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January 10, 1997

Original
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VIA FEDERAL EXPRESS

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

Re: Docket No. 970003-GU -- Purchased Gas Adjustment (PGA) Clause
True-Up Projections and Testimony for April 1997 - March 1998.

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Peoples Gas System, Inc. ("Peoples"), please find the original and 15 copies of its Petition for Approval of PGA Factor for Application to Bills to be Rendered During the Period April 1997 Through: March 1998. *cc 392-97*

Enclosed also for filing on behalf of Peoples, please find 15 copies of the Direct Testimony of W. Edward Elliott on behalf of Peoples, as well as 15 copies of Composite Exhibit EE-2 to Mr. Elliott's testimony. *cc 393-97*

Please acknowledge your receipt and filing of the enclosures by stamping the duplicate copy of this letter which is enclosed and returning the same to the undersigned.

ACK _____ Thank you for your assistance.

AFA 2 _____

ALJ _____

CPR _____

CPW _____

ENR _____ Enclosures

EPG 1 _____

ESG _____

ETG 3 + mg _____

ETP _____

ETR _____

ETU 1 _____

WAS _____

YTH _____

Sincerely,

DAVID M. NICHOLSON

cc: Mr. Hugh M. Grey, III
Ms. Adriene W. Guidry
Mr. W. Edward Elliott
All Parties of Record

ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas :
Adjustment (PGA) True-Up :
_____ :

Docket No. 970003-GU
Submitted for Filing:
01-13-97

DIRECT TESTIMONY OF W. EDWARD ELLIOTT
On Behalf of Peoples Gas System, Inc.

ACK _____
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FPSC-RECORDS/REPORTING

1 Q. Please state your name and business address.
2 A. My name is W. Edward Elliott. My business address
3 is Suite 1600, 111 East Madison Street, Tampa,
4 Florida 33602.
5 Q. By whom are you employed and in what capacity?
6 A. I am Manager of Gas Accounting for Peoples Gas
7 System, Inc. ("Peoples").
8 Q. Please summarize your educational background and
9 professional qualifications.
10 A. I graduated from the University of South Florida in
11 1972 with the degree of Bachelor of Arts in
12 Accounting. I have over 8 years of experience in
13 the utility field.
14 Q. What are your primary responsibilities in your
15 present position with Peoples?
16 A. As Manager of Gas Accounting, I am responsible for
17 recording the Company's cost of gas.
18 Q. Have you previously testified in regulatory
19 proceedings?
20 A. Yes. I have just submitted testimony in this docket
21 for the Final PGA True-Up for the period April 1,
22 1995 through March 31, 1996.
23 Q. What is the purpose of your testimony in this
24 docket?
25 A. The purpose of my testimony is to describe

1 generally the components of Peoples' cost of
2 purchased gas, and to explain how Peoples'
3 projected weighted average cost of gas ("WACOG")
4 for the April 1997 through March 1998 period was
5 determined.

6 Q. Please summarize your testimony.

7 A. I will address the following areas:

- 8 1. How Peoples will obtain its gas
9 supplies during the projected period.
- 10 2. Estimates and adjustments used to
11 determine the amount of gas to be
12 purchased from Peoples' various available
13 sources of supply during the projected
14 period.
- 15 3. Projections and assumptions used to
16 estimate the purchase price to be paid by
17 Peoples for such gas supplies.
- 18 4. The components and assumptions used to
19 develop Schedules E-3 (A) through (G) of
20 Composite Exhibit EE-2.
- 21 5. The components and assumptions used to
22 develop Schedule E-1 of Composite
23 Exhibit EE-2, including how Peoples'
24 projected WACOG was determined.

25 Q. Have you prepared or caused to be prepared certain

1 schedules for use in this proceeding?

2 A. Yes. Composite Exhibit EE-2 was prepared by me or
3 under my supervision.

4 Q. Please describe how Peoples will obtain its gas
5 supplies during the projected period of April 1997
6 through March 1998.

7 A. All natural gas delivered through Peoples'
8 distribution system is received through two
9 interstate pipelines. Gas is delivered by Florida
10 Gas Transmission Company ("FGT") and, in Peoples'
11 Jacksonville Division, also by South Georgia
12 Natural Gas Company ("South Georgia").

13 Q. In general, how does Peoples determine its sources
14 of supply?

15 A. Peoples evaluates sources of supply on the basis of
16 its "best value" gas acquisition strategy. For a
17 source of supply to be identified as a "best
18 value," it must offer the best combination of
19 price, reliability of supply and dependable
20 operations, consistent with Peoples' obligation as
21 a public utility to provide safe, adequate and
22 efficient service to the general public. Toward
23 this end, Peoples has developed, and is continuing
24 to enhance, a portfolio of supply sources which
25 reflect a balance between cost, reliability and

1 operational flexibility. Peoples obtains its gas
2 entirely from third party supplies which include
3 both firm and interruptible purchases, various
4 pricing mechanisms and purchase periods, and
5 include spot, short term and long term
6 arrangements.

7 Q. Could Peoples purchase all third party supplies in
8 advance for a long term at the lowest available
9 fixed price in order to avoid rising gas prices and
10 provide increased stability to its cost of gas?

11 A. No. Peoples' requirements for system supply gas at
12 its gate stations vary significantly, not only from
13 season to season or month to month, but from day to
14 day as well. Often, the demand for gas on the
15 Peoples system can vary dramatically within a month
16 from the lowest to the highest requirement of its
17 customers. In addition, since Peoples transports a
18 large portion of its throughput of gas for end-user
19 customers who purchase their own supplies directly
20 from producers and marketers, Peoples receives
21 large quantities of transportation gas purchased by
22 its transportation customers for delivery to
23 Peoples' gate stations on a relatively uniform
24 basis from day to day within a month, while the
25 actual takes of gas out of the Peoples system by

1 its transporting customers at their end-use meters
2 can and does vary significantly from day to day.
3 Since a significant portion of the total
4 throughput volumes is received by Peoples at a
5 uniform daily rate, Peoples is forced to increase
6 or decrease the purchases of its own system supply
7 volumes by significant increments in order to
8 maintain a balance between receipts and deliveries
9 of gas each day. As a consequence, Peoples must
10 buy a significant portion of its total system
11 requirements under swing contract arrangements, and
12 meet extreme variations in delivered volumes by
13 relying on swing gas, peaking gas, pipeline
14 balancing charge volumes, pipeline penalty charge
15 volumes and pipeline no notice service at the
16 prevailing rates for such services.

17 Q. How did Peoples estimate the amount of gas to be
18 purchased from various sources during the projected
19 period of April 1997 through March 1998?

20 A. We began with total actual throughput of therms
21 delivered to customers during a "base period" of
22 April 1995 through March 1996, including both sales
23 of Peoples' system supply and transportation
24 deliveries of third party gas purchased by end-
25 users of Peoples. Next, all volumes purchased or

1 transported for major electric power generation
2 were deducted, since such usage is expected to be
3 delivered entirely as transportation volumes during
4 the projection period.

