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IN REPLY REFER TO:

Ansley Watson, Jr.
P.O. Box 1531
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June 26, 2006

VIA FEDEX

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

060478-EG

Re: Petition for approval of modifications to approved energy conservation programs, by Peoples Gas System

Dear Ms. Bayo:

Enclosed for filing with the Commission on behalf of Peoples Gas System, please find the original and 15 copies of Peoples' petition referenced above.

Please acknowledge your receipt of the enclosures, the date of their filing, and the docket number assigned, on the enclosed copy of this letter, and return the same to me in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,



Ansley Watson, Jr.

AWjr/a
Enclosures

cc: Mrs. Kandi M. Floyd

DOCUMENT NUMBER-DATE
05743 JUN 27 06
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of)
modifications to approved energy)
conservation programs, by Peoples)
Gas System)
_____)

Docket No. 060478-EG

Submitted for Filing:
6-27-06

**PETITION OF PEOPLES GAS SYSTEM
FOR APPROVAL OF MODIFICATIONS TO
APPROVED ENERGY CONSERVATION PROGRAMS**

Peoples Gas System ("Peoples" or the "Company"), by its undersigned attorneys, files this petition for approval of modifications to its energy conservation programs, such modifications to become effective January 1, 2007, and in support of its petition states:

1. The name, address and telephone number of the petitioner are:

Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562
(813) 228-4111

2. The names and mailing addresses of the persons to whom notices, orders and correspondence regarding this petition are to be sent are:

Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

Ms. Brenda Irizarry
Regulatory Affairs
Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

3. Peoples is a natural gas local distribution company ("LDC") providing sales and transportation delivery of natural gas throughout most of the State of Florida, and is a public utility subject to the Commission's regulatory jurisdiction under Chapter 366, *Florida Statutes*. It is required by the provisions of the Florida Energy Efficiency and Conservation Act (§366.82(1), *Florida Statutes*, hereinafter, "FEECA") to have energy

conservation programs approved by the Commission, and its substantial interests will be affected by the Commission's determination on the merits of this petition.

BACKGROUND

4. Peoples has had approved energy conservation programs since 1981. The former West Florida Natural Gas Company ("West Florida" or "WFL"), which Peoples acquired by merger effective June 30, 1997, also had approved energy conservation programs at the time it was acquired by Peoples. Since that acquisition, Peoples has offered its own previously approved programs to its customers in areas it serves other than in its West Florida Region, and has offered to customers in the areas formerly served by West Florida (primarily Panama City and Ocala) the West Florida programs that were in effect at the time of Peoples' acquisition of West Florida. Peoples has filed separate data and reports for its West Florida and Non-West Florida Regions since 1997.

5. Pursuant to the Commission's rules, the service rates applicable in the areas served by the distribution properties acquired from West Florida remained unchanged until the Company sought in its last full revenue requirements proceeding to make uniform the service rates in all of its service areas, including the West Florida Region. The Commission approved such uniform service rates by its Order No. PSC-03-0038-FOF-GU, issued January 6, 2003 in Docket No. 020384-GU.

6. Peoples' conservation programs in its Non-West Florida Region were last approved as cost effective by the Commission's Order No. PSC-97-0042-FOF-GU, issued in Docket No. 960557-GU on January 9, 1997 after the adoption of Rule 25-17.009, *Florida Administrative Code*. The programs in effect in the West Florida Region were last approved by the Commission's Order No. 24536, issued May 15, 1991 in Docket No. 910086-GU.

7. The existing approved programs in effect in Peoples' Non-West Florida and West Florida Regions are described below:

(a) Residential Home Builder Program. Peoples' administers residential new construction programs in both its Non-West Florida and West Florida Regions. The programs are virtually identical, the only substantive difference being variations in the cash allowances for certain appliances (see chart in paragraph 12). The objective of the home builder programs is to reduce the growth rates of electric consumption, increase the conservation of energy resources and minimize ratepayers' total energy cost. These programs are designed to expand the consumer's options for energy choice in new homes. The incentives offered to builders under these programs are designed to assist in defraying the added cost of gas piping and venting. Participation in the programs is open to any builder or developer of homes who installs energy efficient whole-house gas heating and/or water heating and provides piping and venting connections for a range and clothes drying equipment.

(b) Residential Electric Resistance Appliance Replacement Program. Peoples' administers residential appliance replacement programs in both its Non-West Florida and West Florida Regions. The programs are virtually identical, the only substantive differences being variations in the cash allowances for certain appliances (see chart in paragraph 17), and the specific inclusion of oil heating system replacements in the current West Florida program. The appliance replacement programs are designed to reduce the growth rates of electric consumption and optimize the use of existing natural gas facilities by encouraging the replacement of electric resistance appliances in the residential market.

Participation in the programs is open to current residential customers or potential customers who have gas service available and replace their electric water heating, strip central heating, cooking, clothes drying or space heating with energy efficient gas appliances. Cash allowances are offered to defray the additional cost of installing energy efficient natural gas appliances (primarily piping and venting the appliances).

