

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DIRECT TESTIMONY

3 OF

4 W. EDWARD ELLIOTT

5
6 **Q.** Please state your name and business address.

7
8 **A.** My name is W. Edward Elliott. My business address is 702
9 N. Franklin Street, P. O. Box 2562, Tampa, Florida 33601-
10 2562.

11
12 **Q.** By whom are you employed and in what capacity?

13
14 **A.** I am Manager of Gas Accounting for Peoples Gas System
15 ("Peoples" or "Company"), a division of Tampa Electric
16 Company.

17
18 **Q.** Please summarize your educational background and
19 professional qualifications.

20
21 **A.** I graduated from the University of South Florida in 1972
22 with the degree of Bachelor of Arts in Accounting. I
23 have over 16 years of experience in the utility field.

24
25 **Q.** What are your primary responsibilities in your present

1 position with Peoples?

2

3 **A.** As Manager of Gas Accounting, I am responsible for
4 recording the Company's costs for natural gas and
5 upstream pipeline capacity and preparing filings
6 associated with the recovery of these costs through the
7 Purchased Gas Adjustment ("PGA").

8

9 **Q.** Have you previously testified in regulatory proceedings
10 before this Commission?

11

12 **A.** Yes. I have submitted testimony on several occasions
13 supporting Peoples' Purchased Gas Adjustment.

14

15 **Q.** What is the purpose of your testimony in this docket?

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17 **A.** The purpose of my testimony is to describe generally the
18 components of Peoples' cost of purchased gas and upstream
19 pipeline capacity. In my testimony, I also explain how
20 Peoples' projected weighted average cost of gas ("WACOG")
21 for the January 2005 through December 2005 period was
22 determined and the resulting requested maximum PGA
23 ("Cap").

24

25 **Q.** Please summarize your testimony.

1

2 **A.** I will address the following areas:

1. How Peoples will obtain its gas supplies during the projected period.

2. Estimates and **adjustments** used to determine the amount of gas to be purchased from Peoples' various available sources of supply during the projected period.

10 3. Projections and assumptions used to estimate the
11 purchase price to be paid by Peoples for such gas
12 supplies.

13 The components and assumptions used to develop Peoples'
14 projected WACOG.

15

16 **Q.** What is the appropriate final purchased gas adjustment
17 true-up amount for the period January 2003 through
18 December 2003?

19

20 **A.** The final PGA true-up amount for the year 2003 is an
21 underrecovery of \$7,268,762.

22

23 **Q.** What is the estimated purchased gas adjustment true-up
24 amount for the period January 2004 through December 2004?

25

1 **A.** The estimated PGA true-up amount for 2004 is an
2 overrecovery of \$10,448,229.

3
4 **Q.** What is the total purchased gas adjustment true-up amount
5 to be collected during the period January 2005 through
6 December 2005?

7
8 **A.** The total PGA true-up amount to be collected in 2005 is
9 an overrecovery of \$3,179,465.

10
11 **Q.** Have you prepared or caused to be prepared certain
12 schedules for use in this proceeding?

13
14 **A.** Yes. Composite Exhibit EE-2 was prepared by me or under
15 my supervision.

16
17 **Q.** Please describe how Peoples will obtain its gas supplies
18 during the projected period of January 2005 through
19 December 2005.

20
21 **A.** All natural gas delivered through Peoples' distribution
22 system is received through three interstate pipelines.
23 Gas is delivered through Florida Gas Transmission Company
24 ("FGT"), in Peoples' Jacksonville Division, through
25 Southern Natural Gas Company ("SONAT") and South Georgia

1 Natural Gas Company ("South Georgia") and in Peoples'
2 Highlands, Tampa, and Orlando Divisions, gas is delivered
3 through Gulfstream Natural Gas System ("Gulfstream").
4 Receiving gas supply through multiple interstate pipelines
5 provides valuable flexibility and reliability to serve
6 customers.

7
8 **Q.** In general, how does Peoples determine its sources of
9 supply?

10
11 **A.** Peoples evaluates, selects and utilizes sources of natural
12 gas supply on the basis of its "best value" gas
13 acquisition strategy. For a source of supply to be
14 identified as a "best value," it must offer the best
15 combination of price, reliability of supply, flexibility
16 and dependable operations, consistent with Peoples'
17 obligation as a public utility to provide safe, adequate
18 and efficient service to the general public. Through a
19 competitive bidding process, Peoples has a portfolio of
20 supply sources from numerous third-party suppliers that
21 reflect balance between cost, reliability and operational
22 flexibility.

23
24 **Q.** Could Peoples purchase all third party supplies in
25 advance for a long term at the lowest available fixed

1 price in order to provide increased stability to its
2 cost of gas?

3
4 **A.** No. Peoples' quantity requirements for system supply gas
5 vary significantly from year to year, season to season,
6 month to month and, in particular, from day to day.
7 Often, the demand for gas on the Peoples system can vary
8 dramatically within a month from the lowest to the highest
9 requirement of its customers. In addition, Peoples'
10 transportation throughput will continue to increase during
11 the projected period as approximately 150 customers per
12 month are continuing to transfer from sales service to
13 transportation service under the NaturalChoice program.
14 The actual take of gas out of the Peoples system by those
15 same transporting customers varies significantly from day
16 to day. **Since significant portions of the total**
17 **transportation volumes are received by Peoples at a**
18 **uniform daily rate, Peoples is forced to increase or**
19 **decrease the volumes purchased for its own system supply**
20 **by significant increments in order to maintain a balance**
21 **between receipts and deliveries of gas each day. As a**
22 **consequence, Peoples must buy a portion of its total**
23 **system requirements under swing contract arrangements, and**
24 **meet extreme variations in delivered volumes by relying on**
25 **swing gas, peaking gas, pipeline balancing charge volumes,**

1 pipeline penalty charge volumes and pipeline no notice
2 service at the prevailing rates for such services.

3

4 **Q.** How did Peoples estimate the amount of gas to be
5 purchased from various sources during the projected
6 period of January 2005 through December 2005?

7

8 **A.** Peoples' projected gas purchases are based on the
9 Company's preliminary total throughput of therms
10 delivered to customers projected for 2005, including both
11 sales of Peoples' system supply and transportation
12 deliveries of third party gas purchased by end-users of
13 Peoples. Then, the throughput is adjusted for the
14 anticipated level of transportation service, including
15 the anticipated conversions under the approved
16 NaturalChoice program.

17

18 **Q.** How are Swing Service revenues accounted for through the
19 PGA?

20

21 **A.** Customers who participate in the NaturalChoice program
22 pay a Swing Service Charge. The Swing Service Charge
23 covers costs included in the PGA for balancing the
24 difference between marketer-supplied gas and the
25 customers' actual consumption. The revenues from the

1 Swing Service Charge are credited to the PGA to offset
2 this expense.

3
4 **Q.** Is Peoples seeking a change in the Swing Service Charge?

5
6 **A.** Not at this time. However, to the extent a portion of
7 the swing costs are assigned to the PGA, Peoples may seek
8 to readdress its Swing Service Charge expenses and the
9 allocation thereof in a subsequent docket before the
10 Commission. This is because on November 1, 2004, Peoples
11 will begin its fifth year of making transportation
12 service available to all non-residential customers
13 pursuant to Commission Order No. PSC-00-1814-TRF-GU,
14 issued October 4, 2000. Over the past four years, both
15 the number of transportation customers and the volumes of
16 natural gas tendered to Peoples for transportation have
17 increased dramatically. This continued migration has
18 increased the amount of natural gas the Company purchases
19 to cover all customers' seasonal, weekly, and daily
20 peaks. Therefore, the increased expenses associated with
21 the provision of Swing Service may need to be
22 recalculated and allocated based on current costs and
23 transportation service levels.

24
25 **Q.** How did you estimate the purchase price to be paid by

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Peoples for each of its available sources of gas supply?

A. The price paid for natural gas is estimated based on an evaluation of published prices for the last several years for spot gas delivered to the FGT and SONAT systems, futures contracts as reported on the New York Mercantile Exchange and industry forecasts of market prices for the projection period of January 2005 through December 2005. These prices are then adjusted to reflect the potential for unexpected increases particularly in the monthly and daily market for natural gas prices in the projection period.

Q. Referring to Schedules E-3 (A) through (G) of Composite Exhibit EE-2, please explain the components of these schedules and the assumptions that were made in developing the Company's projections.

A. Schedule E-3 (G) is a compilation of the monthly data that appears on Schedules E-3 (A) through (F) for the corresponding months of January 2005 through December 2005. In Schedules E-3 (A) through (F), Column (A) indicates the applicable month for all data on the page.

In Column (B), "FGT" indicates that the volumes are to

1 be purchased from third party suppliers for delivery
2 via FGT interstate pipeline transportation.
3 "SONAT/SOUTH GEORGIA" indicates that the volumes are to
4 be purchased from a third party supplier for delivery
5 via SONAT and South Georgia interstate pipeline
6 transportation. "GULFSTREAM" indicates that the
7 volumes are to be purchased from a third party supplier
8 for delivery via Gulfstream interstate pipeline
9 transportation. "THIRD PARTY" indicates that the
10 volumes are to be purchased directly from various third
11 party suppliers for delivery into FGT, SONAT/South
12 Georgia, or Gulfstream.

13
14 In Column (C), "PGS" means the purchase will be for
15 Peoples' system supply and will become part of Peoples'
16 total WACOG. None of the costs of gas or transportation
17 for end-use purchases by end-use customers of Peoples are
18 included in Peoples' WACOG.

19
20 In Column (D), purchases of pipeline transportation
21 services from FGT under Rate Schedules FTS-1 and FTS-2
22 are split into two components, commodity (or "usage") and
23 demand (or "reservation"). Both Peoples and end-users
24 pay the usage charge based on the actual amount of gas
25 transported. The FTS-1 and FTS-2 commodity costs shown

1 include all related transportation charges including
2 usage, fuel and ACA charges. The FTS-1 and FTS-2 demand
3 component is a fixed charge based on the maximum daily
4 quantity of FTS-1 and FTS-2 firm transportation capacity
5 reserved. End-users reimburse Peoples or directly pay
6 FGT for all pipeline reservation charges associated with
7 the transportation capacity that Peoples reserves and
8 uses on their behalf. Similarly, the transportation
9 rates of SONAT and South Georgia and Gulfstream also
10 consist of two components, a usage charge and a
11 reservation charge.

12
13 Also in Column (D), "NO NOTICE TRANSPORTATION SERVICE"
14 (or "NNTS") means FGT's no notice service provided to
15 Peoples on a fixed charge basis for use when Peoples'
16 actual use exceeds scheduled quantities. "SWING SERVICE"
17 means the demand and commodity component of the cost of
18 third party supplies purchased to meet Peoples "swing"
19 requirements for supply that fluctuate on a day-to-day
20 basis. "COMMODITY" means third party purchases of gas
21 transported on FGT, SONAT or South Georgia, or Gulfstream
22 and does not include any purchases of sales volumes from
23 FGT.

24
25 Column (E) shows the monthly quantity in therms of gas

1 purchased by Peoples for each category of system supply.

2
3 Column (F) shows the gas purchased by end-users for
4 transportation.

5
6 Column (G) is the total of Columns (E) and (F) in each
7 row.