5 Q. What adjustments were made to the remaining actual
6 system throughput volumes?

7 A. Peoples anticipates additional end-users will be
8 converted from sales to transportation service
9 during the projection period. The total actual
10 system throughput, less major electric power
11 generation volumes, was decreased to allow for such
12 conversions to transportation. The resulting
13 remaining amount, therefore, is adjusted projected
14 period throughput.

15 Q. What other adjustments were then made?

16 A. Based on the amount of firm transportation capacity
17 expected to be used by end-users, total estimated
18 end-user transportation volumes (other than for
19 major electric generation) for the projection
20 period were deducted from the adjusted projected
21 throughput. The remaining amount represents the
22 total estimated amount of system supply volumes to
23 be purchased by Peoples from third party sources
24 for transportation through FGT and SGNG. Separate
25 estimates, based on available transportation

1 capacity, were made for the following categories of
2 purchases by Peoples:

3 1. Third party transportation volumes
4 purchased for direct delivery at the
5 South Georgia gate station near
6 Jacksonville.

7 2. Third party transportation volumes
8 purchased at various FGT receipt points
9 and transported to Peoples' gate stations
10 via firm FTS-1 and FTS-2 transportation
11 service.

12 3. Third party transportation volumes
13 purchased at various FGT receipt points
14 and transported to Peoples' gate stations
15 via preferred interruptible PTS-1
16 transportation service.

17 4. No Notice Transportation Service (NNTS),
18 FGT Balancing Charge volumes and FGT
19 Operational Flow Order Penalty Charge
20 Volumes will be utilized on FGT Alert
21 Days and Operational Flow Order Days, if
22 necessary, when Peoples is required by
23 FGT to keep actual deliveries within
24 scheduled deliveries (within tariff
25 tolerance levels).

- 1 Q. How were the No Notice Transportation Service
2 (NNTS), FGT Balancing Charge volumes and FGT
3 Penalty Charge volumes -- item 5 above -- deter
4 mined?
- 5 A. Peoples purchases its allocated quantity of NNTS
6 whether or not the service is actually used. FGT
7 Balancing Charge volumes may be purchased on as
8 many as 10 days per month during the projected
9 period.
- 10 Q. Does Peoples expect to utilize all of its available
11 firm transportation capacity during the projection
12 period?
- 13 A. That depends on the amount of gas purchased or
14 transported for electric power generation and the
15 level of market demand for firm transportation
16 capacity in the pipeline capacity release market.
17 The projection period volumes are based upon the
18 assumption that the demand for gas from such
19 markets will be relatively weak as a result of
20 lower oil prices, higher gas prices, and the
21 uncertainties inherent in forecasting demand for
22 gas for electric generation.
- 23 Q. How did you estimate the purchase price to be paid
24 by Peoples for each of its available sources of
25 supply?

- 1 A. The estimating procedures used for each category of
2 purchases by Peoples are as follows:
- 3 1. Third party direct transportation volumes
4 were estimated based on an evaluation of
5 published prices for the
6 last several years for spot gas delivered
7 to the FGT and Southern Natural Gas
8 Company ("SONAT") systems and futures
9 market prices for the projection period
10 of April 1997 through March 1998. These
11 prices were then adjusted to reflect the
12 potential for unexpected increases in
13 natural gas prices from the base period
14 to the projection period.
- 15 2. NNTS, FGT Balancing Charge and FGT
16 Penalty Charge volumes purchased from FGT
17 were estimated based on FGT's most
18 current rates on file with the FERC and
19 reasonable expectations for the possible
20 cost of gas utilized by FGT as provided
21 for in the recently effective Balancing
22 Tools Settlement.
- 23 Q. Referring to Schedules E-3 (A) through (G) of
24 Composite Exhibit EE-2, please explain the
25 components of these schedules and the assumptions

1 which were made in developing the Company's
2 projections.

3 A. Schedule E-3 (G) is a compilation of the monthly
4 data which appear on Schedules E-3 (A) through (F)
5 for the corresponding months of April 1997
6 through March 1998.

7 In Schedules E-3 (A) through (F), Column (A)
8 indicates the applicable month for all data on
9 the page.

10 In Column (B), "FGT" indicates that the
11 volumes are to be purchased from third party
12 suppliers for delivery via FGT transportation.
13 "MARKETER" indicates that the volumes are to be
14 purchased from a third party supplier for delivery
15 via SONAT and South Georgia Natural Gas ("South
16 Georgia"). "THIRD PARTY" indicates that the
17 volumes are to be purchased directly from various
18 third party suppliers for delivery into FGT or
19 SONAT.

20 In Column (C), "PGS" means the purchase will
21 be for Peoples' system supply and will become part
22 of Peoples' total WACOG. None of the costs of gas
23 or transportation for end-use purchases by end-use
24 customers of Peoples are included in Peoples'
25 WACOG.

1 In Column (D), purchases of pipeline
2 transportation services from FGT under Rate
3 Schedule FTS-1 and FTS-2 are split into two
4 components, commodity (or "usage") and demand
5 (or "reservation"). Both Peoples and end-users pay
6 the usage charge based on the actual amount of gas
7 transported. The FTS-1 and FTS-2 commodity costs
8 shown include all related transportation charges
9 including usage, fuel, ACA and GRI. The FTS-1 and
10 FTS-2 demand component is a fixed charge based on
11 the maximum daily quantity of FTS-1 and FTS-2 firm
12 transportation capacity reserved. End-users
13 reimburse Peoples or directly pay FGT for all FTS-1
14 reservation charges associated with the
15 transportation capacity which Peoples reserves and
16 uses on their behalf. Similarly, the
17 transportation rates of SONAT and South Georgia
18 also consist of two components, a usage charge and
19 a reservation charge.

20 Also in Column (D), "NO NOTICE TRANSPORTATION
21 SERVICE" (or "NNTS") means FGT's no notice service
22 provided to Peoples on a fixed charge basis for use
23 when Peoples' actual use exceeds scheduled
24 quantities. "SWING SERVICE" means the demand and
25 commodity component of the cost of third party

1 supplies purchased to meet Peoples "swing"
2 requirements for supply which fluctuate on a day-
3 to-day basis. "COMMODITY" means third party
4 purchases of gas transported on FGT, SONAT or South
5 Georgia, and does not include any purchases of
6 sales volumes from FGT.

7 Column (E) shows the monthly quantity in
8 therms of gas purchased by Peoples for each
9 category of system supply.

10 Column (F) shows the gas purchased by end-
11 users for transportation.

12 Column (G) is the total of Columns (E) and (F)
13 in each row.

14 Columns (H), (I), (J) and (K) show the
15 corresponding third party supplier commodity costs,
16 pipeline transportation commodity costs, pipeline
17 transportation reservation costs, and other charges
18 (e.g., balancing charges), respectively. These
19 costs are determined using the actual amounts paid
20 by Peoples. In the case of end-user
21 transportation, these costs are reimbursed to
22 Peoples or paid directly to FGT. All ACA, GRI and
23 fuel charges are included in the commodity costs in
24 Column (I) and, therefore, are not shown in Column
25 (K).