(c) Gas Water Heater Load Retention Program. Peoples' administers gas water heater retention programs in both its Non-West Florida and West Florida Regions. The programs are identical, including the cash allowance amounts provided in each region. The retention programs are designed to promote the continued use of gas for water heating thereby reducing gas conversions to alternate fuels. Any current customer using gas for water heating can participate in the programs when they replace an existing natural gas appliance with an energy efficient appliance. The allowances help defray the higher first cost of a gas water heater compared to electric, including costs related to upgraded venting, water heater stands and other items that may be necessary to meet current building code requirements.

(d) Oil Heating Replacement Program. Peoples' administers an oil heating replacement program in its Non-West Florida Region. The program is designed to encourage customers to convert existing oil-burning heating systems to energy efficient natural gas heating so as to discourage those customers from switching to less costly resistance strip heating. Allowances are offered to defray the additional cost of installing gas appliances. As indicated above, this program in the

West Florida Region is combined with the Residential Electric Resistance Appliance Replacement Program.

(e) Commercial Electric Resistance Appliance Replacement Program.

Peoples administers commercial appliance replacement programs in both its Non-West Florida and West Florida Regions. The programs are virtually identical, the only substantive difference being variations in the cash allowances (see paragraph 23). The programs are designed to encourage the replacement of electric resistance appliances in commercial establishments by offering allowances to reduce the cost of installing piping, venting and energy efficient natural gas appliances. The program reduces electric demand and consumption.

(f) Gas Space Conditioning Allowance Program. Peoples administers

gas space conditioning programs in both its Non-West Florida and West Florida Regions. The programs are virtually identical, the only substantive difference being variations in the cash allowances (see paragraph 24). The programs are designed to encourage the installation of space conditioning equipment by offering allowances to reduce the cost of installing piping, venting and energy efficient natural gas appliances. The program reduces electric demand and consumption. The Gas Space Conditioning Program is intended to include participation by residential and commercial firm gas customers and is intended to apply to total space conditioning which includes not only heating and cooling but also humidity control.

(g) Small Package Cogeneration and Feasibility Study Program. Peoples

administers this program only in its Non-West Florida Regions. The program promotes the direct use of natural gas to generate on-site power with options to use the waste heat for heating and cooling applications. Conditioned on the results of a

preliminary cost effectiveness analysis, allowances are offered for feasibility studies (see paragraph 25).

(h) Gas Appliance Energy Savings Payback Program. Peoples administers this program only in its West Florida Region. The program is designed to promote the replacement of standard gas appliances with upgraded energy efficient gas appliances and to ensure that new installations comply with applicable energy efficiency standards, such as pilotless ignition.

(i) Program Monitoring, Evaluation and Research Demonstration; Advertising and Promotion. Both the West Florida and Non-West Florida Regions have in place programs for the monitoring and evaluation of the other programs and conservation technologies, as well as for the advertising and promotion of the programs. No changes are sought in these aspects of Peoples' programs.

RELIEF REQUESTED

8. By this petition, Peoples seeks the Commission's approval for re-titling certain of the programs in the Non-West Florida Region, modification of the allowances payable under certain of its existing programs, and making the programs available to customers in its Non-West Florida Regions available to customers in its West Florida Region. This last action would eliminate the previously approved West Florida programs, which would be replaced by the programs Peoples has in effect throughout the remainder of its service areas, resulting in a single set of programs. Peoples requests that the modifications for which approval is sought become effective January 1, 2007.

9. The conservation allowance amounts proposed in this petition are the result of a cooperative development effort among the member utilities of the Associated Gas Distributors of Florida ("AGDF"), which includes all of the regulated LDCs operating in

Florida. Each of the member LDCs either administers an existing Commission-approved energy conservation program, or is actively planning to file a program. The residential conservation programs are especially critical to each LDC's ability to add and retain customers.

Over the past three years, four of the AGDF-member LDCs have participated in a joint energy conservation advertising and customer education program, and two other members are planning to participate this year. The AGDF statewide "Get Gas Florida" campaign is directed primarily at educating the public about the availability of approved energy conservation programs. Pooling each LDC's conservation education funds in support of a common "Get Gas Florida" campaign reduces development costs and enables bulk purchasing discounts that greatly increase the coverage and effectiveness of the program. AGDF-member LDCs hope to establish Commission-approved energy conservation programs with identical cash allowance levels at each LDC. Current "Get Gas Florida" advertising stops short of promoting specific conservation allowances, since the current allowances are approved in different amounts for each LDC. If each LDC offered the same allowance amounts, the gas industry could deliver a more powerful message through its conservation advertising and education programs. AGDF members agreed to focus their initial efforts on developing consistent allowance amounts for the conservation programs directed toward the homebuilding industry, residential appliance replacement and appliance retention. The allowance amounts for new construction and appliance replacement proposed in this petition, and supported by Commission-required cost benefit tests, are identical to the existing Florida City Gas allowances approved by the Commission. The appliance retention allowances are proposed at the same levels as the proposed new construction allowances.