8
9 Columns (H), (I), (J) and (K) show the corresponding
10 third party supplier commodity costs, pipeline
11 transportation commodity costs, pipeline transportation
12 reservation costs, and other charges (e.g., balancing
13 charges), respectively. These costs are determined using
14 the actual amounts paid by Peoples. In the case of end-
15 user transportation, these costs are reimbursed to
16 Peoples or paid directly to FGT. All ACA and fuel
17 charges are included in the commodity costs in Column (I)
18 and, therefore, are not shown in Column (K).

19
20 Column (L) in each row is the sum of Columns (H), (I),
21 (J) and (K) divided by Column (G).

22
23 Q. Referring to Schedule E-1 of Composite Exhibit EE-2,
24 please explain the components of these schedules and the
25 assumptions that were made in developing the Company's

1 projections.

2

3 **A.** Schedule E-1 is shown in three versions. Page 1 relates
4 to Cost of Gas Purchased, Therms Purchased, and Cents Per
5 Therm for Combined Rate Classes, Page 2 relates to
6 Residential Customers, and Page 3 relates to Commercial
7 Customers.

8

9 The costs associated with various categories or items are
10 shown on lines 1 through 14. Line 6 on Schedule E-1
11 includes legal and consulting expenses associated with
12 two interstate pipeline rate cases one of which was filed
13 on October 1, 2003 and is nearing completion, and another
14 that was recently filed on August 31, 2004. **These**
15 expenses have been included for recovery through the
16 Purchased Gas Adjustment Clause because they are non-
17 recurring fuel related expenses. The volumes consumed
18 for similar categories or items are shown on lines 15
19 through 27, and the resulting effective cost per therm
20 rate for each similar category or item is contained on
21 lines 28 through 45.

22

23 The data shown on Schedule E-1 are taken directly from
24 Schedules E-3 (A) through (F) for the months of January
25 2005 through December 2005.

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

A. Schedule E-1/R of Composite Exhibit EE-2 shows eight months actual and four months estimated data for the current period from January 2004 through December 2004 for all combined customer classes.

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

A. Schedule E-2 of Composite Exhibit EE-2 shows the amount of the prior period over/under recoveries of gas costs that are included in the current PGA calculation.

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

A. Schedule E-4 of Composite Exhibit EE-2 simply shows the calculation of the estimated true-up amount for the January 2004 through December 2004 period. It is based on actual data for eight months and projected data for four months.

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

3
4 A. Schedule E-5 of Composite Exhibit EE-2 is statistical
5 data that includes the projected therm sales and
6 numbers of customers by customer class for the period
7 from January 2005 through December 2005.

8
9 Q. How have you incorporated the Residential PGA factor and
10 the Commercial PGA factor in the derivation of the PGA
11 cap for which the company seeks approval?

12
13 A. On April 5, 1998, the Commission issued Order No. PSC-99-
14 0634-FOF-GU as a Proposed Agency Action in Docket No.
15 981698-GU. This Order approved Peoples Gas' request for
16 approval of a methodology for charging separate Purchased
17 Gas Adjustment factors for different customer classes.
18 Under the approved methodology, separate PGA factors are
19 derived by assigning the fixed, interstate pipeline
20 reservation costs to each customer class according to the
21 class' contribution to the company's peak month demand
22 for the winter season and the summer season. Exhibit EE-
23 2, Page 23 of 23, labeled Attachment, contains the
24 seasonal peak allocation factors based on the most recent
25 peak month data available, January 2004 and April 2004.

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These allocation factors are then applied to Schedule E-1 to derive the separate version for Residential, Commercial and Combined for All Rate Classes. The WACOG for which Peoples seeks approval as the annual cap is the Residential factor of \$0.99037 per therm as shown in Schedule E-1.

Q. Does this conclude your testimony?

A. Yes, it does.

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '05 through DECEMBER '05

Combined For All Rate Classes

	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
COST OF GAS PURCHASED	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD
1 COMMODITY Pipeline	\$101,256	\$96,435	\$97,127	\$77,859	\$77,260	\$69,898	\$60,682	\$55,185	\$60,788	\$61,701	\$69,462	\$91,873	\$919,524
2 NO NOTICE SERVICE	\$50,999	\$43,175	\$35,294	\$20,048	\$32,992	\$31,928	\$32,992	\$32,992	\$31,928	\$18,414	\$34,898	\$51,499	\$417,156
3 SWING SERVICE	\$2,255,073	\$2,037,968	\$2,008,085	\$1,813,372	\$1,782,634	\$1,720,639	\$1,730,267	\$1,736,871	\$1,679,565	\$1,686,338	\$1,690,574	\$1,744,890	\$21,886,276
4 COMMODITY Other	\$13,755,424	\$12,855,367	\$9,978,481	\$6,825,539	\$5,827,253	\$4,724,570	\$4,053,681	\$4,128,884	\$4,121,315	\$4,465,954	\$5,771,870	\$9,849,407	\$86,357,746
5 DEMAND	\$4,579,358	\$4,180,834	\$4,631,387	\$4,146,699	\$3,225,946	\$3,138,441	\$3,225,946	\$3,225,946	\$3,138,441	\$4,048,726	\$4,498,545	\$4,631,387	\$46,671,655
6 OTHER	\$147,000	\$147,000	\$147,000	\$147,000	\$147,000	\$147,000	\$147,000	\$147,000	\$147,000	\$147,000	\$147,000	\$147,000	\$1,764,000
LESS END-USE CONTRACT:													
7 COMMODITY Pipeline	\$41,703	\$39,012	\$41,703	\$40,358	\$41,703	\$40,358	\$41,703	\$41,703	\$40,358	\$41,703	\$40,358	\$41,703	\$492,362
8 DEMAND	\$423,064	\$395,769	\$423,064	\$409,416	\$423,064	\$409,416	\$423,064	\$423,064	\$409,416	\$423,064	\$409,416	\$423,064	\$4,994,879
9 SWING SERVICE REVENUE	\$191,048	\$178,722	\$191,048	\$184,885	\$191,048	\$184,885	\$191,048	\$191,048	\$184,885	\$191,048	\$184,885	\$191,048	\$2,255,598
10													
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$20,233,295	\$18,747,275	\$16,241,559	\$12,395,858	\$10,437,270	\$9,197,817	\$8,594,753	\$8,671,064	\$8,544,378	\$9,772,319	\$11,577,689	\$15,860,241	\$150,273,520
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 COMPANY USE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 TOTAL THERM SALES	\$20,233,295	\$18,747,275	\$16,241,559	\$12,395,858	\$10,437,270	\$9,197,817	\$8,594,753	\$8,671,064	\$8,544,378	\$9,772,319	\$11,577,689	\$15,860,241	\$150,273,520
THERMS PURCHASED													
15 COMMODITY Pipeline	32,494,167	30,273,849	27,322,844	23,248,340	22,291,060	20,228,104	19,547,690	19,635,910	19,193,036	20,032,130	21,227,473	26,949,830	282,444,433
16 NO NOTICE SERVICE	10,302,850	8,722,280	7,130,000	4,050,000	6,665,000	6,450,000	6,665,000	6,665,000	6,450,000	3,720,000	7,050,000	10,403,910	84,274,040
17 SWING SERVICE	3,017,370	2,725,366	2,725,366	2,637,451	2,637,451	2,552,372	2,552,372	2,552,372	2,470,038	2,470,038	2,390,359	2,390,359	31,120,916
18 COMMODITY Other	18,502,387	17,282,099	13,623,068	9,990,492	8,679,199	7,055,335	6,020,908	6,109,128	6,102,601	6,587,682	8,216,717	13,585,061	121,754,675
19 DEMAND	99,021,130	89,438,440	99,021,130	89,628,300	63,879,840	61,819,200	63,879,840	63,879,840	61,819,200	85,223,030	95,826,900	99,021,130	972,457,980
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT:													
21 COMMODITY Pipeline	10,974,410	10,266,384	10,974,410	10,620,397	10,974,410	10,620,397	10,974,410	10,974,410	10,620,397	10,974,410	10,620,397	10,974,410	129,568,842
22 DEMAND	10,974,410	10,266,384	10,974,410	10,620,397	10,974,410	10,620,397	10,974,410	10,974,410	10,620,397	10,974,410	10,620,397	10,974,410	129,568,842
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18)	21,519,757	20,007,465	16,348,434	12,627,943	11,316,650	9,607,707	8,573,280	8,661,500	8,572,639	9,057,720	10,607,076	15,975,420	152,875,591
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
27 TOTAL THERM SALES (24-26)	21,519,757	20,007,465	16,348,434	12,627,943	11,316,650	9,607,707	8,573,280	8,661,500	8,572,639	9,057,720	10,607,076	15,975,420	152,875,591
CENTS PER THERM													
28 COMMODITY Pipeline	(1/15) 0.00312	0.00319	0.00355	0.00335	0.00347	0.00346	0.00310	0.00281	0.00317	0.00308	0.00327	0.00341	0.00326
29 NO NOTICE SERVICE	(2/16) 0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495
30 SWING SERVICE	(3/17) 0.74736	0.74778	0.73681	0.68755	0.67589	0.67413	0.67791	0.68049	0.67998	0.68272	0.70725	0.72997	0.70327
31 COMMODITY Other	(4/18) 0.74344	0.74385	0.73247	0.68320	0.67140	0.66965	0.67327	0.67586	0.67534	0.67793	0.70245	0.72502	0.70928
32 DEMAND	(5/19) 0.04625	0.04675	0.04677	0.04627	0.05050	0.05077	0.05050	0.05050	0.05077	0.04751	0.04694	0.04677	0.04799
33 OTHER	(6/20) 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 COMMODITY Pipeline	(7/21) 0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380
(8/22)													
37 TOTAL COST OF PURCHASES	(11/24) 0.94022	0.93701	0.99346	0.98162	0.92229	0.95734	1.00250	1.00110	0.99670	1.07889	1.09151	0.99279	0.98298
38 NET UNBILLED	(12/25) 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	(13/26) 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	(11/27) 0.94022	0.93701	0.99346	0.98162	0.92229	0.95734	1.00250	1.00110	0.99670	1.07889	1.09151	0.99279	0.98298
41 TRUE-UP	(E-4) (0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)
42 TOTAL COST OF GAS	(40+41) 0.91942	0.91622	0.97266	0.96082	0.90150	0.93654	0.98171	0.98031	0.97591	1.05810	1.07071	0.97199	0.96218
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.92405	0.92082	0.97756	0.96566	0.90603	0.94125	0.98684	0.98524	0.98081	1.06342	1.07609	0.97688	0.96702
45 PGA FACTOR ROUNDED TO NEAREST .001	92.405	92.082	97.756	96.566	90.603	94.125	98.664	98.524	98.081	106.342	107.609	97.688	96.702