1 Column (L) in each row is the sum of Columns
2 (H), (I), (J) and (K) divided by Column (G).

3 Q. Referring to Schedule E-1 of Composite Exhibit EE-
4 2, please explain the components of these schedules
5 and the assumptions which were made in developing
6 the Company's projections.

7 A. Schedule E-1 consists of three pages. Page 1
8 relates to Cost of Gas Purchased, Page 2 relates to
9 Therms Purchased, and Page 3 relates to Cents per
10 Therm, or Cost of Gas Purchased divided by
11 Therms Purchased.

12 The categories or items on lines 1 through 14
13 on Page 1 correspond to the similar categories or
14 items on lines 15 through 27 on Page 2, and to the
15 similar categories or items on lines 28 through 45
16 on page 3.

17 The data shown on Page 1 through Page 3 of
18 Schedule E-1 are taken directly from Schedules E-3
19 (A) through (F) for the months of April 1997
20 through March 1998. The average cost per therm for
21 the total projected period for each item is listed
22 in lines 28 through 37 on Page 3 of Schedule E-1.

23 Q. What information is presented on Schedule E-1/R of
24 Composite Exhibit EE-2?

25 A. Schedule E-1/R of Composite Exhibit EE-2 shows

1 eight months actual and four months estimated data
2 for the current period from April 1996 through
3 March 1997.

4 Q. What information is presented on Schedule E-2 of
5 Composite Exhibit EE-2?

6 A. Schedule E-2 of Composite Exhibit EE-2 shows the
7 amount of the prior period over/underrecoveries of
8 gas costs which are included in the current PGA
9 calculation.

10 Q. What is the purpose of Schedule E-4 of Composite
11 Exhibit EE-2?

12 A. Schedule E-4 of Composite Exhibit EE-2 simply shows
13 the calculation of the estimated true-up amount for
14 the April 1996 through March 1997 period. It is
15 based on actual data for eight months and four
16 months of projected data.

17 Q. What information is contained on Schedule E-5 of
18 Composite Exhibit EE-2?

19 A. Schedule E-5 of Composite Exhibit EE-2 is
20 statistical data which includes the projected therm
21 sales and numbers of customers by customer class
22 for the period from April 1997 through March 1998.

23 Q. Does this conclude your testimony?

24 A. Yes, it does.

SCHEDULE E-1

PURCHASED GAS ADJUSTMENT

COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD

APRIL 87 THROUGH MARCH 88

1 of 2

CATEGORY	PRODUCTION												TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1. COMMUNITY Pipelines (PUT)	\$68,225	\$85,175	\$47,932	\$28,851	\$45,820	\$34,345	\$43,187	\$58,861	\$76,880	\$108,875	\$168,888	\$73,884	\$787,884
14. COMMUNITY Pipelines (SOMAT)	\$22,888	\$18,846	\$23,816	\$14,885	\$18,811	\$25,845	\$18,873	\$28,828	\$23,874	\$27,887	\$18,812	\$22,841	\$288,828
15. COMMUNITY Pipelines (SO - GA)	\$12,889	\$13,829	\$13,828	\$13,887	\$18,843	\$14,823	\$18,848	\$11,884	\$12,828	\$13,874	\$8,882	\$12,882	\$143,887
2. FUTURE SERVICE	\$41,349	\$42,719	\$41,349	\$42,719	\$42,719	\$41,349	\$42,719	\$41,349	\$42,719	\$41,349	\$42,719	\$41,349	\$482,876
3. TRUNK SERVICE	\$1,728,828	\$888,225	\$1,488,288	\$1,328,828	\$1,417,478	\$1,371,790	\$1,874,728	\$3,328,828	\$2,732,772	\$2,888,878	\$2,887,888	\$2,818,187	\$28,481,841
4. COMMUNITY Other (Third Party)	\$4,888,128	\$4,348,194	\$3,288,288	\$3,181,888	\$2,812,182	\$3,848,827	\$2,363,118	\$1,858,824	\$2,188,844	\$4,238,348	\$4,188,788	\$2,878,884	\$38,813,888
5. DEMAND (PUT)	\$2,538,882	\$1,488,847	\$1,441,788	\$1,488,782	\$1,481,888	\$1,113,282	\$2,238,288	\$2,488,288	\$2,428,122	\$2,188,884	\$2,188,884	\$2,418,828	\$24,138,811
14. DEMAND (SOMAT)	\$238,178	\$288,348	\$238,178	\$288,348	\$288,348	\$238,178	\$288,348	\$238,178	\$288,348	\$288,348	\$238,178	\$288,348	\$3,488,881
14. DEMAND (SO - GA)	\$188,853	\$188,778	\$188,282	\$188,778	\$188,778	\$188,282	\$188,778	\$188,282	\$188,778	\$188,778	\$188,282	\$188,778	\$2,418,887
6. OTHER	\$128,888	\$88,888	\$78,888	\$78,888	\$78,888	\$78,888	\$78,888	\$78,888	\$78,888	\$78,888	\$78,888	\$78,888	\$1,088,888
LESS END-USE CONTRACT													
7. COMMUNITY Pipelines (PUT)													
8. DEMAND (PUT)													
9. DEMAND (SOMAT)													
10. DEMAND (SO - GA)													
11. TOTAL COST	\$8,138,288	\$7,431,873	\$8,888,211	\$8,888,211	\$8,434,428	\$8,318,888	\$7,343,138	\$8,828,487	\$8,888,211	\$10,238,282	\$8,471,241	\$8,888,211	\$88,884,788
12. TOTAL COST													
13. COMPANY COST													
14. TOTAL COST													
15. TOTAL COST	\$8,138,288	\$7,431,873	\$8,888,211	\$8,888,211	\$8,434,428	\$8,318,888	\$7,343,138	\$8,828,487	\$8,888,211	\$10,238,282	\$8,471,241	\$8,888,211	\$88,884,788