Residential New Construction Program

10. The program is currently called the “Residential Home Builder Program,” but would be re-titled the “Residential New Construction Program.” It promotes the use of natural gas in new single and multi-family residential construction projects to developers, builders and/or homebuyers. The program is designed to increase the overall energy efficiency in the new home construction market through the installation of efficient gas appliances. Incentives in the form of cash allowances are provided to support the installation of natural gas, including interior gas piping, venting, appliance purchase and other costs associated with residential gas service. The program’s cash allowances are paid for water heating, space heating, clothes drying and cooking equipment installations. All gas appliances installed under the program must demonstrate compliance with the minimum efficiency standards established by the U.S. Department of Energy. (See Uniform Test Method for Measuring the Energy Consumption of Water Heaters, Appendix E to Subpart B of 10 CFR Part 430, and 10 CFR §430.32, Energy and Water Conservation Standards and Effective Dates.)

11. The residential new construction cash allowances provided by Peoples are designed to reduce a homebuilder’s house piping and appliance installation costs. The allowances help bring initial gas installation costs in line with the installation costs of competitive energy sources. The overall cost benefit of selecting natural gas is positive for consumers. However, homebuilders are generally more concerned with construction costs than they are with a homeowner’s long-term operating and maintenance costs. As the cost of housing in Florida has escalated over the past few years, builders have become even more cost sensitive. Providing a cash allowance for gas installations, as this program has done since its inception, helps mitigate a homebuilder’s construction

cost concerns and significantly improves the likelihood that efficient, clean-burning natural gas appliances will be provided to Florida homeowners.

12. Peoples is proposing an increase in the current cash allowances for all appliances approved in its Residential New Construction Program primarily to address the cost increases for gas piping, venting and appliances in the new home market. The current Peoples residential home builder allowances have been in place since Commission approval in 1994 (Order No. 94-0567-FOF-GU, Docket No. 940064-GU). The following chart depicts Peoples' current and proposed residential new construction allowances per appliance.

Peoples Residential New Construction Program Cash Allowances (including WFL)

	Peoples	WFL	Proposed
Gas Storage Tank Water Heating	\$250	\$150	\$350
Gas Tankless Water Heating	\$250	\$150	\$450
Gas Heating	\$250	\$250	\$350
Gas Cooking	\$85	\$100	\$100
Gas Clothes Drying	\$85	\$100	\$100

13. As previously noted, the allowances proposed above are identical to the Commission-approved Florida City Gas allowance amounts, with the exception of the separate allowance proposed for tankless water heating systems. Peoples seeks Commission approval to establish a separate allowance of \$450 for tankless water heating systems installed under its Residential New Construction Program. Peoples believes that a separate, higher allowance for tankless units would significantly increase installations of these highly efficient water heaters. The tankless water heater market is growing rapidly in Florida and throughout the United States. Millions of tankless units are in operation throughout Europe and Asia. Natural gas utilities in the United States have begun to actively promote tankless technology for four principal reasons: First, the

efficiency ratings of most gas-fired tankless units tested in accordance with U.S. Department of Energy test standards are well above a .80 Energy Factor ("EF"), significantly higher than new storage tank water heaters (which typically have a .59 EF). The increased efficiency of tankless units results in substantial energy savings for homeowners. Second, most tankless units are installed outside a home's conditioned space and require no venting, reducing installation costs and eliminating the need for indoor combustion air. Third, the exterior installation and elimination of a storage tank provide homebuilders with valuable additional interior square footage. Finally, the service life of a gas tankless unit is estimated at approximately 20 years, significantly longer than the approximate 12- to 14-year life of a standard storage tank water heater.

14. Tankless technology offers builders and homeowners a gas water heating system that, compared to storage tank systems, provides greater gallon-per-minute hot water production, greater recovery efficiency ratings and higher DOE EF ratings. Most tankless water heater manufacturers are voluntarily complying with the Federal Trade Commission's Appliance Labeling Rule (16 CFR Part 305), which provides a straightforward method for homebuilders, code officials and consumers to identify EF ratings. It should also be noted that the Florida Building Commission issued a declaratory statement in May 2005 (Case No. DCA05-DEC-034) indicating that gas fired tankless units are eligible to receive the highest level of energy efficiency credit available for gas water heaters in the Florida Energy Code whole house performance compliance methodology.

15. The installed cost of a residential gas tankless water heater with a gallon-per-minute capability sufficient to serve a typical residence (>6 gpm) and standard exterior installation is approximately \$1,350. A typical residential storage tank gas water

heater installed in new construction averages approximately \$650. While the life-cycle cost benefits to consumers support the installation of tankless units, as indicated in the Participants Tests, the initial cost remains a hurdle to significant market penetration. The increased allowance could help Peoples offset the additional expense to a homebuilder installing the high efficiency tankless units.