Compo: xhibit
Docket 4000
Peoples Gas Sys
EE2
Page 1 of 3

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '05 through DECEMBER '05

For Residential Customers

	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD	
COST OF GAS PURCHASED														
1 COMMODITY Pipeline	\$58,506	\$53,444	\$48,175	\$31,766	\$28,501	\$26,331	\$23,381	\$20,280	\$23,215	\$25,248	\$30,084	\$45,201	\$414,132	
2 NO NOTICE SERVICE	\$27,065	\$22,913	\$18,730	\$8,907	\$14,658	\$14,185	\$14,658	\$14,658	\$14,185	\$9,772	\$18,520	\$27,331	\$205,584	
3 SWING SERVICE	\$1,302,981	\$1,129,442	\$996,010	\$739,856	\$657,614	\$648,165	\$666,672	\$638,300	\$641,426	\$690,050	\$732,188	\$858,486	\$9,701,188	
4 COMMODITY Other	\$7,947,884	\$7,124,444	\$4,949,327	\$2,784,820	\$2,149,674	\$1,779,745	\$1,561,883	\$1,517,365	\$1,573,930	\$1,827,469	\$2,499,797	\$4,845,908	\$40,562,246	
5 DEMAND	\$2,430,265	\$2,218,768	\$2,457,877	\$1,842,379	\$1,433,288	\$1,394,409	\$1,433,288	\$1,433,288	\$1,394,409	\$2,148,659	\$2,387,378	\$2,457,877	\$23,031,885	
6 OTHER	\$84,937	\$81,467	\$72,912	\$59,976	\$54,228	\$55,375	\$56,639	\$54,023	\$56,139	\$60,152	\$63,666	\$72,324	\$771,838	
LESS END-USE CONTRACT:														
7 COMMODITY Pipeline	\$24,096	\$21,621	\$20,685	\$16,466	\$15,384	\$15,203	\$16,068	\$15,326	\$15,413	\$17,065	\$17,479	\$20,518	\$215,321	
8 DEMAND	\$224,520	\$210,035	\$224,520	\$181,904	\$187,967	\$181,904	\$187,967	\$187,967	\$181,904	\$224,520	\$217,277	\$224,520	\$2,435,003	
9 SWING SERVICE REVENUE	\$101,389	\$94,848	\$101,389	\$82,144	\$84,883	\$82,144	\$84,883	\$84,883	\$82,144	\$101,389	\$98,118	\$101,389	\$1,099,604	
10														
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$11,501,633	\$10,303,976	\$8,196,438	\$5,187,190	\$4,049,729	\$3,638,960	\$3,467,603	\$3,389,739	\$3,423,845	\$4,418,376	\$5,398,757	\$7,960,700	\$70,936,945	
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
13 COMPANY USE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14 TOTAL THERM SALES	\$11,501,633	\$10,303,976	\$8,196,438	\$5,187,190	\$4,049,729	\$3,638,960	\$3,467,603	\$3,389,739	\$3,423,845	\$4,418,376	\$5,398,757	\$7,960,700	\$70,936,945	
THERMS PURCHASED														
15 COMMODITY Pipeline	18,775,130	16,777,767	13,552,131	9,485,323	8,223,172	7,619,927	7,531,725	7,216,197	7,329,820	8,197,148	9,193,619	13,259,316	127,161,274	
16 NO NOTICE SERVICE	5,467,722	4,628,914	3,783,891	1,799,415	2,961,260	2,865,739	2,961,260	2,961,260	2,865,739	1,974,204	3,741,439	5,521,355	41,532,185	
17 SWING SERVICE	1,743,436	1,510,398	1,351,782	1,076,080	972,956	961,479	983,429	937,997	943,307	1,010,739	1,035,265	1,176,057	13,702,925	
18 COMMODITY Other	10,690,839	9,578,136	6,757,082	4,076,568	3,202,148	2,657,314	2,319,486	2,244,962	2,330,901	2,695,895	3,558,362	6,684,103	56,795,796	
19 DEMAND	52,550,514	47,464,980	52,550,514	39,821,854	28,381,813	27,466,271	28,381,813	28,381,813	27,466,271	45,227,862	50,855,336	52,550,514	481,099,553	
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	
LESS END-USE CONTRACT:														
21 COMMODITY Pipeline	6,341,014	5,689,630	5,443,307	4,333,122	4,048,460	4,000,704	4,228,440	4,033,096	4,055,930	4,490,729	4,599,694	5,399,410	56,663,535	
22 DEMAND	5,824,119	5,448,370	5,824,119	4,718,642	4,875,930	4,718,642	4,875,930	4,875,930	4,718,642	5,824,119	5,636,249	5,824,119	63,164,810	
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 TOTAL PURCHASES (17+18)	12,434,275	11,088,534	8,108,864	5,152,648	4,175,104	3,618,793	3,302,915	3,182,959	3,274,208	3,706,634	4,593,627	7,860,160	70,498,721	
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0	
27 TOTAL THERM SALES (24-26)	12,434,275	11,088,534	8,108,864	5,152,648	4,175,104	3,618,793	3,302,915	3,182,959	3,274,208	3,706,634	4,593,627	7,860,160	70,498,721	
28 COMMODITY Pipeline	(1/15)	0.00312	0.00319	0.00355	0.00335	0.00347	0.00346	0.00310	0.00281	0.00317	0.00308	0.00327	0.00341	0.00326
29 NO NOTICE SERVICE	(2/16)	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495
30 SWING SERVICE	(3/17)	0.74736	0.74778	0.73681	0.68755	0.67589	0.67413	0.67791	0.68049	0.67998	0.68272	0.70725	0.72997	0.70796
31 COMMODITY Other	(4/18)	0.74343	0.74382	0.73247	0.68313	0.67132	0.66975	0.67337	0.67590	0.67525	0.67787	0.70251	0.72499	0.71418
32 DEMAND	(5/19)	0.04625	0.04675	0.04677	0.04627	0.05050	0.05077	0.05050	0.05077	0.04751	0.04694	0.04677	0.04787	
33 OTHER	(6/20)	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 COMMODITY Pipeline	(7/21)	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	
35 DEMAND	(8/22)	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	
36 OTHER	(9/23)	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	(10/24)	0.92499	0.92925	1.01080	1.00670	1.00557	1.04986	1.06496	1.04570	1.19202	1.17527	1.01279	1.00622	
38 NET UNBILLED	(12/25)	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	(13/26)	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	(11/27)	0.92499	0.92925	1.01080	1.00670	1.00557	1.04986	1.06496	1.04570	1.19202	1.17527	1.01279	1.00622	
41 TRUE-UP	(E-4)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	
42 TOTAL COST OF GAS	(40+41)	0.90420	0.90845	0.99000	0.98591	0.94917	0.98478	1.02906	1.04417	1.02490	1.17122	1.15447	0.99199	0.98542
43 REVENUE TAX FACTOR		1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)		0.90874	0.91302	0.99498	0.99074	0.95395	0.98973	1.03424	1.04942	1.03006	1.17711	1.16028	0.99698	0.99037
45 PGA FACTOR ROUNDED TO NEAREST .001		90.874	91.302	99.498	99.087	95.395	98.973	103.424	104.942	103.006	117.711	116.028	99.698	99.037

Composite Exhibit No. _____
 Docket No. 040003-GU
 Peoples Gas System
 (EE-2)
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ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '05 through DECEMBER '05

For Commercial Customers													
COST OF GAS PURCHASED	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD
1 COMMODITY Pipeline	\$42,750	\$42,991	\$48,952	\$46,092	\$48,759	\$43,568	\$37,301	\$34,904	\$37,573	\$36,453	\$39,378	\$46,671	\$505,392
2 NO NOTICE SERVICE	\$23,934	\$20,262	\$16,563	\$11,140	\$18,334	\$17,742	\$18,334	\$18,334	\$17,742	\$8,642	\$16,377	\$24,169	\$211,572
3 SWING SERVICE	\$952,092	\$908,526	\$1,012,075	\$1,073,516	\$1,125,020	\$1,072,474	\$1,063,595	\$1,098,571	\$1,038,139	\$996,288	\$958,386	\$886,404	\$12,185,088
4 COMMODITY Other	\$5,807,540	\$5,730,923	\$5,029,155	\$4,040,719	\$3,677,579	\$2,944,824	\$2,491,798	\$2,611,519	\$2,547,385	\$2,638,486	\$3,272,073	\$5,003,499	\$45,795,500
5 DEMAND	\$2,149,093	\$1,962,065	\$2,173,510	\$2,304,321	\$1,792,658	\$1,744,032	\$1,792,658	\$1,792,658	\$1,744,032	\$1,900,067	\$2,111,167	\$2,173,510	\$23,639,771
6 OTHER	\$62,063	\$65,533	\$74,088	\$87,024	\$92,772	\$91,625	\$90,361	\$92,978	\$90,861	\$86,848	\$83,334	\$74,676	\$992,162
LESS END-USE CONTRACT:													
7 COMMODITY Pipeline	\$17,607	\$17,392	\$21,018	\$23,892	\$26,319	\$25,155	\$25,635	\$26,377	\$24,945	\$24,638	\$22,879	\$21,185	\$277,040
8 DEMAND	\$198,544	\$185,734	\$198,544	\$227,513	\$235,096	\$227,513	\$235,096	\$235,096	\$227,513	\$198,544	\$192,139	\$198,544	\$2,559,875
9 SWING SERVICE REVENUE	\$89,659	\$83,874	\$89,659	\$102,741	\$106,165	\$102,741	\$106,165	\$106,165	\$102,741	\$89,659	\$86,767	\$89,659	\$1,155,994
10													
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$8,731,662	\$8,443,299	\$8,045,122	\$7,208,668	\$6,387,541	\$5,558,857	\$5,127,150	\$5,281,325	\$5,120,534	\$5,353,943	\$6,178,932	\$7,899,541	\$79,336,676
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 COMPANY USE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 TOTAL THERM SALES	\$8,731,662	\$8,443,299	\$8,045,122	\$7,208,668	\$6,387,541	\$5,558,857	\$5,127,150	\$5,281,325	\$5,120,534	\$5,353,943	\$6,178,932	\$7,899,541	\$79,336,676
THERMS PURCHASED													
15 COMMODITY Pipeline	13,719,037	13,496,082	13,770,713	13,763,017	14,067,888	12,608,177	12,015,965	12,419,713	11,863,216	11,834,982	12,033,854	13,690,514	155,283,159
16 NO NOTICE SERVICE	4,835,128	4,093,366	3,346,109	2,250,585	3,703,741	3,584,265	3,703,741	3,703,741	3,584,265	1,745,796	3,308,565	4,882,555	42,741,855
17 SWING SERVICE	1,273,934	1,214,968	1,561,371	1,664,496	1,590,894	1,568,943	1,614,375	1,526,730	1,459,298	1,355,095	1,214,302	1,214,302	17,417,992
18 COMMODITY Other	7,811,548	7,703,963	5,913,924	5,477,050	4,398,020	3,701,422	3,864,166	3,771,701	3,891,788	4,658,354	6,900,958	64,958,878	64,958,878
19 DEMAND	46,470,616	41,973,460	49,806,446	35,498,027	34,352,929	35,498,027	35,498,027	34,352,929	39,995,168	44,971,564	46,470,616	491,358,427	491,358,427
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT:													
21 COMMODITY Pipeline	4,633,396	4,576,754	6,287,275	6,925,950	6,619,693	6,745,970	6,941,314	6,564,467	6,483,681	6,020,703	5,575,000	72,905,307	72,905,307
22 DEMAND	5,150,291	4,818,014	5,901,755	6,098,480	5,901,755	6,098,480	6,098,480	5,901,755	5,150,291	4,984,152	5,150,291	66,404,032	66,404,032
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18)	9,085,482	8,918,931	7,475,295	7,141,546	5,988,914	5,270,365	5,478,541	5,298,431	5,351,086	6,013,449	8,115,260	82,376,870	82,376,870
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
27 TOTAL THERM SALES (24-26)	9,085,482	8,918,931	7,475,295	7,141,546	5,988,914	5,270,365	5,478,541	5,298,431	5,351,086	6,013,449	8,115,260	82,376,870	82,376,870
CENTS PER THERM													
28 COMMODITY Pipeline (1/15)	0.00312	0.00319	0.00355	0.00335	0.00347	0.00346	0.00310	0.00281	0.00317	0.00308	0.00327	0.00341	0.00325
29 NO NOTICE SERVICE (2/16)	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495
30 SWING SERVICE (3/17)	0.74736	0.74778	0.73681	0.68755	0.67589	0.67413	0.67791	0.68049	0.67998	0.68272	0.70725	0.72997	0.69957
31 COMMODITY Other (4/18)	0.74346	0.74389	0.73247	0.68326	0.67145	0.66958	0.67320	0.67583	0.67539	0.67796	0.70241	0.72504	0.70499
32 DEMAND (5/19)	0.04625	0.04675	0.04677	0.04627	0.05050	0.05077	0.05050	0.05050	0.05077	0.04751	0.04894	0.04877	0.04811
33 OTHER (6/20)	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 COMMODITY Pipeline (7/21)	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380	0.00380
35 DEMAND (8/22)	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855	0.03855
36 OTHER (9/23)	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 (11/24)	0.96106	0.94667	0.97640	0.96433	0.89442	0.92819	0.97283	0.96400	0.96642	1.00053	1.02752	0.97342	0.96309
38 NET UNBILLED (12/25)	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 (13/26)	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 (11/27)	0.96106	0.94667	0.97640	0.96433	0.89442	0.92819	0.97283	0.96400	0.96642	1.00053	1.02752	0.97342	0.96309
41 TRUE-UP (E-4)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)	(0.02080)
42 TOTAL COST OF GAS (40+41)	0.94026	0.92587	0.95560	0.94353	0.87362	0.90739	0.95203	0.94320	0.94563	0.97974	1.00623	0.95262	0.94230
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.94499	0.93053	0.96041	0.94828	0.87802	0.91196	0.95682	0.94795	0.95038	0.98466	1.01178	0.95741	0.94703
45 PGA FACTOR ROUNDED TO NEAREST .001	94.499	93.053	96.041	94.828	87.802	91.196	95.682	94.795	95.038	98.466	101.178	95.741	94.703