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SCHEDULE E-1

PURCHASED GAS ADJUSTMENT

COST RECOVERY CLAUSE CALCULATION

MONTHLY ESTIMATE FOR THE PROJECTED PERIOD

APRIL 87 THROUGH MARCH 88

2 of 3

ITEM	PROJECTIONS											TOTAL	
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB		MAR
15 COMMODITY PURCHASE (P/G)	18,287,178	13,506,488	18,482,218	8,283,887	18,208,794	8,384,148	8,815,187	11,881,428	14,888,048	18,288,448	18,787,711	13,981,824	18,874,848
16a COMMODITY PURCHASE (S/MMA)	8,138,487	8,281,384	8,117,281	8,048,878	8,111,281	8,844,148	8,815,188	8,124,287	8,828,878	8,798,448	8,288,878	8,382,711	88,828,288
16b COMMODITY PURCHASE (S/G GA.)	8,808,888	8,278,888	8,378,288	8,388,888	8,888,888	8,788,188	8,888,888	8,488,888	8,888,888	8,888,888	8,288,888	8,288,888	87,888,888
18 NO NOTICE SERVICE	8,888,888	8,288,888	8,888,888	8,288,888	8,288,888	8,888,888	8,288,888	8,888,888	8,288,888	8,288,888	8,888,888	8,288,888	72,888,888
17 SPRING SERVICE	8,888,888	8,288,888	8,888,888	8,288,888	8,288,888	8,888,888	8,288,888	8,888,888	8,288,888	8,288,888	8,888,888	8,288,888	88,888,888
18 COMMODITY OMB (T/OMB P/BILITY)	18,488,888	18,211,488	11,818,218	11,288,887	18,488,284	18,522,248	8,828,787	8,817,228	7,821,228	18,188,448	18,827,711	18,828,824	128,828,318
19 DEMAND (P/G)	8,888,887	28,118,278	27,882,881	28,428,883	28,288,281	28,817,274	47,781,888	8,274,888	8,121,878	8,188,887	48,822,828	81,288,888	888,888,311
19a DEMAND (S/MMA)	8,728,843	8,828,838	8,728,843	8,828,838	8,828,838	8,728,843	8,828,838	8,728,843	8,828,838	8,828,838	8,147,884	8,828,838	188,212,288
19b DEMAND (S/G GA.)	8,828,422	8,817,888	8,828,422	8,817,888	8,817,888	8,828,422	8,817,888	8,828,422	8,817,888	8,817,888	7,884,827	8,817,888	182,822,381
20 OTHER	288,888	18,888	128,888	128,888	128,888	128,888	288,888	188,888	188,888	188,888	188,888	128,888	1,878,888
18 55 END-USE CONTRACT													
21 COMMODITY PURCHASE (P/G)													
22 DEMAND (P/G)													
23 OTHER													
24 TOTAL PURCHASES	22,287,178	18,778,888	18,788,218	18,781,887	18,288,284	18,182,248	18,878,787	17,281,428	20,878,848	24,888,448	23,887,711	20,181,824	228,828,828
25 NET UNDERLED													
26 COMPANY USE													
27 TOTAL THEORETICAL SALES (T/S)	22,287,178	18,778,888	18,788,218	18,781,887	18,288,284	18,182,248	18,878,787	17,281,428	20,878,848	24,888,448	23,887,711	20,181,824	228,828,828

SCHEDULE E-1

3 of 3

PURCHASED GAS ADJUSTMENT
 COST RECOVERY CLAUSE CALCULATION

APRIL 87 THROUGH MARCH 88

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD

PROJECTIONS

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
28 COMB. Pipeline (PGT)	0.00241	0.00467	0.00437	0.00434	0.00441	0.00427	0.00434	0.00508	0.00538	0.00553	0.00580	0.00623	0.00502
29a COMB. Pipeline (DUMAT)	0.00356	0.00356	0.00356	0.00356	0.00356	0.00356	0.00356	0.00356	0.00356	0.00356	0.00356	0.00356	0.00356
29b COMB. Pipeline (BO. CO.)	0.00211	0.00211	0.00211	0.00211	0.00211	0.00211	0.00211	0.00211	0.00211	0.00211	0.00211	0.00211	0.00211
29 NO. WHEEL SERVICE	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
30 SERVICE SERVICE	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000
31 COMB. Gas (THIRD PARTY)	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000
32 DEMAND (PGT)	0.04885	0.05342	0.05344	0.05345	0.05352	0.05359	0.04827	0.04827	0.04773	0.04714	0.04723	0.04717	0.04875
33 DEMAND (DUMAT)	0.02748	0.02831	0.02748	0.02831	0.02831	0.02748	0.02831	0.02748	0.02831	0.02831	0.02831	0.02831	0.02756
34 DEMAND (BO. CO.)	0.01818	0.01880	0.01818	0.01880	0.01880	0.01818	0.01880	0.01818	0.01880	0.01880	0.01880	0.01880	0.01848
35 OTHER	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LESS END-USE CONTRACT													
34 COMB. Pipeline (PGT)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35 DEMAND (PGT)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
36 OTHER	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37 TOTAL COST OF PURCHASES	0.42778	0.40428	0.40382	0.41063	0.42291	0.41844	0.48794	0.48872	0.44378	0.41186	0.42387	0.43815	0.43883
38 NET UNBILLED	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39 COMPANY USE	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40 TOTAL COST OF THERMS SOLD	0.42778	0.40428	0.40382	0.41063	0.42291	0.41844	0.48794	0.48872	0.44378	0.41186	0.42387	0.43815	0.43883
41 TRUE UP	(0.00018)	(0.00018)	(0.00018)	(0.00018)	(0.00018)	(0.00018)	(0.00018)	(0.00018)	(0.00018)	(0.00018)	(0.00018)	(0.00018)	(0.00018)
42 TOTAL COST OF GAS	0.42558	0.39999	0.40279	0.41045	0.41732	0.41554	0.48556	0.48554	0.43360	0.40868	0.42369	0.43597	0.43765
43 REVENUE TAX FACTOR	1.00276	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378
44 PQA FACTOR ADJUSTED FOR TAXES	0.42418	0.39765	0.40224	0.41040	0.41688	0.41280	0.48208	0.48327	0.43324	0.40794	0.42388	0.43584	0.43701
45 PQA FACTOR ADJUSTED TO MEANS TEST	0.42418	0.39765	0.40224	0.41040	0.41688	0.41280	0.48208	0.48327	0.43324	0.40794	0.42388	0.43584	0.43701

SCHEDULE 8 USE	PURCHASED GAS ADJUSTMENT												TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1. COMMUNITY Pipeline (FOT only Apr thru Nov)	\$333,481	\$286,817	\$302,817	\$256,081	\$283,907	\$278,808	\$232,281	\$253,848	\$204,182	\$222,838	\$223,819	\$228,181	\$3,084,360
1a. COMMUNITY Pipeline (SUMMER)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,822	\$12,428	\$11,222	\$12,428	\$47,908
1b. COMMUNITY Pipeline (NO. GA.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,004	\$12,000	\$10,882	\$11,000	\$48,647
2. NO NOTICE SERVICE	\$41,840	\$43,028	\$41,840	\$43,028	\$43,028	\$41,840	\$43,028	\$41,840	\$42,716	\$42,716	\$43,084	\$42,716	\$308,110
3. STAFF SERVICE	\$1,748,183	\$182,720	\$782,840	\$1,017,862	\$843,787	\$828,113	\$881,857	\$2,858,431	\$4,841,101	\$2,278,932	\$2,826,269	\$2,208,850	\$20,817,268
4. COMMUNITY Gas (TRUCK FUELITY)	\$8,887,320	\$3,384,889	\$4,283,813	\$4,888,425	\$4,185,428	\$3,120,803	\$3,708,872	\$3,872,214	\$4,388,814	\$4,388,814	\$4,548,841	\$4,848,817	\$48,882,488
5. DEMAND (FOT only Apr thru Nov)	\$3,187,737	\$2,168,285	\$2,218,888	\$2,281,268	\$2,287,248	\$2,188,831	\$3,043,473	\$3,288,227	\$2,888,888	\$2,828,888	\$2,882,882	\$2,828,879	\$31,888,728
5a. DEMAND (SOMAT)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$248,732	\$248,732	\$248,732	\$248,732	\$978,848
5b. DEMAND (NO. GA.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$188,288	\$188,288	\$172,138	\$188,288	\$677,882
6. OTHER	\$218,174	\$148,828	\$48,132	\$81,787	\$83,418	\$48,824	(\$1,888)	\$38,288	\$188,888	\$188,888	\$188,888	\$188,888	\$1,882,882
LESS FWD USE CONTRACT													
7. COMMUNITY Pipeline (FOT)	\$83,883	\$84,727	\$88,287	\$82,382	\$83,847	\$88,782	\$78,188	\$73,244	\$77,288	\$77,288	\$88,281	\$77,288	\$88,132
8. DEMAND (FOT)	\$818,247	\$808,818	\$818,887	\$818,828	\$818,888	\$818,288	\$818,814	\$818,888	\$818,888	\$818,888	\$818,888	\$818,888	\$8,888,888
9. OTHER	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11. TOTAL COST	\$11,878,288	\$8,182,441	\$8,888,287	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$108,877,842
12. NET UNBILLED	(\$1,288,482)	\$488,478	(\$818,812)	(\$128,842)	(\$128,842)	(\$128,842)	(\$128,842)	(\$128,842)	(\$128,842)	(\$128,842)	(\$128,842)	(\$128,842)	(\$1,288,482)
13. COMPANY USE	\$2,887	\$8,847	\$11,782	\$11,184	\$18,488	\$18,853	\$8,882	\$7,488	\$8,882	\$8,882	\$8,882	\$8,882	\$77,184
15. TOTAL 15.9.98 \$4.83	\$11,878,288	\$8,182,441	\$8,888,287	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$8,888,484	\$108,877,842