Residential Appliance Replacement Program

16. This program is currently called the “Residential Electric Resistance Appliance Replacement Program,” and Peoples seeks approval to re-title it the “Residential Appliance Replacement Program.” The program encourages the replacement of inefficient non-natural gas residential appliances with energy-efficient natural gas appliances. Cash incentives are provided to reduce the installation costs of residential gas water heating, space heating, cooking and clothes drying.

17. Peoples is proposing an increase in the current cash allowances for all appliances approved in its Residential Appliance Replacement Program primarily to address cost increases for gas piping, venting and appliances in the existing home appliance replacement market. The allowances for appliance replacement programs have typically been approved at higher levels than new construction or appliance retention allowances due to the increased cost associated with retrofitting an existing home with gas. Installing interior gas piping and venting in existing homes is more challenging than in new construction installations where piping and venting can be installed when walls, ceilings and floors are still open and accessible. The current Peoples appliance replacement program allowances have been in place since Commission approval in 1990. The following chart depicts the current and proposed

Peoples new home allowances per appliance. As noted above, the proposed allowances are identical to the allowances approved by the Commission for Florida City Gas.

Peoples Residential Appliance Replacement Program Cash Allowances

	Peoples	WFL	Proposed
Gas Storage Tank Water Heating	\$440	\$250	\$525
Gas Tankless Water Heating	\$440	\$250	\$525
Gas Heating	\$440	\$500	\$625
Gas Cooking	\$ 75	\$150	\$100
Gas Clothes Drying	\$ 75	\$150	\$100
Gas Space Heating	\$65	\$150 (<50K Btu) \$300 (>50K Btu)	\$65

Because the program as modified will also cover the replacement of oil heating systems, Peoples also seeks authority from the Commission to terminate its current Non-West Florida Region Oil Heating Replacement Program.

Residential Appliance Retention Program

18. This program is currently titled the “Gas Water Heater Load Retention Program,” and Peoples seeks the Commission’s approval to re-title the program the “Residential Appliance Retention Program.” Peoples’ current retention program encourages homeowners with existing natural gas water heaters to retain natural gas when the existing water heater fails. A cash incentive is paid to reduce the cost of purchasing and installing a replacement natural gas water heater. At present, Peoples’ retention program addresses only natural gas water heating installations.

19. Peoples proposes to expand its current retention program to add allowances for heating, clothes drying and cooking appliances to the existing water heating allowances. A separate allowance for gas tankless water heating systems is also proposed. Peoples seeks approval of appliance retention allowance levels identical to the proposed allowances for its Residential New Construction Program.

20. Peoples recognizes that the cost to retain an existing customer is significantly lower than the cost to add a new customer. The proposed retention allowances will strengthen Peoples' ability to retain existing gas customers and avoid the cost of meter removal and, ultimately, the cost of cutting and capping service lines (as is required by Commission rule). When a customer is lost, the typical cost to remove the meter and cut and cap the service is estimated at \$370. Retaining customers also enhances Peoples' ability to spread its fixed operating costs over a greater number of customers, thereby assisting in mitigating the need for future rate adjustments. All ratepayers benefit from the retention of revenues from an existing customer. Although the benefit of avoiding service termination costs for existing customers is significant, Peoples has elected to present a conservative analysis and did not include avoided cut-and-cap costs in the RIM Test cost benefit calculations.

21. The following chart depicts the current and proposed Peoples retention allowances per appliance.

Peoples Residential Appliance Retention Program Cash Allowances

	Peoples	WFL	Proposed
Gas Storage Tank Water Heating	\$100	\$100	\$350
Gas Tankless Water Heating	\$0	\$0	\$450
Gas Heating	\$0	\$0	\$350
Gas Cooking	\$0	\$0	\$100
Gas Clothes Drying	\$0	\$0	\$100

22. Consistent with its proposed Residential New Construction Program allowances, Peoples is proposing to establish a separate retention allowance for the installation of gas tankless water heating systems at a level higher than that for storage water heating systems. The service life of a storage tank water heater averages approximately 14 years, and the typical efficiency rating of a storage tank water heater

installed in the early 1990's was .48 EF. Given the efficiency degradation that naturally occurs as storage tank units age, and the high EF ratings of most tankless water heaters (above .80 EF), it would not be unusual to expect a new tankless installation to be twice as efficient as the water heater to be replaced. The increased allowance for tankless water heaters would help reduce the initial cost of upgrading an inefficient storage tank water heater. Peoples seeks Commission approval to establish a \$450 allowance for gas tankless water heaters installed under the Residential Appliance Retention Program.

Commercial Electric Resistance Appliance Replacement Program

23. The Commercial Electric Resistance Appliance Replacement Program provides allowances to convert existing electric appliances to natural gas. The allowance in Peoples' Non-West Florida Regions is currently \$40 per KW displaced (with a maximum of 100 KW). In the West Florida Region, the allowance is \$30 per KW displaced (with a maximum of 100 KW). As noted above, Peoples proposes to eliminate the current West Florida Region program, and replace it with the Non-West Florida Region program, including the Non-West Florida Region allowance. The Peoples' Non-West Florida program passed the RIM and Participants Test minimum thresholds when originally approved by the Commission. Authorizing the West Florida Region customers to participate in the existing Non-West Florida Region program would not affect the cost effectiveness determinations of the tests.