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

SCHEDULE E-1/R

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '04 Through DECEMBER '04

1 of 3

Combined For All Rate Classes

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.
COST OF GAS PURCHASED	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1 COMM. P/L (FGT)(Incls. SNG/So. Ga./Gulfstream Jan-Aug)	\$131,666	\$117,627	\$107,384	\$93,989	\$27,833	\$160,973	\$110,623	\$123,666	\$45,334	\$41,253	\$43,235	\$61,613	\$1,065,197
1a COMMODITY P/L (SNG)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,971	\$10,303	\$9,971	\$10,303	\$40,548
1b COMMODITY P/L (SO. GA.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,100	\$5,270	\$5,100	\$5,270	\$20,740
1c COMMODITY P/L (GULFSTREAM)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,754	\$8,012	\$7,754	\$8,012	\$31,531
2 NO NOTICE SERVICE	\$60,787	\$53,299	\$42,067	\$31,928	\$32,992	\$31,928	\$32,992	\$32,992	\$31,928	\$18,414	\$34,898	\$51,499	\$455,723
3 SWING SERVICE	\$2,258,502	\$2,398,936	\$1,617,468	\$1,227,657	\$2,770,858	\$1,722,157	\$1,863,511	\$1,828,248	\$2,146,963	\$1,491,758	\$1,261,578	\$1,919,864	\$22,507,501
4 COMMODITY Other (THIRD PARTY)	\$12,645,119	\$10,910,107	\$8,441,213	\$7,673,660	\$14,954,704	\$19,372,806	\$12,230,943	\$15,157,199	\$4,093,107	\$2,233,133	\$4,034,479	\$8,033,739	\$119,780,209
5 DEMAND (FGT)(Incls. SNG/So. Ga./Gulfstream Jan-Aug)	\$3,667,640	\$3,502,334	\$3,798,943	\$3,386,314	\$2,797,800	\$3,000,607	\$3,178,396	\$3,230,899	\$1,986,968	\$2,875,313	\$3,347,072	\$3,457,974	\$38,230,260
5a DEMAND (SNG)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$291,535	\$291,535	\$291,535	\$291,535	\$1,166,140
5b DEMAND (SO. GA.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$169,740	\$169,740	\$169,740	\$169,740	\$678,960
5c DEMAND (GULFSTREAM)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$585,060	\$604,562	\$585,060	\$604,562	\$2,379,244
6 OTHER	\$217,221	\$129,929	\$194,178	\$277,912	\$188,116	\$79,675	\$275,305	\$84,085	\$153,000	\$153,000	\$153,000	\$153,000	\$2,058,420
LESS END-USE CONTRACT													
7 COMMODITY Pipeline (FGT)	\$40,195	\$33,945	\$52,021	\$44,732	\$53,917	\$47,791	\$44,370	\$41,703	\$39,902	\$41,015	\$39,692	\$41,015	\$520,302
8 DEMAND (FGT)	\$383,845	\$301,225	\$373,944	\$435,554	\$436,292	\$424,649	\$410,685	\$423,064	\$404,797	\$418,290	\$404,797	\$418,290	\$4,835,448
9 SWING SERVICE REVENUE	\$264,398	\$259,471	\$253,857	\$242,838	\$231,830	\$206,653	\$187,905	\$191,048	\$184,885	\$191,048	\$184,885	\$191,048	\$2,589,869
10													
11 TOTAL COST	\$18,292,494	\$16,517,586	\$13,521,437	\$11,968,335	\$20,050,264	\$23,689,052	\$17,048,803	\$19,801,275	\$8,896,875	\$7,251,939	\$9,314,046	\$14,116,758	\$180,468,858
12 NET UNBILLED	\$2,927,498	\$23,931	(\$1,282,983)	(\$1,367,772)	(\$677,356)	(\$1,086,674)	(\$705,652)	(\$30,765)	\$0	\$0	\$0	\$0	(\$2,199,773)
13 COMPANY USE	\$7,136	\$9,237	\$9,951	\$9,631	\$10,369	\$15,330	\$12,615	\$11,861	\$0	\$0	\$0	\$0	\$86,137
14 TOTAL THERM SALES	\$23,947,815	\$18,388,547	\$14,612,354	\$12,556,686	\$21,421,561	\$24,065,834	\$15,844,974	\$18,815,097	\$6,946,481	\$7,871,594	\$8,374,648	\$15,091,037	\$187,936,630

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

SCHEDULE E-1/R

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '04 Through DECEMBER '04

2 of 3

Combined For All Rate Classes

THERMS PURCHASED	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
15 COMM. P/L (FGT)(Incls. SNG/So. Ga./Gulfstream Jan-Aug)	37,456,220	37,264,330	35,167,700	28,838,260	38,134,200	42,792,840	32,708,320	39,858,090	16,187,208	15,356,934	16,600,114	21,633,846	361,998,061
15a COMMODITY P/L (SNG)	0	0	0	0	0	0	0	0	4,727,690	4,885,280	4,727,690	4,885,280	19,225,940
15b COMMODITY P/L (SO. GA.)	0	0	0	0	0	0	0	0	4,636,519	4,791,070	4,636,519	4,791,070	18,855,178
15c COMMODITY P/L (GULFSTREAM)	0	0	0	0	0	0	0	0	3,876,775	4,006,001	3,876,775	4,006,001	15,765,553
16 NO NOTICE SERVICE	10,302,850	9,033,790	7,130,000	6,450,000	6,665,000	6,450,000	6,665,000	6,665,000	6,450,000	3,720,000	7,050,000	10,403,910	86,985,550
17 SWING SERVICE	3,691,970	4,168,310	3,174,200	2,296,670	4,702,050	2,581,190	3,020,600	3,017,370	3,290,415	3,400,095	3,290,415	3,400,095	40,033,380
18 COMMODITY Other (THIRD PARTY)	22,034,234	19,713,237	15,971,753	13,827,315	24,355,496	31,146,853	20,829,973	26,534,650	6,273,000	5,112,253	6,685,906	11,389,165	203,873,835
19 DEMAND (FGT)(Incls. SNG/So. Ga./Gulfstream Jan-Aug)	82,460,588	78,602,305	84,726,755	74,573,415	57,283,460	61,004,795	66,453,775	67,424,325	43,596,250	66,082,648	77,303,950	79,880,748	839,393,015
19a DEMAND (SNG)	0	0	0	0	0	0	0	0	10,797,600	11,157,520	10,797,600	11,157,520	43,910,240
19b DEMAND (SO. GA.)	0	0	0	0	0	0	0	0	10,720,500	11,077,850	10,720,500	11,077,850	43,596,700
19c DEMAND (GULFSTREAM)	0	0	0	0	0	0	0	0	10,500,000	10,850,000	10,500,000	10,850,000	42,700,000
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT													
21 COMMODITY Pipeline (FGT)	9,938,680	8,454,880	10,811,170	11,311,330	12,176,510	11,378,820	10,564,350	10,974,410	10,500,568	10,850,587	10,500,568	10,850,587	128,312,460
22 DEMAND (FGT)	10,321,830	8,093,220	11,481,950	11,561,410	12,587,810	10,970,000	10,609,350	10,974,410	10,500,568	10,850,587	10,500,568	10,850,587	129,302,290
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18)	25,726,204	23,881,547	19,145,953	16,123,985	29,057,546	33,728,043	23,850,573	29,552,020	9,563,415	8,512,348	9,976,321	14,789,260	243,907,215
25 NET UNBILLED	2,840,557	(181,527)	(1,518,261)	(1,452,979)	(745,798)	(1,290,536)	(690,358)	99,373	0	0	0	0	(2,939,529)
26 COMPANY USE	8,334	10,591	11,380	11,243	12,335	18,407	16,011	15,907	0	0	0	0	104,209
27 TOTAL THERM SALES (24-26)	31,284,321	27,069,856	24,514,806	22,514,401	31,714,217	36,036,313	25,350,883	30,007,377	9,563,415	8,512,348	9,976,321	14,789,260	271,333,521

COST RECOVERY CLAUSE CALCULATION

REVISED ESTIMATE FOR THE PROJECTED P : FIOD:

JANUARY '04 Through DECEMBER '04

3 of 3

Combined For All Rate Classes

CENTS PER THERM	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
28 COM. P/L(FGT)(Incls. SNG/So.Ga./Gulfs. Jan-Aug) (1/15)	0.00352	0.00316	0.00305	0.00326	0.00073	0.00376	0.00338	0.00310	0.00280	0.00269	0.00260	0.00285	0.00294
28a COMM. P/L (SONAT) (1a/15a)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00211	0.00211	0.00211	0.00211	0.00211
28b COMM. P/L (SO. GA.) (1b/15b)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00110	0.00110	0.00110	0.00110	0.00110
28c COMM. P/L (GULFSTREAM) (1c/15c)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00200	0.00200	0.00200	0.00200	0.00200
29 NO NOTICE SERVICE (2/16)	0.00590	0.00590	0.00590	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00524
30 SWING SERVICE (3/17)	0.61173	0.57552	0.50957	0.53454	0.58929	0.66719	0.61693	0.60591	0.65249	0.43874	0.38341	0.56465	0.56222
31 COMM. Other (THIRD PARTY) (4/18)	0.57389	0.55344	0.52851	0.55496	0.61402	0.62198	0.58718	0.57122	0.65250	0.43682	0.60343	0.70538	0.58752
32 DEMAND(FGT)(Incls. SNG/So. Ga./Gulfs. Jan-Aug) (5/19)	0.04448	0.04456	0.04484	0.04541	0.04884	0.04919	0.04783	0.04792	0.04558	0.04351	0.04330	0.04329	0.04555
32a DEMAND (SNG) (5a/19a)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02700	0.02613	0.02700	0.02613	0.02656
32b DEMAND (SO. GA.) (5b/19b)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01583	0.01532	0.01583	0.01532	0.01557
32c DEMAND (GULFSTREAM) (5c/19c)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.05572	0.05572	0.05572	0.05572	0.05572
33 OTHER (6/20)	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 COMMODITY Pipeline (FGT) (7/21)	0.00404	0.00402	0.00481	0.00395	0.00443	0.00420	0.00420	0.00380	0.00380	0.00378	0.00378	0.00378	0.00405
35 DEMAND (FGT) (8/22)	0.03719	0.03722	0.03257	0.03767	0.03466	0.03871	0.03871	0.03855	0.03855	0.03855	0.03855	0.03855	0.03740
36 OTHER (9/23)	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 (11/24)	0.71105	0.69165	0.70623	0.74227	0.69002	0.70235	0.71482	0.67005	0.93030	0.85193	0.93362	0.95453	0.73991
38 NET UNBILLED (12/25)	1.03061	(0.13183)	0.84503	0.94136	0.90823	0.84203	1.02215	(0.30959)	0.00000	0.00000	0.00000	0.00000	0.74834
39 COMPANY USE (13/26)	0.85619	0.87218	0.87508	0.85666	0.84060	0.83285	0.78792	0.74564	0.00000	0.00000	0.00000	0.00000	0.82658
40 TOTAL COST OF THERMS SOLD (11/27)	0.58472	0.61018	0.55156	0.53159	0.63222	0.65737	0.67251	0.65988	0.93030	0.85193	0.93362	0.95453	0.66512
41 TRUE-UP (E-4)	(0.01980)	(0.01980)	(0.01980)	(0.01980)	(0.01980)	(0.01980)	(0.01980)	(0.01980)	(0.01980)	(0.01980)	(0.01980)	(0.01980)	(0.01980)
42 TOTAL COST OF GAS (40+41)	0.56492	0.59038	0.53176	0.51179	0.61242	0.63757	0.65271	0.64008	0.91050	0.83213	0.91382	0.93473	0.64532
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	0.56776	0.59335	0.53444	0.51436	0.61550	0.64077	0.65600	0.64330	0.91508	0.83632	0.91841	0.93943	0.64856
45 PGA FACTOR ROUNDED TO NEAREST .001	56.776	59.335	53.444	51.436	61.550	64.077	65.600	64.330	91.508	83.632	91.841	93.943	64.856

COMPANY: PEOPLES GAS SYSTEM

CALCULATION OF TRUE-UP AMOUNT

SCHEDULE E-2

FOR THE CURRENT PERIOD:

JANUARY '04 Through DECEMBER '04

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV. PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD	
TRUE-UP CALCULATION														
1 PURCHASED GAS COST	\$14,896,485	\$13,299,806	\$10,048,723	\$8,891,686	\$17,715,193	\$21,079,633	\$14,081,839	\$16,973,586	\$6,240,070	\$3,724,891	\$5,296,057	\$9,953,603	\$142,201,572	
2 TRANSPORTATION COST	3,388,873	3,208,543	3,462,751	3,067,018	2,324,702	2,594,089	2,954,350	2,815,828	2,656,805	3,527,048	4,017,989	4,163,155	38,181,151	
3 TOTAL	18,285,358	16,508,349	13,511,474	11,958,704	20,039,895	23,673,722	17,036,188	19,789,414	8,896,875	7,251,939	9,314,046	14,116,758	180,382,722	
4 FUEL REVENUES (NET OF REVENUE TAX)	23,947,815	18,388,547	14,612,356	12,556,686	21,421,561	24,065,834	15,844,974	18,815,097	6,946,481	7,871,594	8,374,648	15,091,037	187,936,630	
5 TRUE-UP REFUNDED/(COLLECTED)	238,062	238,062	238,062	238,062	238,062	238,062	238,062	238,062	238,062	238,062	238,062	238,058	2,856,740	
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 + LINE 5)	24,185,877	18,626,609	14,850,418	12,794,748	21,659,623	24,303,896	16,083,036	19,053,159	7,184,543	8,109,656	8,612,710	15,329,095	190,793,370	
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	5,900,519	2,118,260	1,338,944	836,044	1,619,728	630,174	(953,152)	(736,256)	(1,712,332)	857,717	(701,336)	1,212,337	10,410,647	
8 INTEREST PROVISION-THIS PERIOD (21)	(1,377)	1,833	3,007	3,797	4,763	6,329	7,019	6,320	4,646	3,765	3,557	3,585	47,245	
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(4,412,023)	1,249,058	3,131,089	4,234,978	4,836,757	6,213,236	6,611,688	5,427,481	4,459,771	2,514,023	3,137,444	2,201,603	(4,412,023)	
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(238,062)	(238,062)	(238,062)	(238,062)	(238,062)	(238,062)	(238,062)	(238,062)	(238,062)	(238,062)	(238,062)	(238,058)	(2,856,740)	
10a TRANSITION COST RECOVERY REFUND	0	0	0	0	(9,951)	11	(11)	288	0	0	0	0	(9,663)	
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	1,249,058	3,131,089	4,234,978	4,836,757	6,213,236	6,611,688	5,427,481	4,459,771	2,514,023	3,137,444	2,201,603	3,179,465	3,179,465	
11a FPSC AUDIT ENTRY/REFUNDS&ADJS-PIPELINES	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 ADJ TOTAL EST/ACT TRUE-UP(11+11a)	1,249,058	3,131,089	4,234,978	4,836,757	6,213,236	6,611,688	5,427,481	4,459,771	2,514,023	3,137,444	2,201,603	3,179,465	\$3,179,465	
INTEREST PROVISION														
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(4,412,023)	1,249,058	3,131,089	4,234,978	4,836,757	6,213,236	6,611,688	5,427,481	4,459,771	2,514,023	3,137,444	2,201,603		
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5+10a)	1,250,434	3,129,256	4,231,971	4,832,960	6,208,472	6,605,358	5,420,463	4,453,452	2,509,377	3,133,678	2,198,046	3,175,882		
14 TOTAL (12+13)	(3,161,589)	4,378,314	7,363,061	9,067,938	11,045,230	12,818,594	12,032,150	9,880,933	6,969,148	5,647,699	5,335,488	5,377,483		
15 AVERAGE (50% OF 14)	(1,580,794)	2,189,157	3,681,530	4,533,969	5,522,615	6,409,297	6,016,075	4,940,467	3,484,574	2,823,850	2,667,744	2,688,742		
16 INTEREST RATE - FIRST DAY OF MONTH	1.06	1.03	0.98	0.98	1.03	1.04	1.33	1.47	1.60	1.60	1.60	1.60		
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.03		0.98	1.03	1.04	1.33	1.47	1.60	1.60	1.60	1.60	1.60		
18 TOTAL (16+17)	2.090	2.010	1.960	2.010	2.070	2.370	2.800	3.070	3.200	3.200	3.200	3.200		
19 AVERAGE (50% OF 18)	1.045	1.005	0.980	1.005	1.035	1.185	1.400	1.535	1.600	1.600	1.600	1.600		
20 MONTHLY AVERAGE (19/12 Months)	0.08708	0.08375	0.08167	0.08375	0.08625	0.09875	0.11667	0.12792	0.13333	0.13333	0.13333	0.13333		
21 INTEREST PROVISION (15x20)	(\$1,377)	\$1,833	\$3,007	\$3,797	\$4,763	\$6,329	\$7,019	\$6,320	\$4,646	\$3,765	\$3,557	\$3,585		

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
1 JAN 2005	FGT	PGS	FTS-1 COMM	15,633,586		15,633,586		\$59,408			\$0.380
2	FGT	PGS	FTS-1 COMM		10,974,410	10,974,410		\$41,703			\$0.380
3	FGT	PGS	FTS-2 COMM	5,892,650		5,892,650		\$10,430			\$0.177
4	FGT	PGS	FTS-1 DEMAND	62,701,220		62,701,220			\$2,417,132		\$3.855
5	FGT	PGS	FTS-1 DEMAND		10,974,410	10,974,410			\$423,064		\$3.855
6	FGT	PGS	FTS-2 DEMAND	14,392,060		14,392,060			\$1,096,387		\$7.618
7	FGT	PGS	NO NOTICE	10,302,850		10,302,850			\$50,999		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	3,017,370		3,017,370	\$2,243,235		\$11,838		\$0.000
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM	7,125,824		7,125,824		\$15,748			
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM	6,961,930		6,961,930		\$7,658			
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND	11,157,520		11,157,520			\$291,535		
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND	11,077,850		11,077,850			\$169,741		
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,012			
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562		
15	THIRD PARTY	PGS	COMMODITY	18,502,387		18,502,387	\$13,755,424				
16	FGT	PGS	BAL. CHGS/OTHER	0		0				\$147,000	
17	FGT	PGS	SWING SERVICE REV.			0				\$191,048	
18 JANUARY TOTAL				181,621,248	21,948,820	203,570,068	\$15,998,659	\$142,956	\$5,065,258	\$338,048	

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY		(I)	(J)	(K)	(L) TOTAL CENTS PER THERM
							THIRD PARTY					
1 FEB 2005	FGT	PGS	FTS-1 COMM	16,162,125		16,162,125			\$61,416			\$0.380
2	FGT	PGS	FTS-1 COMM		10,266,384	10,266,384			\$39,012			\$0.380
3	FGT	PGS	FTS-2 COMM	4,709,080		4,709,080			\$8,335			\$0.177
4	FGT	PGS	FTS-1 DEMAND	56,633,360		56,633,360				\$2,183,216		\$3.855
5	FGT	PGS	FTS-1 DEMAND		10,266,384	10,266,384			\$395,769			\$3.855
6	FGT	PGS	FTS-2 DEMAND	12,999,280		12,999,280			\$990,285			\$7.618
7	FGT	PGS	NO NOTICE	8,722,280		8,722,280			\$43,175			\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,725,366		2,725,366	\$2,027,276		\$10,692			\$0.000
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM	5,920,491		5,920,491			\$13,084			\$0.221
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM	5,784,320		5,784,320			\$6,363			\$0.110
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND	10,077,760		10,077,760			\$291,535			\$2.893
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND	10,005,800		10,005,800			\$169,741			\$1.696
13	GULFSTREAM	PGS	GULFSTREAM COMM	3,618,324		3,618,324			\$7,237			\$0.200
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	9,800,000		9,800,000			\$546,056			\$5.572
15	THIRD PARTY	PGS	COMMODITY	17,282,099		17,282,099	\$12,855,367					\$74.385
16	FGT	PGS	BAL. CHGS./OTHER	0		0					\$147,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.			0					\$178,722	\$0.000
18 FEBRUARY TOTAL				164,440,285	20,532,768	184,973,053	\$14,882,643		\$135,447	\$4,630,470	\$325,722	\$10.798