SCHEDULE 8 USE

PURCHASED GAS ADJUSTMENT

COST RECOVERY CLAUSE CALCULATION

REVISED ESTIMATE FOR THE PROJECTED PERIOD

APRIL 98 THROUGH MARCH 97

1 of 3

COST RECOVERY CLAUSE CALCULATION

APRIL 86 THROUGH MARCH 87

1 of 2

REVISED ESTIMATE FOR THE PROJECTED PERIOD

	ACTUAL												REVISED PROJECTION																	
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL				
15. COMMODITY PURCHASE (FUT only Apr thru Nov)	26,131,727	31,278,348	22,324,138	24,687,860	27,382,661	31,879,238	38,881,327	41,887,711	34,867,260	37,728,660	37,484,119	38,361,626	-26,244,788	34,867,260	37,728,660	37,484,119	38,361,626	34,867,260	37,728,660	37,484,119	38,361,626	34,867,260	37,728,660	37,484,119	38,361,626	34,867,260	37,728,660	37,484,119	38,361,626	
16a. COMMODITY PURCHASE (BROWNE)	0	0	0	0	0	0	0	0	8,818,066	7,386,818	8,886,184	7,386,818	20,206,868	8,818,066	7,386,818	8,886,184	7,386,818	8,818,066	7,386,818	8,886,184	7,386,818	8,818,066	7,386,818	8,886,184	7,386,818	8,818,066	7,386,818	8,886,184	7,386,818	
16b. COMMODITY PURCHASE (NO GA)	8,880,000	8,208,000	8,880,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	8,208,000	
17. STORAGE SERVICE	8,228,880	3,124,810	2,868,000	3,868,000	3,328,880	3,144,880	4,688,180	8,841,880	12,884,820	8,718,200	8,828,880	8,828,880	78,888,180	12,884,820	8,718,200	8,828,880	8,828,880	12,884,820	8,718,200	8,828,880	8,828,880	8,828,880	8,828,880	8,828,880	8,828,880	8,828,880	8,828,880	8,828,880	8,828,880	8,828,880
18. COMMODITY OWE (THIRD PARTY)	24,128,320	33,887,488	18,488,620	18,288,147	18,383,342	17,171,820	18,788,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	248,828,740	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	18,288,820	
19. DEMAND (FUT only Apr thru Nov)	88,247,248	48,227,288	48,288,880	47,888,880	48,888,880	45,888,148	55,178,127	71,828,188	68,288,820	88,288,820	8,218,270	8,218,270	22,828,288	71,828,188	8,218,270	8,218,270	8,218,270	68,288,820	88,288,820	8,218,270	8,218,270	8,218,270	8,218,270	8,218,270	8,218,270	8,218,270	8,218,270	8,218,270	8,218,270	
20. DEMAND (BROWNE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20. DEMAND (NO GA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20. OTHER	211,880	4,880	0	0	0	0	0	0	0	0	0	0	218,880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
LESS ENG USE CONTRACT	18,888,880	12,288,810	11,888,880	12,888,120	12,288,880	11,828,880	11,848,220	11,844,880	12,288,180	12,288,180	12,288,180	12,288,180	142,888,880	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	12,288,180	
21. COMMODITY PURCHASE (FUT)	13,188,380	14,848,720	13,288,380	14,328,380	14,828,810	14,888,880	14,187,281	13,828,880	18,888,781	18,888,781	18,888,781	18,888,781	188,718,180	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	18,888,781	
22. DEMAND (FUT)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23. OTHER	28,248,880	28,782,318	21,388,820	22,888,147	21,784,820	28,218,870	24,448,718	27,888,880	28,218,180	22,814,180	22,814,180	22,814,180	222,814,180	28,218,180	22,814,180	22,814,180	22,814,180	28,218,180	28,218,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	
24. TOTAL PURCHASES	22,712,287	1,888,884	(1,128,447)	(881,121)	(888,824)	822,848	282,884	822,884	0	0	0	0	11,783,821	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
25. NET UNBILLED	18,813	28,818	22,887	22,820	28,784	21,823	28,120	22,818	0	0	0	0	222,881	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
26. COMPANY USE	22,888,828	28,277,828	22,888,128	22,482,121	22,287,888	21,288,121	22,887,218	24,188,484	28,288,880	22,814,180	22,814,180	22,814,180	224,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	
27. TOTAL UNBILLED SALES (24, 25)	22,888,828	28,277,828	22,888,128	22,482,121	22,287,888	21,288,121	22,887,218	24,188,484	28,288,880	22,814,180	22,814,180	22,814,180	224,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	22,814,180	

COMPANY PEOPLES GAS SYSTEM, INC

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF APRIL 97 Through MARCH 98

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GR/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
1 APR 1997	FGT	PGS	FTS-1 COMM	10,297,178		10,297,178		\$64,769			\$0.829
1a	FGT	PGS	FTS-2 COMM	8,000,000		8,000,000		\$23,460			\$0.391
2	FGT	PGS	FTS-1 DEMAND	47,956,097		47,956,097			\$2,073,622		\$4.324
2a	FGT	PGS	FTS-2 DEMAND	8,000,000		8,000,000			\$454,380		\$7.573
3	FGT	PGS	NO NOTICE	8,000,000		8,000,000			\$41,340		\$0.689
4	THIRD PARTY	PGS	SWING SERVICE	5,850,300		5,850,300		\$1,638,084	\$87,755		\$29.500
5	MARKETER	PGS	SONAT TRANS COMM	8,138,107		8,138,107		\$22,588			\$0.368
6	MARKETER	PGS	SO GA TRANS COMM	8,000,000		8,000,000		\$12,660			\$0.211
7	MARKETER	PGS	SONAT DEMAND	8,729,843		8,729,843			\$239,170		\$2.740
8	MARKETER	PGS	SO GA DEMAND	8,533,422		8,533,422			\$155,253		\$1.819
9	THIRD PARTY	PGS	COMMODITY	18,448,878		18,448,878	\$4,605,125				\$28.000
10	FGT	PGS	BALANCING CHGS.	200,000		200,000				\$120,000	\$60.000
11 APRIL TOTAL				128,151,822		128,151,822	\$4,605,125	\$1,761,561	\$3,051,520	\$120,000	\$7.443