Gas Space Conditioning Allowance Program

24. The Gas Space Conditioning Allowance Program provides allowances to residential and commercial customers installing gas space conditioning equipment. The allowance in Peoples' Non-West Florida Regions is currently \$150 per ton (for up to a maximum of 100 tons per project). In the West Florida Region, the allowance is \$100 per

ton (for up to a maximum of 100 tons per project). As described earlier in this petition, Peoples proposes to eliminate the current West Florida Region program, and replace it with the Non-West Florida Region program, including the Non-West Florida Region allowance. The Peoples' Non-West Florida program passed the RIM and Participants Test minimum thresholds when originally approved by the Commission. Authorizing the West Florida Region customers to participate in the existing Non-West Florida Region program would not affect the cost effectiveness determinations of the tests.

Small Package Cogeneration and Feasibility Study Program

25. The Small Package Cogeneration and Feasibility Study Program provides allowances to study the economic and operational feasibility of potential natural gas cogeneration sites and provide installation incentives. The program is currently offered solely to Peoples' Non-West Florida Region customers. Peoples' proposes to designate its West Florida Region customers eligible to participate in the existing program. The current approved allowances provide a maximum of \$5,000 per project for the feasibility study and \$150 per KW (maximum of 150 KW per project) for installation.

Gas Appliance Energy Savings Payback Program

26. The Gas Appliance Energy Savings Payback Program provides a \$50 per appliance allowance to upgrade existing natural gas appliances with more efficient natural gas appliances. The program is offered only in the West Florida Region. The original program was designed principally to encourage customers to select pilot-less ignition appliances, and appliances with increased energy efficiency ratings. The allowances provided in the modified Appliance Replacement and Appliance Retention Programs proposed in this petition, along with the minimum efficiency rating requirements established in each program, would ensure that appropriate incentives for efficient gas

appliances remain to replace those currently provided in the Energy Savings Payback Program.

COST BENEFIT TESTS

27. Peoples has followed the Commission-approved cost effectiveness test methodologies (RIM Test and Participants Test) required by Rule 25-17.009 to determine the cost-benefit of each proposed program modification and allowance level. Attached hereto as Exhibit A is a composite document containing Peoples' RIM and Participants Tests demonstrating the cost benefit of the proposed program modifications for the Residential New Construction Program, the Residential Appliance Replacement Program and the Residential Appliance Retention Program. Other than the above listed programs, Peoples is proposing no modifications to its programs that would affect the various programs' cost benefit results as determined by the RIM and Participants Tests.

28. The appliance cost, appliance installation cost and energy usage data required to complete the RIM and Participants Tests were developed through a cooperative effort of members of AGDF. Historically, the Commission has allowed LDCs to use average appliance and usage data in preparing the RIM and Participants Tests. LDCs operating in multiple jurisdictions in the state have not filed multiple regional based conservation programs. The data used to produce the Peoples RIM and Participants Tests are representative of appliance costs, installation costs and energy usage information on a statewide basis, and would be applicable to any LDC cost-benefit tests.

29. While many of the data elements included in this filing could be applied to any Florida LDC RIM or Participants Tests, there are several data elements that are applicable solely to Peoples. For example, the Customer Charge and Energy Charge rates used in the analysis are Peoples' current Commission-approved rates. The

incremental administrative cost and operations and maintenance cost relative to adding a new customer through the Residential New Construction Program or Residential Appliance Replacement Program are based on growth related expense data from the 2002 Peoples base rate case (Order No. PSC-03-0035-FOF-GU, issued in Docket No. 020384-GU, hereinafter, the "2002 Rate Case"). Residential service line, meter and regulator investment costs are as approved in MFR Schedule E-7 in the 2002 Rate Case. The RIM Tests also use Peoples' approved weighted average cost of capital from the 2002 Rate Case. The depreciation rates used in the RIM Tests are those approved by the Commission in Peoples' 2001 Depreciation Study (Order No. PSC-02-1492-PAA-GU, issued in Docket No. 010383-GU).

30. The cost of gas used in the RIM and Participants Tests is based on Peoples' Purchased Gas Adjustment price for July 2006. The cost of electricity was developed from a weighted average of the residential rates, including fuel adjustment rates, in place during April 2006 for the four largest Florida investor-owned Commission-regulated electric utilities.

31. The annual gas therm usage data by appliance used in the respective cost benefit tests is based on data developed by Peoples. In 1995, Peoples conducted a gas appliance sub-metering research project for the specific purpose of developing residential usage data necessary for forecasting project feasibility and conservation filing cost benefit tests. The study sub-metered appliances in over 300 PGS gas customer residences. The residences were selected throughout the PGS service area, in the north, central and south regions of the state. Consumption data was monitored for over a year.