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	JANUARY '05		Through		DECEMBER '05		(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
				(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(J) DEMAND COST		
							(I) PIPELINE	(H) THIRD PARTY			
1 MAR 2005	FGT	PGS	FTS-1 COMM	14,798,923		14,798,923		\$56,236			\$0.380
2	FGT	PGS	FTS-1 COMM		10,974,410	10,974,410		\$41,703			\$0.380
3	FGT	PGS	FTS-2 COMM	2,569,450		2,569,450		\$4,548			\$0.177
4	FGT	PGS	FTS-1 DEMAND	62,701,220		62,701,220			\$2,417,132		\$3.855
5	FGT	PGS	FTS-1 DEMAND		10,974,410	10,974,410			\$423,064		\$3.855
6	FGT	PGS	FTS-2 DEMAND	14,392,060		14,392,060			\$1,096,387		\$7.618
7	FGT	PGS	NO NOTICE	7,130,000		7,130,000			\$35,294		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,725,366		2,725,366	\$1,996,248		\$11,837		\$0.000
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM	6,088,506		6,088,506		\$18,813			\$0.309
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM	5,948,470		5,948,470		\$9,518			\$0.160
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND	11,157,520		11,157,520			\$321,409		\$2.881
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND	11,077,850		11,077,850			\$191,897		\$1.732
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,012			\$0.200
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562		\$5.572
15	THIRD PARTY	PGS	COMMODITY	13,623,068		13,623,068	\$9,978,481				\$73.247
16	FGT	PGS	BAL. CHGS/OTHER	0		0				\$147,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.		0	0				\$191,048	\$0.000
18 MARCH TOTAL				167,068,434	21,948,820	189,017,254	\$11,974,729	\$138,830	\$5,101,581	\$338,048	\$9.287

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Peoples Gas System
(EE-2)
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COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END	(G) TOTAL PURCHASED	(H) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
1 APR 2005	FGT	PGS	FTS-1 COMM			11,504,625		\$43,718			\$0.380
2	FGT	PGS	FTS-1 COMM		10,620,397	10,620,397		\$40,358			\$0.380
3	FGT	PGS	FTS-2 COMM	3,702,460		3,702,460		\$6,553			\$0.177
4	FGT	PGS	FTS-1 DEMAND	57,480,000		57,480,000			\$2,215,854		\$3.855
5	FGT	PGS	FTS-1 DEMAND		10,620,397	10,620,397			\$409,416		\$3.855
6	FGT	PGS	FTS-2 DEMAND	10,927,800		10,927,800			\$832,480		\$7.618
7	FGT	PGS	NO NOTICE	4,050,000		4,050,000			\$20,048		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,637,451		2,637,451	\$1,801,916		\$11,456		\$0.000
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM	4,262,518		4,262,518		\$13,171			\$0.309
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM	4,164,480		4,164,480		\$6,663			\$0.160
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND	10,797,600		10,797,600			\$321,409		\$2.977
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND	10,720,500		10,720,500			\$191,897		\$1.790
13	GULFSTREAM	PGS	GULFSTREAM COMM	3,876,775		3,876,775		\$7,754			\$0.200
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,500,000		10,500,000			\$585,060		\$5.572
15	THIRD PARTY	PGS	COMMODITY	9,990,492		9,990,492	\$6,825,539				\$68.320
16	FGT	PGS	BAL. CHGS/OTHER	0		0				\$147,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.		0	0				\$184,885	\$0.000
18 APRIL TOTAL				144,614,701	21,240,794	165,855,495	\$8,627,455	\$118,216	\$4,587,619	\$331,885	\$8.239

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM		
							THIRD PARTY	PIPELINE					
1 MAY 2005	FGT	PGS	FTS-1 COMM			5,957,869		\$22,640			\$0.380		
2	FGT	PGS	FTS-1 COMM			10,974,410		\$41,703			\$0.380		
3	FGT	PGS	FTS-2 COMM			4,044,170		\$7,158			\$0.177		
4	FGT	PGS	FTS-1 DEMAND			28,908,430			\$1,114,420		\$3.855		
5	FGT	PGS	FTS-1 DEMAND			10,974,410			\$423,064		\$3.855		
6	FGT	PGS	FTS-2 DEMAND			13,043,560			\$993,658		\$7.618		
7	FGT	PGS	NO NOTICE			6,665,000			\$32,992		\$0.495		
8	THIRD PARTY	PGS	SWING SERVICE			2,637,451	\$1,770,797		\$11,837		\$0.000		
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM			8,478,014		\$26,197			\$0.309		
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM			8,283,020		\$13,253			\$0.160		
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND			11,157,520			\$321,408		\$2.881		
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND			11,077,850			\$191,891		\$1.732		
13	GULFSTREAM	PGS	GULFSTREAM COMM			4,006,001		\$8,012			\$0.200		
14	GULFSTREAM	PGS	GULFSTREAM DEMAND			10,850,000			\$604,562		\$5.572		
15	THIRD PARTY	PGS	COMMODITY			8,679,199	\$5,827,253				\$67.140		
16	FGT	PGS	BAL. CHGS./OTHER			0				\$147,000	\$0.000		
17	FGT	PGS	SWING SERVICE REV.			0				\$191,048	\$0.000		
18 MAY TOTAL						123,788,084	21,948,820	145,736,904	\$7,598,050	\$118,963	\$3,693,831	\$338,048	\$8.062

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

05

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY		(I) OST PIPELINE	(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY					
1 JUN 2005	FGT	PGS	FTS-1 COMM	1,863,169		1,863,169			\$7,080			\$0.380
2	FGT	PGS	FTS-1 COMM		10,620,397	10,620,397			\$40,358			\$0.380
3	FGT	PGS	FTS-2 COMM	4,657,460		4,657,460			\$8,244			\$0.177
4	FGT	PGS	FTS-1 DEMAND	27,975,900		27,975,900				\$1,078,471		\$3.855
5	FGT	PGS	FTS-1 DEMAND		10,620,397	10,620,397				\$409,416		\$3.855
6	FGT	PGS	FTS-2 DEMAND	12,622,800		12,622,800				\$961,605		\$7.618
7	FGT	PGS	NO NOTICE	6,450,000		6,450,000				\$31,928		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,552,372		2,552,372	\$1,709,183			\$11,456		\$0.000
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM	10,062,129		10,062,129			\$31,092			\$0.309
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM	9,830,700		9,830,700			\$15,729			\$0.160
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND	10,797,600		10,797,600				\$321,409		\$2.977
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND	10,720,500		10,720,500				\$191,897		\$1.790
13	GULFSTREAM	PGS	GULFSTREAM COMM	3,876,775		3,876,775			\$7,754			\$0.200
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,500,000		10,500,000				\$585,060		\$5.572
		PGS	COMMODITY	7,055,335		7,055,335	\$4,724,570					\$66.965
		PGS	BAL. CHGS./OTHER	0		0					\$147,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.			0					\$184,885	\$0.000
				118,964,740	21,240,794	140,205,534	\$6,433,753	\$110,258	\$3,591,241	\$331,885		\$7.466

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '05 Through DECEMBER '05

(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/FUEL	(L) TOTAL CENTS PER THERM
							THIRD	PIPELINE			
							PARTY				
1 JUL 2005	FGT	PGS	FTS-1 COMM	1,869,619		1,869,619		\$7,100			\$0.380
2	FGT	PGS	FTS-1 COMM		10,974,410	10,974,410		\$41,700			\$0.380
3	FGT	PGS	FTS-2 COMM	6,532,970		6,532,970		\$11,560			\$0.177
4	FGT	PGS	FTS-1 DEMAND	28,908,430		28,908,430			\$1,114,420		\$3.855
5	FGT	PGS	FTS-1 DEMAND		10,974,410	10,974,410			\$423,064		\$3.855
6	FGT	PGS	FTS-2 DEMAND	13,043,560		13,043,560			\$993,658		\$7.618
7	FGT	PGS	NO NOTICE	6,665,000		6,665,000			\$32,992		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,552,372		2,552,372	\$1,718,420		\$11,838		\$0.000
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM	7,307,165		7,307,165		\$22,570			\$0.309
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM	7,139,100		7,139,100		\$11,420			\$0.160
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND	11,157,520		11,157,520			\$321,409		\$2.881
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND	11,077,850		11,077,850			\$191,897		\$1.732
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,010			\$0.200
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562		\$5.572
15	THIRD PARTY	PGS	COMMODITY	6,020,908		6,020,908	\$4,053,680				\$67.327
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$147,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.			0				\$191,040	\$0.000
18 JULY TOTAL				117,130,495	21,948,820	139,079,315	\$5,772,110	\$102,384	\$3,693,839	\$338,040	\$7.123

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASER FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
1 AUG 2005	FGT	PGS	FTS-1 COMM	2,546,459		2,546,459		\$9,677			\$0.380
2	FGT	PGS	FTS-1 COMM		10,974,410	10,974,410		\$41,703			\$0.380
3	FGT	PGS	FTS-2 COMM	8,292,380		8,292,380		\$14,678			\$0.177
4	FGT	PGS	FTS-1 DEMAND	28,908,430		28,908,430			\$1,114,420		\$3.855
5	FGT	PGS	FTS-1 DEMAND		10,974,410	10,974,410			\$423,064		\$3.855
6	FGT	PGS	FTS-2 DEMAND	13,043,560		13,043,560			\$993,658		\$7.618
7	FGT	PGS	NO NOTICE	6,665,000		6,665,000			\$32,992		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,552,372		2,552,372	\$1,725,034		\$11,837		\$0.000
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM	4,903,859		4,903,859		\$15,153			\$0.309
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM	4,791,070		4,791,070		\$7,666			\$0.160
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND	11,157,520		11,157,520			\$321,409		\$2.881
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND	11,077,850		11,077,850			\$191,897		\$1.732
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,012			\$0.200
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562		\$5.572
15	THIRD PARTY	PGS	COMMODITY	6,109,128		6,109,128	\$4,128,884				\$67.586
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$147,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.			0				\$191,048	\$0.000
18 AUGUST TOTAL				114,903,629	21,948,820	136,852,449	\$5,853,918	\$96,887	\$3,693,839	\$338,048	\$7.294

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF

05

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY		(I) OST PIPELINE	(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							THIRD	PARTY				
1 SEP 2005	FGT	PGS	FTS-1 COMM	1,064,031		1,064,031			\$4,043			\$0.380
2	FGT	PGS	FTS-1 COMM		10,620,397	10,620,397			\$40,358			\$0.380
3	FGT	PGS	FTS-2 COMM	6,311,470		6,311,470			\$11,171			\$0.177
4	FGT	PGS	FTS-1 DEMAND	27,975,900		27,975,900				\$1,078,471		\$3.855
5	FGT	PGS	FTS-1 DEMAND		10,620,397	10,620,397				\$409,416		\$3.855
6	FGT	PGS	FTS-2 DEMAND	12,622,800		12,622,800				\$961,605		\$7.618
7	FGT	PGS	NO NOTICE	6,450,000		6,450,000				\$31,928		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,470,038		2,470,038	\$1,668,105			\$11,456		\$0.000
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM	8,127,697		8,127,697			\$25,115			\$0.309
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM	7,940,760		7,940,760			\$12,705			\$0.160
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND	10,797,600		10,797,600				\$321,409		\$2.977
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND	10,720,500		10,720,500				\$191,897		\$1.790
13	GULFSTREAM	PGS	GULFSTREAM COMM	3,876,775		3,876,775			\$7,754			\$0.200
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,500,000		10,500,000				\$585,060		\$5.572
15	THIRD PARTY	PGS	COMMODITY	6,102,601		6,102,601	\$4,121,315					\$67.534
16	FGT	PGS	BAL. CHGS./OTHER	0		0					\$147,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.			0					\$184,885	\$0.000
18	SEPTEMBER TOTAL			114,960,172	21,240,794	136,200,966	\$5,789,421	\$101,145	\$3,591,241	\$331,885		\$7.205