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COMPANY: PEOPLES GAS SYSTEM INC

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF

APRIL 97 Through MARCH 98

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRV/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 MAY 1997	FGT	PGS	FTS-1 COMM	5,446,408		5,446,408		\$34,258			\$0.629
1a	FGT	PGS	FTS-2 COMM	8,060,000		8,060,000		\$31,515			\$0.391
2	FGT	PGS	FTS-1 DEMAND	20,459,373		20,459,373			\$84,663		\$4.324
2a	FGT	PGS	FTS-2 DEMAND	8,060,000		8,060,000			\$810,384		\$7.573
3	FGT	PGS	NO NOTICE	6,200,000		6,200,000			\$42,718		\$0.689
4	THIRD PARTY	PGS	SWING SERVICE	3,255,000		3,255,000		\$911,400	\$48,825		\$29.500
5	MARKETER	PGS	SONAT TRANS COMM	5,381,304		5,381,304		\$19,840			\$0.368
6	MARKETER	PGS	SO GA TRANS COMM	5,270,000		5,270,000		\$11,120			\$0.211
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$255,380		\$2.831
8	MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869			\$165,776		\$1.880
9	THIRD PARTY	PGS	COMMODITY	15,521,408		15,521,408	\$4,345,994				\$28.000
10	FGT	PGS	BALANCING CHGS.	100,000		100,000				\$60,000	\$60.000
11 MAY TOTAL				95,602,201		95,602,201	\$4,345,994	\$1,008,132	\$2,007,746	\$80,000	\$7.763

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COMPANY PEOPLES GAS SYSTEM, INC.

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF

APRIL 97 Through MARCH 98

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) Through (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRI/FUEL	(L) TOTAL CENTS PER TERM
							THIRD PARTY	PIPELINE			
1 JUN 1997	FGT	PGS	FTS-1 COMM	2,692,218		2,692,218		\$16,834			\$0.829
1a	FGT	PGS	FTS-2 COMM	7,800,000		7,800,000		\$30,498			\$0.391
2	FGT	PGS	FTS-1 DEMAND	19,682,569		19,682,569			\$851,074		\$4.324
2a	FGT	PGS	FTS-2 DEMAND	7,800,000		7,800,000			\$590,694		\$7.573
3	FGT	PGS	NO NOTICE	6,000,000		6,000,000			\$41,340		\$0.689
4	THIRD PARTY	PGS	SWING SERVICE	4,950,000		4,950,000		\$1,388,000	\$74,250		\$29.500
5	MARKETER	PGS	SONAT TRANS COMM	6,417,391		6,417,391		\$23,616			\$0.368
6	MARKETER	PGS	SO GA TRANS COMM	6,273,000		6,273,000		\$13,236			\$0.211
7	MARKETER	PGS	SONAT DEMAND	8,729,843		8,729,843			\$239,170		\$2.740
8	MARKETER	PGS	SO GA DEMAND	8,533,422		8,533,422			\$155,253		\$1.819
9	THIRD PARTY	PGS	COMMODITY	11,815,216		11,815,216	\$3,308,260				\$28.000
10	FGT	PGS	BALANCING CHGS.	125,000		125,000				\$75,000	\$60.000
11 JUNE TOTAL				90,818,658		90,818,658	\$3,308,260	\$1,470,284	\$1,651,782	\$75,000	\$7.493

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COMPANY: PEOPLES GAS SYSTEM, INC.

TRANSPORTATION PURCHASES

SCHEDULE E-3

SYSTEM SUPPLY AND END USE

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 97 Through MARCH 98

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRI/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 JUL 1997	FGT			
1a	FGT	PGS	FTS-2 COMM	8,060,000		8,060,000		531,515		\$0.391	
2	FGT	PGS	FTS-1 DEMAND	20,360,053		20,360,053			\$880,369	\$4.324	
2a	FGT	PGS	FTS-2 DEMAND	8,060,000		8,060,000			\$610,384	\$7.573	
3	FGT	PGS	NO NOTICE	8,200,000		8,200,000			\$42,718	\$0.689	
4	THIRD PARTY	PGS	SWING SERVICE	4,495,000		4,495,000		\$1,258,600	\$67,425	\$29.500	
5	MARKETER	PGS	SONAT TRANS COMM	6,545,878		6,545,878		\$24,088		\$0.368	
6	MARKETER	PGS	SO GA TRANS COMM	6,398,400		6,398,400		\$13,501		\$0.211	
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$255,380	\$2.831	
8	MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869			\$165,776	\$1.880	
9	THIRD PARTY	PGS	COMMODITY	11,256,997		11,256,997	\$3,151,959			\$28.000	
10	FGT	PGS	BALANCING CHGS.	125,000		125,000				\$75,000	\$60.000
11 JULY TOTAL				90,633,432		90,633,432	\$3,151,959	\$1,335,840	\$2,022,052	\$75,000	\$7.265

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COMPANY: PEOPLES GAS SYSTEM, INC

TRANSPORTATION PURCHASES

SCHEDULE E-3

SYSTEM SUPPLY AND END USE

ESTIMATED FOR THE PROJECTED PERIOD OF

APRIL 97 Through MARCH 98

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRV/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 AUG 1997	FGT	PGS	FTS-1 COMM	2,148,784		2,148,784		\$13,518			\$1.829
1a	FGT	PGS	FTS-2 COMM	8,060,000		8,060,000		\$31,515			\$0.391
2	FGT	PGS	FTS-1 DEMAND	20,148,281		20,148,281			\$871,211		\$4.324
2a	FGT	PGS	FTS-2 DEMAND	8,060,000		8,060,000			\$810,384		\$7.573
3	FGT	PGS	NO NOTICE	6,200,000		6,200,000			\$42,718		\$0.689
4	THIRD PARTY	PGS	SWING SERVICE	4,805,000		4,805,000		\$1,345,400	\$72,075		\$29.500
5	MARKETER	PGS	SONAT TRANS COMM	5,111,591		5,111,591		\$18,811			10.368
6	MARKETER	PGS	SO GA TRANS COMM	4,996,580		4,996,580		\$10,543			\$0.211
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$255,380		\$2.831
8	MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869			\$185,778		\$1.880
9	THIRD PARTY	PGS	COMMODITY	10,400,364		10,400,364	\$2,912,102				\$28.000
10	FGT	PGS	BALANCING CHGS.	125,000		125,000				\$75,000	\$60.000
11 AUGUST TOTAL				87,894,287		87,894,287	\$2,912,102	\$1,419,784	\$2,017,543	\$75,000	\$7.309