32. Electric appliance Kwh usage data was obtained from several sources. Resistance water heating consumption data was developed using the November 2005 *Consumer's Directory of Certified Efficiency Ratings for Heating and Water Heating Equipment* published by the Gas Appliance Manufacturers Association ("GAMA"), a national trade association representing over 90 percent of all appliances (gas and electric) manufactured in the United States. Usage data for electric heat pumps was obtained from the EnergyGauge computer model (Version: FLR3SB v4.0) used to assess compliance with the Florida Energy Efficiency Code for Building Construction. Kwh usage data for electric cooking and clothes drying was derived from a standard Btu conversion of the gas therms from the Peoples study to electric Kwh.

33. Obtaining appliance installation cost data was problematic for the AGDF project team. Cost data in the new residential construction market is difficult to obtain. For competitive reasons, most homebuilders are reluctant to provide individualized product or material costs, unless they are pricing an upgrade to their base home package. Subcontractors are equally reticent to publicly disclose component prices. In many cases, a subcontractor provides a package price for services that include gas appliance installations along with other non-gas products. For example, a plumbing contractor may provide a turn-key price for the potable water piping to a homebuilder that also includes installing the gas water heater. In addition, wholesale pricing from distributors becomes relatively meaningless given the escalation in price mark-ups on new homes over the past few years. The AGDF project team determined that, given the above concerns, the most reliable cost data would be obtained from appliance retailers with a large Florida sales presence and from nationally recognized cost estimating publications in widespread use in the residential construction industry. The data

developed from these sources were compared to internal cost information available through Florida Public Utility Company's ("FPUC's") retail appliance operation. FPUC is the only AGDF member that retails and installs gas appliances.

34. Appliance costs for storage tank water heaters, tankless water heaters, cooking equipment and clothes dryers was obtained from the Home Depot and Lowes web sites (www.homedepot.com and www.lowes.com). Retail cost data from both sources was available for both gas and electric appliances. Care was taken to ensure that comparable appliance models were selected for both fuel types. The appliances referenced above are available for retail purchase and delivery anywhere in the state at the prices quoted on the Home Depot or Lowes websites. Use of a major appliance retailer's published pricing provides the Commission verifiable, real world price data. In Peoples' view, the retail Home Depot and/or Lowes prices provide a reasonable price point for inclusion in the RIM and Participants Tests. It should be noted that the National Energy Policy Act of 2005 provides for a \$300 tax credit to homeowners purchasing a water heater with an EF greater than .80. As noted above, virtually all gas-fired tankless units are rated above .80 EF. Although the tax credit is currently available for homeowner improvements, Peoples elected to make a conservative analysis and has not included the tax credit in its Participants Test analysis in the appliance replacement or appliance retention programs.

35. The installation costs for the above referenced appliances were developed through a combination of efforts. AGDF member companies surveyed local plumbers, air conditioning contractors and gas fitters to obtain installation pricing. As noted previously, there was significant variation in the price points for installation, in those cases where the contractors were willing to share cost data. For example, variations of several hundred

dollars were identified for gas and electric water heating installations depending on the region of the state and the market type of the residence. Finally, installation costs were obtained from the "2006 R.S. Means Residential Construction Cost Data, 25th Annual Edition", construction cost estimating guide. The R.S. Means guide is a nationally recognized construction cost estimator. R.S. Means has established material prices based on national averages and labor rates based on seven average regional wage rates. Costs can be further adjusted to over 900 locations throughout the U.S and Canada.

36. The equipment and installation costs for gas heating and electric heat pumps were also difficult to obtain for the same reasons listed above. The R.S. Means guide was used for space heating equipment and installation costs. The costs for gas main installations (feeder main and development main) were jointly developed by the AGDF project team based on average cost data for installation of 2" plastic main (typical for residential projects).

ELIMINATION OF WEST FLORIDA REGION PROGRAMS

37. Peoples seeks the Commission's approval to offer the programs currently in place in its Non-West Florida Regions, with the modifications for which approval is sought herein, to customers throughout its service areas, including Peoples' West Florida Region. If this request is approved, the West Florida programs would be eliminated, leaving Peoples with a single set of conservation programs under which to pursue the goals of FEECA. Permitting Peoples to offer a single set of programs would simplify the Company's monitoring and reporting responsibilities, as well as reduce the cost of such monitoring and reporting. The single set of conservation programs for which Peoples

seeks approval to offer throughout its service areas is attached to this petition as Exhibit B.

38. The RIM and Participants Tests attached to this petition cover only the programs for which changes in allowance levels are sought, and include data for both the West Florida and Non-West Florida Regions. That is, the tests for these programs assume, as they should, that the programs will apply in all of Peoples' service areas in Florida. Peoples has not performed these tests for the Commercial Electric Resistance Appliance Program, the Gas Space Conditioning Allowance Program, or the Small Package Cogeneration and Feasibility Study Program because the only change to these programs is to make West Florida Region customers eligible to participate in these existing Non-West Florida Region programs. The data compilation and analysis required to produce RIM and Participants Tests, particularly for commercial applications, is time consuming and expensive. Given that Peoples is not proposing changes that impact cost benefits for the above listed programs, in Peoples' view no additional RIM or Participants Tests are required. However, in the event the Commission so desires, Peoples would work with the Commission Staff to produce such evaluations.