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '05 Through DECEMBER '05

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(I) THIRD PARTY	(I) PIPELINE			
							1 OCT 2005	FGT			
2	FGT	PGS	FTS-1 COMM		10,974,410	10,974,410		\$41,703		\$0.380	
3	FGT	PGS	FTS-2 COMM	7,250,190		7,250,190		\$12,833		\$0.177	
4		PGS	FTS-1 DEMAND	50,251,620		50,251,620			\$1,937,200	\$3.855	
5		PGS	FTS-1 DEMAND		10,974,410	10,974,410			\$423,064	\$3.855	
6	FGT	PGS	FTS-2 DEMAND	13,043,560		13,043,560			\$993,658	\$7.618	
7	FGT	PGS	NO NOTICE	3,720,000		3,720,000			\$18,414	\$0.495	
8	THIRD PARTY	PGS	SWING SERVICE	2,470,038		2,470,038	\$1,674,500		\$11,838	\$0.000	
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM	7,981,863		7,981,863		\$24,664		\$0.309	
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM	7,798,280		7,798,280		\$12,477		\$0.160	
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND	11,157,520		11,157,520			\$321,409	\$2.881	
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND	11,077,850		11,077,850			\$191,897	\$1.732	
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,012		\$0.200	
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562	\$5.572	
15	THIRD PARTY	PGS	COMMODITY	6,587,682		6,587,682	\$4,465,950			\$67.793	
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$147,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.			0				\$191,048	\$0.000
18	OCTOBER TOTAL			137,172,263	21,948,820	159,121,083	\$6,140,450	\$103,404	\$4,502,041	\$338,048	\$6.966

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(I) PIPELINE	(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY					
1 NOV 2005	FGT	PGS	FTS-1 COMM	6,360,478		6,360,478			\$24,170			\$0.380
2	FGT	PGS	FTS-1 COMM		10,620,397	10,620,397			\$40,358			\$0.380
3	FGT	PGS	FTS-2 COMM	4,947,120		4,947,120			\$8,756			\$0.177
4	FGT	PGS	FTS-1 DEMAND	60,678,600		60,678,600				\$2,339,160		\$3.855
5	FGT	PGS	FTS-1 DEMAND		10,620,397	10,620,397				\$409,416		\$3.855
6	FGT	PGS	FTS-2 DEMAND	13,927,800		13,927,800				\$1,061,020		\$7.618
7	FGT	PGS	NO NOTICE	7,050,000		7,050,000				\$34,898		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,390,359		2,390,359	\$1,679.11			\$11,455		\$0.000
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM	6,185,363		6,185,363			\$19,113			\$0.309
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM	6,043,100		6,043,100			\$9,669			\$0.160
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND	10,797,600		10,797,600				\$321,409		\$2.977
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND	10,720,500		10,720,500				\$191,897		\$1.790
13	GULFSTREAM	PGS	GULFSTREAM COMM	3,876,775		3,876,775			\$7,754			\$0.200
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,500,000		10,500,000				\$585,060		\$5.572
15	THIRD PARTY	PGS	COMMODITY	8,216,717		8,216,717	\$5,771.87					\$70.245
16	FGT	PGS	BAL. CHGS./OTHER	0		0					\$147,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.			0					\$184,888	\$0.000
				151,694,412	21,240,794	172,935,206	\$7,450.98	\$109,819	\$4,954,315	\$331,888		\$7.429

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

MONTH	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	TOTAL PURCHASED	THIRD PARTY	PIPELINE	DEMAND COST	OTHER CHARGES ACA/FUEL	TOTAL CENTS PER THERM
1 DEC 2005	FGT	PGS	FTS-1 COMM	10,114,539		10,114,539		\$38,435			\$0.380
2	FGT	PGS	FTS-1 COMM		10,974,410	10,974,410		\$41,703			\$0.380
3	FGT	PGS	FTS-2 COMM	5,238,420		5,238,420		\$9,272			\$0.177
4	FGT	PGS	FTS-1 DEMAND	62,701,220		62,701,220			\$2,417,132		\$3.855
5	FGT	PGS	FTS-1 DEMAND		10,974,410	10,974,410			\$423,064		\$3.855
6	FGT	PGS	FTS-2 DEMAND	14,392,060		14,392,060			\$1,096,387		\$7.618
7	FGT	PGS	NO NOTICE	10,403,910		10,403,910			\$51,499		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,390,359		2,390,359	\$1,733,052		\$11,838		\$0.000
9	SONAT/SOUTH GEORGIA	PGS	SONAT TRANS COMM	7,769,570		7,769,570		\$24,008			\$0.309
10	SONAT/SOUTH GEORGIA	PGS	SO GA TRANS COMM	7,590,870		7,590,870		\$12,145			\$0.160
11	SONAT/SOUTH GEORGIA	PGS	SONAT DEMAND	11,157,520		11,157,520			\$321,409		
12	SONAT/SOUTH GEORGIA	PGS	SO GA DEMAND	11,077,850		11,077,850			\$191,897		
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,012			
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562		
15	THIRD PARTY	PGS	COMMODITY	13,585,061		13,585,061	\$9,849,407				
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$147,00	
17	FGT	PGS	SWING SERVICE REV.			0				\$191,04	
18 DECEMBER TOTAL				171,277,380	21,948,820	193,226,200	\$11,582,455	\$133,575	\$5,117,787	\$338,04	

Composite Exhibit No. _____
Docket No. 040003-GU
Peoples Gas System
(EE-2)
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COMPANY: PEOPLES GAS SYSTEM

CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD

SCHEDULE E-4

ESTIMATED FOR THE PROJECTED PERIOD: JANUARY '05 through DECEMBER '05

	PRIOR PERIOD: JAN '03 - DEC '03			CURRENT PERIOD: JAN '04 - DEC '04	
	(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 \$	\$195,243,765	\$219,367,039	\$24,123,274	\$190,793,370	\$214,916,644
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	\$10,313,390	\$3,052,815	(\$7,260,575)	\$10,410,647	\$3,150,072
2a MISCELLANEOUS ADJUSTMENTS	\$0	\$0	\$0	(\$9,663)	(\$9,663)
3 INTEREST PROVISION FOR THIS PERIOD	\$14,742	\$6,555	(\$8,187)	\$47,245	\$39,058
3a TRUE-UP (COLLECTED) OR REFUNDED	\$0	\$0	\$0	\$0	\$0
4 END OF PERIOD TOTAL NET TRUE-UP	\$10,328,132	\$3,059,370	(\$7,268,762)	\$10,448,229	\$3,179,465

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

COL.(1)SAME AS COL. (4 Less Line 3a) PRIOR PER. SCH.(E-4)
 COL.(2)DATA OBTAINED FROM DEC'03 SCHEDULE (A-2)
 LINE 4 COLUMN (2) SAME AS LINE 7 SCHEDULE (A-7), Dec'03
 LINE 4 COLUMN (3) SAME AS LINE 9 SCHEDULE (A-7),Dec'03
 LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)
 LINE 2a COLUMN (4) SAME AS LINES 10a+11a SCHEDULE (E-2)
 LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

TOTAL TRUE-UP \$	equals	CENTS PER THERM TRUE-UP
PROJ. TH. SALES		
\$3,179,465	equals	0.02080
152,875,591		

COMPANY: PEOPLES GAS SYSTEM		THERM SALES AND CUSTOMER DATA											SCHEDULE E-5	
ESTIMATED FOR THE PROJECTED PERIOD:		JANUARY '05 Through DECEMBER '05											Page 1 of 2	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
THERM SALES (FIRM)														
1 RESIDENTIAL	12,434,275	11,088,534	8,108,864	5,152,648	4,175,104	3,618,793	3,302,915	3,182,959	3,274,208	3,706,634	4,593,627	7,860,160	70,498,721	
2 SMALL GENERAL SERVICE	319,070	309,939	274,777	215,575	214,428	181,331	161,755	166,358	153,260	149,882	161,508	219,716	2,527,599	
3 GENERAL SERVICE-1	5,501,642	5,472,476	4,929,460	4,710,680	4,358,175	3,748,089	3,267,048	3,319,714	3,257,204	3,234,736	3,717,118	4,990,930	50,507,272	
4 GENERAL SERVICE-2	1,874,305	1,733,881	1,754,608	1,459,002	1,406,232	1,188,406	1,066,170	1,088,997	1,087,980	1,104,635	1,236,874	1,719,011	16,720,101	
5 GENERAL SERVICE-3	1,070,225	1,074,270	953,914	797,662	892,980	617,610	534,749	632,666	581,237	597,343	622,532	883,431	9,238,619	
6 GENERAL SERVICE-4	163,576	161,210	192,213	163,807	146,817	134,381	134,196	165,074	124,402	151,646	153,791	170,877	1,861,990	
7 GENERAL SERVICE-5	90,209	89,413	83,304	79,493	75,426	75,248	75,100	75,100	75,100	75,100	83,613	89,828	966,934	
8 NATURAL GAS VEHICALS	5,372	5,453	5,325	5,341	5,979	5,945	5,739	4,221	5,928	5,618	5,354	5,570	65,845	
9 COMMERCIAL STREET LIGHTING	23,768	20,267	19,594	20,120	19,946	20,513	16,981	19,531	18,872	17,049	17,449	20,420	234,510	
10 WHOLESALE	37,315	52,022	26,375	23,615	21,563	17,391	8,627	6,880	14,448	15,077	15,210	15,477	254,000	
11 TOTAL FIRM SALES	21,519,757	20,007,465	16,348,434	12,627,943	11,316,650	9,607,707	8,573,280	8,661,500	8,572,639	9,057,720	10,607,076	15,975,420	152,875,591	
THERM SALES (INTERRUPTIBLE)														
12 SMALL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 TOTAL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 TOTAL SALES	21,519,757	20,007,465	16,348,434	12,627,943	11,316,650	9,607,707	8,573,280	8,661,500	8,572,639	9,057,720	10,607,076	15,975,420	152,875,591	
THERM SALES (TRANSPORTATION)														
17 SMALL GENERAL SERVICE	47,013	39,995	39,229	30,897	26,255	22,725	20,014	21,996	19,204	20,153	21,105	59,449	368,035	
18 GENERAL SERVICE-1	5,801,658	5,566,626	5,417,008	5,212,717	4,907,926	4,384,021	3,974,096	4,015,736	3,989,311	3,982,907	4,401,078	5,068,887	56,721,971	
19 GENERAL SERVICE-2	6,265,665	6,042,152	5,751,771	5,585,636	5,294,752	4,500,039	4,080,009	4,137,886	4,170,194	4,299,286	4,540,286	6,018,806	60,686,482	
20 GENERAL SERVICE-3	6,472,542	6,335,374	6,063,136	5,830,897	5,663,774	4,822,954	4,521,577	4,427,873	4,528,001	4,479,488	5,044,069	6,086,221	64,275,906	
21 GENERAL SERVICE-4	4,125,214	4,113,559	4,129,471	3,895,837	3,724,967	3,425,888	3,341,824	3,148,324	3,136,651	3,553,388	3,805,596	4,184,116	44,584,835	
22 GENERAL SERVICE-5	5,626,806	5,320,141	5,401,779	5,061,538	4,891,304	4,393,574	4,389,275	4,517,753	4,410,692	4,807,721	4,896,024	5,398,279	59,114,886	
23 NATURAL GAS VEHICALS	39,759	42,561	41,748	42,110	43,800	43,700	44,629	41,628	41,889	40,954	43,219	45,173	511,170	
24 COMMERCIAL STREET LIGHTING	96,211	78,056	81,617	81,207	83,942	79,351	79,509	79,782	71,811	79,927	96,320	94,746	1,002,479	
25 WHOLESALE	13,559	16,974	14,987	22,892	81,386	55,554	32,089	1,496	194,584	194,063	19,719	10,000	657,303	
26 SMALL INTERRUPTIBLE	4,916,959	4,644,105	4,733,094	4,500,178	4,080,593	3,204,585	3,047,433	3,092,688	3,008,585	3,454,620	4,197,336	4,693,639	47,573,815	
27 INTERRUPTIBLE	19,140,813	17,558,973	18,625,094	18,866,489	19,241,552	17,408,671	16,474,298	16,062,302	16,280,853	17,143,008	17,085,533	18,290,675	212,178,261	
28 LARGE INTERRUPTIBLE	20,851,818	21,300,062	22,316,813	22,977,531	26,429,979	23,346,938	22,631,822	23,326,256	24,294,516	20,349,657	23,157,169	22,910,039	273,892,600	
29 TOTAL TRANSPORTATION SALES	73,398,017	71,058,578	72,615,747	72,107,929	74,470,230	65,688,000	62,636,575	62,873,720	64,146,291	62,405,172	67,307,454	72,860,030	821,567,743	
30 TOTAL THROUGHPUT	94,917,774	91,066,043	88,964,181	84,735,872	85,786,880	75,295,707	71,209,855	71,535,220	72,718,930	71,462,892	77,914,530	88,835,450	974,443,334	