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COMPANY PEOPLES GAS SYSTEM, INC

TRANSPORTATION PURCHASES

SCHEDULE E 3

SYSTEM SUPPLY AND END USE

ESTIMATED FOR THE PROJECTED PERIOD OF

APRIL 97 Through MARCH 98

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRI/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 SEP 1997	FGT			
1a	FGT	PGS	FTS-2 COMM	7,800,000		7,800,000		\$30,498		\$0.391	
2	FGT	PGS	FTS-1 DEMAND	19,017,324		19,017,324			\$822,309	\$4.324	
2a	FGT	PGS	FTS-2 DEMAND	7,800,000		7,800,000			\$590,694	\$7.573	
3	FGT	PGS	NO NOTICE	6,000,000		6,000,000			\$41,340	\$0.689	
4	THIRD PARTY	PGS	SWING SERVICE	4,650,000		4,650,000		\$1,302,000	\$69,750	\$29.500	
5	MARKETER	PGS	SONAT TRANS COMM	6,944,348		6,944,348		\$25,555		\$0.368	
6	MARKETER	PGS	SO GA TRANS COMM	6,788,100		6,788,100		\$14,323		\$0.211	
7	MARKETER	PGS	SONAT DEMAND	8,729,843		8,729,843			\$239,170	\$2.740	
8	MARKETER	PGS	SO GA DEMAND	8,533,422		8,533,422			\$155,253	\$1.819	
9	THIRD PARTY	PGS	COMMODITY	10,502,240		10,502,240	\$2,940,627			\$28.000	
10	FGT	PGS	BALANCING CHGS.	125,000		125,000				\$75,000	\$60.000
11 SEPTEMBER TOTAL				87,454,417		87,454,417	\$2,940,627	\$1,375,925	\$1,918,518	\$75,000	\$7.215

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TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

ESTIMATED FOR THE PROJECTED PERIOD OF												
APRIL 97 Through MARCH 98												
(A)	(B)	(C)	(D)	(E)	(F)	(G)	COMMODITY COST		(J)	(K)	(L)	
							THIRD PARTY	PIPELINE				
MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	TOTAL PURCHASED			DEMAND COST	OTHER CHARGES ACA/GRU/FUEL	TOTAL CENTS PER THERM	
1	OCT 1997	FGT	PGS	FTS-1 COMM	1,855,767		1,855,767		\$11,673		\$0.629	
1a		FGT	PGS	FTS-2 COMM	8,060,000		8,060,000		\$31,515		\$0.391	
2		FGT	PGS	FTS-1 DEMAND	39,731,880		39,731,880		\$1,718,006		\$4.324	
2a		FGT	PGS	FTS-2 DEMAND	8,060,000		8,060,000		\$610,384		\$7.573	
3		FGT	PGS	NO NOTICE	6,200,000		6,200,000		\$42,718		\$0.689	
4		THIRD PARTY	PGS	SWING SERVICE	6,355,000		6,355,000		\$1,779,400	\$95,325	\$29.500	
5		MARKETER	PGS	SONAT TRANS COMM	5,074,169		5,074,169		\$18,673		\$0.368	
6		MARKETER	PGS	SO GA TRANS COMM	4,930,000		4,960,000		\$10,466		\$0.211	
7		MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838		\$255,380		\$2.831	
8		MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869		\$165,776		\$1.880	
9		THIRD PARTY	PGS	COMMODITY	8,520,767		8,520,767	\$2,385,815			\$28.000	
10		FGT	PGS	BALANCING CHGS.	200,000		200,000			\$120,000	\$60.000	
11 OCTOBER TOTAL					106,856,290		106,856,290	\$2,385,815	\$1,851,728	\$2,687,589	\$120,000	\$6.780

COMPANY PEOPLES GAS SYSTEM, INC

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF APRIL 97 Through MARCH 98

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) & (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRI/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
1 NOV 1997	FGT	PGS	FTS-1 COMM	5,801,428		5,801,428		\$36,491			\$0.829
14	FGT	PGS	FTS-2 COMM	6,000,000		6,000,000		\$23,460			\$0.391
2	FGT	PGS	FTS-1 DEMAND	46,274,908		46,274,908			\$2,000,927		\$4.324
24	FGT	PGS	FTS-2 DEMAND	6,000,000		6,000,000			\$454,380		\$7.573
3	FGT	PGS	NO NOTICE	6,000,000		6,000,000			\$41,340		\$0.689
4	THIRD PARTY	PGS	SWING SERVICE	11,284,200		11,284,200		\$3,159,576	\$169,263		\$29.500
5	MARKETER	PGS	SONAT TRANS COMM	5,524,297		5,524,297		\$20,329			\$0.368
6	MARKETER	PGS	SO GA TRANS COMM	5,400,000		5,400,000		\$11,394			\$0.211
7	MARKETER	PGS	SONAT DEMAND	8,729,843		8,729,843			\$239,170		\$2.740
8	MARKETER	PGS	SO GA DEMAND	8,533,422		8,533,422			\$155,253		\$1.819
9	THIRD PARTY	PGS	COMMODITY	5,917,228		5,917,228	\$1,656,824				\$28.000
10	FGT	PGS	BALANCING CHGS.	100,000		100,000				\$60,000	\$60.000
11 NOVEMBER TOTAL				115,565,328		115,565,328	\$1,656,824	\$3,251,250	\$3,080,333	\$60,000	\$6.947

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COMPANY PEOPLES GAS SYSTEM, INC

TRANSPORTATION PURCHASES

SCHEDULE E-3

SYSTEM SUPPLY AND END USE

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 97 Through MARCH 98

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GR/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 DEC 1997	FGT			
1a	FGT	PGS	FTS-2 COMM	6,200,000		6,200,000		\$24,242		\$0.391	
2	FGT	PGS	FTS-1 DEMAND	46,921,079		46,921,079			\$2,028,867	\$4.324	
2a	FGT	PGS	FTS-2 DEMAND	6,200,000		6,200,000			\$469,526	\$7.573	
3	FGT	PGS	NO NOTICE	6,200,000		6,200,000			\$42,718	\$0.689	
4	THIRD PARTY	PGS	SWING SERVICE	12,654,820		12,654,820		\$3,543,350	\$189,822	\$29.500	
5	MARKETER	PGS	SONAT TRANS COMM	6,025,575		6,025,575		\$22,174		\$0.368	
6	MARKETER	PGS	SO GA TRANS COMM	5,890,000		5,890,000		\$12,428		\$0.211	
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$255,380	\$2.831	
8	MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869			\$165,776	\$1.880	
9	THIRD PARTY	PGS	COMMODITY	7,821,228		7,821,228	\$2,189,944			\$28.000	
10	FGT	PGS	BALANCING CHGS.	150,000		150,000				\$90,000	\$80.000
11	DECEMBER TOTAL			124,287,458		124,287,458	\$2,189,944	\$3,654,912	\$3,152,089	\$90,000	\$7.311