39. Peoples is not at this time requesting any adjustment in its approved Energy Conservation Cost Recovery billing factors. If the modifications to the allowances payable under the programs are approved as sought by this petition, such modifications will be incorporated in the projection filing to be made by Peoples for the purpose of establishing billing factors for calendar year 2007; that is, any additional costs resulting from increased cash allowances approved by the Commission, as well as the treatment of any over and underrecovery balances for the West Florida and Non-West Florida Regions, would be addressed in the projection filing for 2007. Impact of the proposed

increased allowances on Peoples' overall energy conservation expenses is expected to increase gradually in future years.

CONCLUSION

40. The energy conservation program modifications proposed by Peoples reflect realistic market conditions. Increased new home incentives are needed to keep pace with increases in homebuilding costs. Merging the West Florida and Peoples programs simplifies administration of the programs, and filing one set of ECCR factors and a single true-up each year (instead of one each for the West Florida and Non-West Florida Regions) will reduce the time and expense associated with the filings. The authorization of tankless water heater incentives will enable Peoples to recognize and promote energy efficient technological advances in gas appliance manufacturing. Each of the proposed modifications meets the Commission-required cost effectiveness tests, is capable of being monitored, and will have an overall positive effect on energy conservation.

41. The cash allowances for which approval is sought in each residential conservation program would be paid based on the installation of the applicable appliances. Multiple allowances would be paid for multiple appliance installations in a single residence. For multi-family residential installations with central heating and/or water heating systems, Peoples would pay allowances based on the number of residential dwelling units served by the central system.

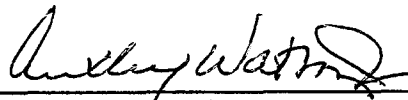
42. Peoples is requesting approval of the above referenced modifications to its conservation programs at this time so that they, and any true-ups related to 2006, may be incorporated in the energy conservation cost recovery projections for 2007.

43. Peoples proposes to offer the new allowance amounts to any individually constructed (scattered site) residence that activates gas service (based on the turn-on date) on or subsequent to January 1, 2007.

44. All requests for cash allowances under the appliance replacement or appliance retention programs received by Peoples subsequent to January 1, 2007 would be paid at the new allowance levels.

WHEREFORE, Peoples respectfully requests that the Commission enter its order granting this petition and the conservation plan modifications hereinabove described within ninety (90) days of the filing date of this petition, such plan modifications to become effective January 1, 2007.

Respectfully submitted,



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Attorneys for Peoples Gas System

Exhibit A

To

**Peoples Gas System
Energy Conservation Program Petition
June 21, 2006**

**Ratepayer Impact Measurement Test Results
Participants Test Results**

For

**Residential New Construction Program
Residential Appliance Replacement Program
Residential Appliance Retention Program**

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential New Construction Program
Summary of RIM Test and Participants Test Results**

	<u>Proposed Allowance</u>	<u>Participants Test</u>	<u>RIM Test</u>
Gas Storage Tank Water Heating	\$350	1.41	1.08
Gas Tankless Water Heating	\$450	1.29	1.03
Gas Heating	\$350	1.09	1.09
Gas Clothes Drying	\$100	1.30	1.09
Gas Cooking	\$100	1.27	1.08

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential New Construction Program
RIM Test and Participants Test Results**

For

Storage Tank Water Heating

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
RIM Test - Results**

Appliance Type Storage Tank Water Heating

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue Gas	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs
	Table 1	Table 1A	Table 2		Table 5	Table 3	Table 4		
	1	2	3	4	2 thru 4	6	7	8	9
									6 thru 9
2002	\$64	\$202	\$46	\$312	\$202	\$29	\$23	\$350	\$604
2003	\$64	\$207	\$46	\$317	\$207	\$28	\$24	\$0	\$259
2004	\$64	\$212	\$46	\$322	\$212	\$27	\$24	\$0	\$263
2005	\$64	\$217	\$46	\$327	\$217	\$25	\$25	\$0	\$268
2006	\$64	\$222	\$46	\$333	\$222	\$24	\$25	\$0	\$272
2007	\$64	\$228	\$46	\$338	\$228	\$23	\$26	\$0	\$277
2008	\$64	\$233	\$46	\$343	\$233	\$22	\$27	\$0	\$282
2009	\$64	\$239	\$46	\$349	\$239	\$21	\$27	\$0	\$288
2010	\$64	\$245	\$46	\$355	\$245	\$21	\$28	\$0	\$293
2011	\$64	\$250	\$46	\$361	\$250	\$20	\$29	\$0	\$299
2012	\$64	\$256	\$46	\$367	\$256	\$19	\$30	\$0	\$305
2013	\$64	\$263	\$46	\$373	\$263	\$18	\$30	\$0	\$311
2014	\$64	\$269	\$46	\$379	\$269	\$17	\$31	\$0	\$317
2015	\$64	\$275	\$46	\$385	\$275	\$17	\$32	\$0	\$324
2016	\$64	\$282	\$46	\$392	\$282	\$16	\$33	\$0	\$330
2017	\$64	\$289	\$46	\$399	\$289	\$15	\$33	\$0	\$337
2018	\$64	\$296	\$46	\$406	\$296	\$15	\$34	\$0	\$344
2019	\$64	\$303	\$46	\$413	\$303	\$14	\$35	\$0	\$352
2020	\$64	\$310	\$46	\$420	\$310	\$14	\$36	\$0	\$359
2021	\$64	\$317	\$46	\$428	\$317	\$13	\$36	\$0	\$367

