS BY JAY	NON-DEPRECIABLE PLANT	2,208.00	0.00	0.00
9.5	AWNINGS - AWNINGS BY JAY	NON-DEPRECIABLE PLANT	2,510.23	0.00	0.00
8.5	CONSTRUCTION - TILE WORK BY RANDY CROSS	NON-DEPRECIABLE PLANT	438.00	0.00	0.00
8.5	CONSTRUCTION - LABOR - ROBERT KELLAR	NON-DEPRECIABLE PLANT	445.00	0.00	0.00
8.5	CONSTRUCTION - CONTRACT LABOR & MATERIALS / RAPP CONSTRUCT	NON-DEPRECIABLE PLANT	12,729.50	0.00	0.00
8.5	FOUNTAIN - LION HEADS - BY MOULTRIE	NON-DEPRECIABLE PLANT	321.75	0.00	0.00
8.5	CONSTRUCTION - LABOR - ROBERT KELLAR	NON-DEPRECIABLE PLANT	232.00	0.00	0.00
8.5	CONSTRUCTION - LABOR - ROBERT KELLAR	NON-DEPRECIABLE PLANT	140.00	0.00	0.00
8.5	CONSTRUCTION - MISCELLANEOUS	NON-DEPRECIABLE PLANT	391.10	0.00	0.00
8.5	CONSTRUCTION - MISCELLANEOUS - PETTY CASH	NON-DEPRECIABLE PLANT	6.94	0.00	0.00
8.5	CONSTRUCTION - MISCELLANEOUS - PETTY CASH	NON-DEPRECIABLE PLANT	20.98	0.00	0.00
8.5	CONSTRUCTION - MISCELLANEOUS	NON-DEPRECIABLE PLANT	291.05	0.00	0.00
8.5	CONSTRUCTION - MISCELLANEOUS	NON-DEPRECIABLE PLANT	15.19	0.00	0.00

PEOPLES GAS SYSTEM, INC.
DEPRECIATION STUDY
ITEMS DELETED FROM STUDY
ACCT# 39002 LEASEHOLD IMPROVEMENTS

AGE	DESCRIPTION	REASON	ORIGINAL COST	REMOVAL COST	SALVAGE
8.5	CONSTRUCTION - MISCELLANEOUS FROM SCOTTY'S	NON-DEPRECIABLE PLANT	81.38	0.00	0.00
8.5	MISCELLANEOUS MATERIALS - BY BONNIE TILE	NON-DEPRECIABLE PLANT	337.45	0.00	0.00
8.5	CONSTRUCTION - TILE WORK BY RANDY CROSS	NON-DEPRECIABLE PLANT	337.55	0.00	0.00
9.5	WIRING FOR CUSTOMER INFO SYS- 555 NE 124 STREET	NON-DEPRECIABLE PLANT	7,114.04	0.00	0.00
9.5	BUILDING IMPROVEMENT-SIGN, NON-ILLUMINATED, 701 LINCOLN RD.	NON-DEPRECIABLE PLANT	2,359.24	0.00	0.00
9.5	BUILDING IMPROVEMENT-IMPROVEMENTS TO 117 S. 17th AV, HOLLYND	NON-DEPRECIABLE PLANT	23,246.15	0.00	0.00
9.5	FLOORING-CERAMIC TILE, 1363 SO FT, @ 2300 BISCAYNE BLVD	NON-DEPRECIABLE PLANT	4,828.13	0.00	0.00
10.5	POMPANO OFFICE-631 E. ATLANTIC BLVD., POMPANO BEACH	NON-DEPRECIABLE PLANT	2,977.25	0.00	0.00
10.5	BUILDING IMPROVEMENT-INSTALL 8 TELEPHONES, SAFETY & TRAINING	NON-DEPRECIABLE PLANT	10,374.99	0.00	0.00
15.5	REMODEL OFFICE-2300 BISCAYNE - A/C UNIT ARKLA APPRX '66	NON-DEPRECIABLE PLANT	1,156.00	0.00	0.00
15.5	COUNTER EXTENSION & SECURITY TV CAMERA (DUMMY)	NON-DEPRECIABLE PLANT	1,139.82	0.00	0.00
17.5	COUNTER, CUSTOM MADE - SALES OFFICE	NON-DEPRECIABLE PLANT	4,888.00	0.00	0.00
17.5	CARPET-COMM DENSYLON BUCKSKIN	NON-DEPRECIABLE PLANT	1,584.60	0.00	0.00
17.5	WALL COVERINGS VINYL	NON-DEPRECIABLE PLANT	3,409.06	0.00	0.00
17.5	REMODEL OFFICE	NON-DEPRECIABLE PLANT	4,677.52	0.00	0.00
19.5	REMODEL OFFICE-2300 BISCAYNE BLVD - ORIGINAL LEASE 1975	NON-DEPRECIABLE PLANT	16,391.79	0.00	0.00
22.5	NORTH MIAMI OFFICE-555 N.E. 124TH ST., N. MIAMI BEACH	NON-DEPRECIABLE PLANT	174,630.63	0.00	0.00
TOTALS			747,985.16	0.00	0.00

PEOPLES GAS SYSTEM, INC.
DEPRECIATION STUDY
ITEMS DELETED FROM STUDY
ACCT# 39101 COMPUTER EQUIPMENT

AGE	DESCRIPTION	REASON	ORIGINAL COST	REMOVAL COST	SALVAGE
	0.5 COMPQ LEASE-RECORDS NOT IN (SARA ACQUISITION)	CANCELLED LEASE	162,541.00	0.00	0.00
TOTALS			162,541.00	0.00	0.00