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COMPANY PEOPLES GAS SYSTEM, INC

TRANSPORTATION PURCHASES

SCHEDULE E-3

SYSTEM SUPPLY AND END USE

ESTIMATED FOR THE PROJECTED PERIOD OF

APRIL 97 Through MARCH 98

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRV/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1	JAN 1998	FGT	PGS	FTS-1 COMM		13,089,448		\$82,333			\$0.829
1a		FGT	PGS	FTS-2 COMM		6,200,000		\$24,242			\$0.381
2		FGT	PGS	FTS-1 DEMAND		45,388,687			\$1,962,607		\$4.324
2a		FGT	PGS	FTS-2 DEMAND		6,200,000			\$469,526		\$7.573
3		FGT	PGS	NO NOTICE		6,200,000			\$42,718		\$0.689
4		THIRD PARTY	PGS	SWING SERVICE		9,765,000		\$2,734,200	\$146,475		\$29.500
5		MARKETER	PGS	SONAT TRANS COMM		5,708,440		\$21,007			\$0.368
6		MARKETER	PGS	SO GA TRANS COMM		5,580,000		\$1,1774			\$0.211
7		MARKETER	PGS	SONAT DEMAND		9,020,838			\$255,380		\$2.831
8		MARKETER	PGS	SO GA DEMAND		8,817,869			\$165,776		\$1.880
9		THIRD PARTY	PGS	COMMODITY		15,104,448	\$4,229,245				\$28.000
10		FGT	PGS	BALANCING CHGS.		150,000				\$90,000	\$60.000
11	JANUARY TOTAL					131,224,727	\$4,229,245	\$2,873,555	\$3,042,482	\$90,000	\$7.800

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SYSTEM SUPPLY AND END USE

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 97 Through MARCH 98

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRI/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 FEB 1998	FGT	PGS	FTS-1 COMM	13,697,711		13,697,711		\$86,159			\$0.629
1a	FGT	PGS	FTS-2 COMM	5,600,000		5,600,000		\$21,896			\$0.391
2	FGT	PGS	FTS-1 DEMAND	40,023,030		40,023,030			\$1,730,586		\$4.324
2a	FGT	PGS	FTS-2 DEMAND	5,600,000		5,600,000			\$424,088		\$7.573
3	FGT	PGS	NO NOTICE	5,600,000		5,600,000			\$38,584		\$0.689
4	THIRD PARTY	PGS	SWING SERVICE	8,820,000		8,820,000		\$2,469,600	\$132,300		\$29.500
5	MARKETER	PGS	SONAT TRANS COMM	4,296,675		4,296,675		\$15,812			\$0.368
6	MARKETER	PGS	SO GA TRANS COMM	4,200,000		4,200,000		\$8,662			\$0.211
7	MARKETER	PGS	SONAT DEMAND	8,147,854		8,147,854			\$208,343		\$2.557
8	MARKETER	PGS	SO GA DEMAND	7,984,527		7,984,527			\$135,243		\$1.698
9	THIRD PARTY	PGS	COMMODITY	14,677,711		14,677,711	\$4,109,759				\$28.000
10	FGT	PGS	BALANCING CHGS.	150,000		150,000				\$90,000	\$60.000
11 FEBRUARY TOTAL				118,777,508		118,777,508	\$4,109,759	\$2,602,328	\$2,669,154	\$90,000	\$7.974

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COMPANY PEOPLES GAS SYSTEM, INC

TRANSPORTATION PURCHASES

SCHEDULE E-3

SYSTEM SUPPLY AND END USE

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 97 Through MARCH 98

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GR/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 MAR 1998	FGT	PGS	FTS-1 COMM	7,761,824		7,761,824		\$48,822			\$0.828
1 ^a	FGT	PGS	FTS-2 COMM	6,200,000		6,200,000		\$24,242			\$0.391
2	FGT	PGS	FTS-1 DEMAND	45,095,060		45,095,060			\$1,949,910		\$4.324
2 ^a	FGT	PGS	FTS-2 DEMAND	6,200,000		6,200,000			\$469,526		\$7.573
3	FGT	PGS	NO NOTICE	6,200,000		6,200,000			\$42,718		\$0.689
4	THIRD PARTY	PGS	SWING SERVICE	9,525,990		9,525,990		\$2,667,277	\$142,890		\$29.500
5	MARKETER	PGS	SONAT TRANS COMM	6,342,711		6,342,711		\$23,341			\$0.368
6	MARKETER	PGS	SO GA TRANS COMM	6,200,000		6,200,000		\$13,082			\$0.211
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$255,380		\$2.831
8	MARKETER	PGS	SO GA DEMAND	8,817,889		8,817,889			\$165,776		\$1.880
9	THIRD PARTY	PGS	COMMODITY	10,635,834		10,635,834	\$2,978,034				\$28.000
10	FGT	PGS	BALANCING CHGS.	120,000		120,000				\$72,000	\$60.000
11 MARCH TOTAL				122,120,127		122,120,127	\$2,978,034	\$2,778,764	\$3,026,200	\$72,000	\$7.249

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ESTIMATED FOR THE PROJECTED PERIOD APRIL 97 through MARCH 98

	PRIOR PERIOD APR 95 - MAR 96			CURRENT PERIOD APR 96 - MAR 97	
	(1) 8 MOS ACT 4 MOS REVISED EST	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) 8 MOS ACT 4 MOS REVISED EST	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$	\$95,970,891	\$103,047,078	\$7,076,187	\$110,726,613	\$117,802,800
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	(\$6,527,829)	(\$7,267,237)	(\$739,408)	\$1,126,429	\$387,021
2a MISCELLANEOUS ADJUSTMENTS	\$571,531	\$571,531	\$0	\$684,053	\$684,053
3 INTEREST PROVISION FOR THIS PERIOD	\$65,524	\$73,141	\$7,617	\$89,216	\$96,833
4 END OF PERIOD TOTAL NET TRUE-UP	(\$5,890,774)	(\$8,622,565)	(\$731,791)	\$1,899,698	\$1,167,907

NOTE EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM CURRENT PERIOD SCHEDULE (E-2)

COLUMN (1) SAME AS COL (4) PRIOR PERIOD SCHEDULE (E-4)	<u>TOTAL TRUE-UP \$</u>	equals	CENTS PER THERM TRUE-UP
COLUMN (2) DATA OBTAINED FROM MAR 95 SCHEDULE (A-2)	PROJ. TH. SALES		
LINE 4 COLUMN (2) SAME AS LINE 7 SCHEDULE (A-7)			
LINE 4 COLUMN (3) SAME AS LINE 9 SCHEDULE (A-7)	<u>\$1,167,907</u>	equals	0.00519
LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)	225,030,625		
LINE 2a COLUMN (4) SAME AS LINES 10a+11a SCHEDULE (E-2)			
LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)			
LINE 4 COLUMN (5) SAME AS LINE 12 SCHEDULE (E-2)			