COMPANY: PEOPLES GAS SYSTEM		THERM SALES AND CUSTOMER DATA												SCHEDULE E-5	
ESTIMATED FOR THE PROJECTED PERIOD:		JANUARY '05 Through DECEMBER '05												Page 2 of 2	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL		
NUMBER OF CUSTOMERS (FIRM)															
31 RESIDENTIAL	287,445	288,570	289,356	289,153	289,443	290,256	291,238	292,405	293,742	295,515	297,416	299,519	292,005		
32 SMALL GENERAL SERVICE	5,538	5,526	5,514	5,483	5,471	5,460	5,440	5,422	5,422	5,417	5,409	5,406	5,459		
33 GENERAL SERVICE-1	11,434	11,472	11,544	11,583	11,614	11,639	11,674	11,710	11,780	11,898	11,981	12,059	11,699		
34 GENERAL SERVICE-2	722	731	737	734	745	750	753	754	758	763	768	778	749		
35 GENERAL SERVICE-3	121	123	122	122	121	118	120	122	120	128	129	129	123		
36 GENERAL SERVICE-4	5	5	5	5	5	5	5	5	5	5	5	5	5		
37 GENERAL SERVICE-5	3	3	3	3	3	3	3	3	3	3	3	3	3		
38 NATURAL GAS VEHICLES	8	8	8	9	10	8	8	8	8	8	8	8	8		
39 COMMERCIAL STREET LIGHTING	40	40	39	39	41	41	40	39	38	38	37	37	39		
40 WHOLESALE	6	5	5	5	5	5	5	5	5	5	5	5	5		
41 TOTAL FIRM	305,322	306,483	307,333	307,136	307,458	308,285	309,286	310,473	311,881	313,780	315,761	317,949	310,096		
NUMBER OF CUSTOMERS (INT.)															
42 SMALL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0		
43 INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0		
44 LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0		
45 TOTAL INTERRUPTIBLE CUSTOMERS	0	0	0	0	0	0	0	0	0	0	0	0	0		
46 TOTAL SALES CUSTOMERS	305,322	306,483	307,333	307,136	307,458	308,285	309,286	310,473	311,881	313,780	315,761	317,949	310,096		
NUMBER OF CUSTOMERS (TRANS.)															
47 SMALL GENERAL SERVICE	316	316	316	316	316	316	316	316	316	316	316	316	316		
48 GENERAL SERVICE-1	7,469	7,469	7,469	7,469	7,469	7,469	7,469	7,469	7,469	7,469	7,469	7,469	7,469		
49 GENERAL SERVICE-2	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272		
50 GENERAL SERVICE-3	646	646	646	646	646	646	646	646	646	646	646	646	646		
51 GENERAL SERVICE-4	131	131	131	131	131	131	131	131	131	131	131	131	131		
52 GENERAL SERVICE-5	89	89	89	89	89	89	89	89	89	89	89	89	89		
53 NATURAL GAS VEHICLE SALES	12	12	13	11	11	11	11	11	11	11	11	11	11		
54 COMMERCIAL STREET LIGHTING	57	57	57	57	57	54	51	53	51	51	51	51	54		
55 WHOLESALE	2	1	1	1	1	1	1	1	1	1	1	1	1		
56 SMALL INTERRUPTIBLE	31	31	31	31	31	31	31	31	31	31	31	31	31		
57 INTERRUPTIBLE	17	17	17	17	17	17	17	17	17	17	17	17	17		
58 LARGE INTERRUPTIBLE	7	7	7	7	7	7	7	7	7	7	7	7	7		
59 TOTAL TRANSPORTATION CUSTOMERS	11,049	11,048	11,049	11,047	11,047	11,044	11,041	11,043	11,041	11,041	11,041	11,041	11,044		
60 TOTAL CUSTOMERS	316,371	317,531	318,382	318,183	318,505	319,329	320,327	321,516	322,922	324,821	326,802	328,990	321,140		
THERM USE PER CUSTOMER															
62 SMALL GENERAL SERVICE	43	38	28	18	14	12	11	11	11	13	15	26	20		
63 GENERAL SERVICE-1	58	56	50	39	39	33	30	31	28	28	30	41	39		
64 GENERAL SERVICE-2	481	477	427	407	375	322	280	283	277	272	310	414	360		
65 GENERAL SERVICE-3	2,596	2,372	2,381	1,988	1,888	1,585	1,416	1,444	1,435	1,448	1,611	2,210	1,859		
66 GENERAL SERVICE-4	8,845	8,734	7,819	6,538	7,380	5,234	4,456	5,186	4,677	4,667	4,826	6,848	6,263		
67 GENERAL SERVICE-5	32,715	32,242	38,443	32,761	29,363	26,876	26,839	33,015	24,880	30,329	30,758	34,175	31,033		
68 NATURAL GAS VEHICLES	30,070	29,804	27,768	26,498	25,142	25,083	25,033	25,033	25,033	25,033	27,871	29,943	26,859		
69 COMMERCIAL STREET LIGHTING	672	682	666	593	598	743	717	528	741	702	669	696	665		
70 WHOLESALE	594	507	502	516	486	500	425	501	497	449	472	552	500		
71 SMALL INTERRUPTIBLE	6,219	10,404	5,275	4,723	4,313	3,478	1,725	1,376	2,890	3,015	3,042	3,095	4,164		
72 INTERRUPTIBLE	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		
73 LARGE INTERRUPTIBLE	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		
74 SMALL GENERAL SERVICE (TRANS.)	149	127	124	98	83	72	63	70	61	64	67	188	97		
75 GENERAL SERVICE-1 (TRANS.)	777	745	725	698	657	587	532	538	534	533	589	679	633		
76 GENERAL SERVICE-2 (TRANS.)	2,758	2,659	2,532	2,458	2,330	1,981	1,796	1,821	1,835	1,892	1,998	2,649	2,226		
77 GENERAL SERVICE-3 (TRANS.)	10,019	9,807	9,386	9,026	8,767	7,466	6,999	6,854	7,009	6,934	7,808	9,421	8,292		
78 GENERAL SERVICE-4 (TRANS.)	31,490	31,401	31,523	29,739	28,435	26,152	25,510	24,033	23,944	27,125	29,050	31,940	28,362		
79 GENERAL SERVICE-5 (TRANS.)	63,223	59,777	60,694	56,871	54,958	49,366	49,318	50,761	49,558	54,019	55,012	60,655	55,351		
80 NATURAL GAS VEHICLES (TRANS.)	3,313	3,547	3,211	3,828	3,982	3,973	4,057	3,784	3,808	3,723	3,929	4,107	3,759		
81 COMMERCIAL STREET LIGHTING (TRANS.)	1,688	1,369	1,432	1,425	1,473	1,469	1,559	1,505	1,408	1,567	1,889	1,858	1,549		
82 WHOLESALE	6,780	16,974	14,987	22,892	81,386	55,554	32,089	1,496	194,584	194,063	19,719	10,000	50,562		
83 SMALL INTERRUPTIBLE (TRANS.)	158,612	149,810	152,680	145,167	131,632	103,374	98,304	99,964	97,051	111,439	135,398	151,408	127,887		
84 INTERRUPTIBLE (TRANS.)	1,125,930	1,032,881	1,095,594	1,109,793	1,131,856	1,024,039	969,076	944,841	957,697	1,008,412	1,005,031	1,075,922	1,040,090		
85 LARGE INTERRUPTIBLE (TRANS.)	2,978,831	3,042,866	3,188,116	3,282,504	3,775,711	3,335,277	3,233,117	3,332,322	3,470,645	2,907,094	3,308,167	3,272,863	3,260,626		

COMPANY: PEOPLES GAS SYTEM

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '05 through DECEMBER '05

Attachment

	<u>Demand Allocation Factors-Winter Season</u>		<u>Demand Allocation Factors-Summer Season</u>	
	<u>Peak Month</u> January 2004 <u>Actual Sales</u>	<u>Percent of</u> <u>Total</u>	<u>Current Month</u> April 2004 <u>Actual Sales</u>	<u>Percent of</u> <u>Total</u>
<u>Residential</u>	10,649,886.5		6,063,543.2	
Residential PGA Factor	10,649,886.5	53.07%	6,063,543.2	44.43%
Small General Service	316,579.5		107,053.8	
General Service-1	5,475,551.8		4,722,034.0	
General Service-2	2,045,562.1		1,586,645.9	
General Service-3	1,183,211.4		892,504.4	
General Service-4	205,694.2		175,348.8	
General Service-5	125,358.0		51,145.4	
Natural Gas Vehicles	5,372.3		5,339.9	
Commercial Street Lighting	23,768.8		20,119.5	
Wholesale	37,316.2		23,615.2	
Small Interruptible	0.0		0.0	
Interruptible	0.0		0.0	
Large Interruptible	0.0		0.0	
Commercial PGA Factor	9,418,414.3	46.93%	7,583,806.9	55.57%
Total System	20,068,300.8	100.00%	13,647,350.1	100.00%