Present Value
of Benefits

\$3,448

Present Value
of Costs

\$3,179

**Benefit/Cost
Ratio**

1.08

Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
RIM Test - Calculated data

Appliance Type	
Storage Tank Water Heating	

PGA Rate Escalator 2.4%
 Base Rate Escalator 0.0%
 Electric Rate escalator 2.4%

Depreciation Rate - Supply Main 2.80%
 Depreciation Rate - Development Main 2.80%
 Depreciation Rate - Service Line 4.40%
 Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
 Customer Charge - Electric 0%
 Inflation factor 2.4%

Table 1

Year	Revenue - Energy Charge			
	1	2	3	2*3
2005	170	\$0.3767	\$64	\$64
2006	170	\$0.3767	\$64	\$64
2007	170	\$0.3767	\$64	\$64
2008	170	\$0.3767	\$64	\$64
2009	170	\$0.3767	\$64	\$64
2010	170	\$0.3767	\$64	\$64
2011	170	\$0.3767	\$64	\$64
2012	170	\$0.3767	\$64	\$64
2013	170	\$0.3767	\$64	\$64
2014	170	\$0.3767	\$64	\$64
2015	170	\$0.3767	\$64	\$64
2016	170	\$0.3767	\$64	\$64
2017	170	\$0.3767	\$64	\$64
2018	170	\$0.3767	\$64	\$64
2019	170	\$0.3767	\$64	\$64
2020	170	\$0.3767	\$64	\$64
2021	170	\$0.3767	\$64	\$64
2022	170	\$0.3767	\$64	\$64
2023	170	\$0.3767	\$64	\$64
2024	170	\$0.3767	\$64	\$64

Table 1a

Year	Revenue - Cost of Gas			
	1	2	4	2*3
2005	170	\$1.1900	\$202	\$202
2006	170	\$1.2186	\$207	\$207
2007	170	\$1.2478	\$212	\$212
2008	170	\$1.2778	\$217	\$217
2009	170	\$1.3084	\$222	\$222
2010	170	\$1.3398	\$228	\$228
2011	170	\$1.3720	\$233	\$233
2012	170	\$1.4049	\$239	\$239
2013	170	\$1.4386	\$245	\$245
2014	170	\$1.4731	\$250	\$250
2015	170	\$1.5085	\$256	\$256
2016	170	\$1.5447	\$263	\$263
2017	170	\$1.5818	\$269	\$269
2018	170	\$1.6197	\$275	\$275
2019	170	\$1.6586	\$282	\$282
2020	170	\$1.6984	\$289	\$289
2021	170	\$1.7392	\$296	\$296
2022	170	\$1.7809	\$303	\$303
2023	170	\$1.8237	\$310	\$310
2024	170	\$1.8674	\$317	\$317

Table 2

Year	Revenue - Customer Charge			
	1	2	3	4*3
2005	\$10.00	\$120.00	38.37%	\$46
2006	\$10.00	\$120.00	38.37%	\$46
2007	\$10.00	\$120.00	38.37%	\$46
2008	\$10.00	\$120.00	38.37%	\$46
2009	\$10.00	\$120.00	38.37%	\$46
2010	\$10.00	\$120.00	38.37%	\$46
2011	\$10.00	\$120.00	38.37%	\$46
2012	\$10.00	\$120.00	38.37%	\$46
2013	\$10.00	\$120.00	38.37%	\$46
2014	\$10.00	\$120.00	38.37%	\$46
2015	\$10.00	\$120.00	38.37%	\$46
2016	\$10.00	\$120.00	38.37%	\$46
2017	\$10.00	\$120.00	38.37%	\$46
2018	\$10.00	\$120.00	38.37%	\$46
2019	\$10.00	\$120.00	38.37%	\$46
2020	\$10.00	\$120.00	38.37%	\$46
2021	\$10.00	\$120.00	38.37%	\$46
2022	\$10.00	\$120.00	38.37%	\$46
2023	\$10.00	\$120.00	38.37%	\$46
2024	\$10.00	\$120.00	38.37%	\$46

Table 3

Year	Investment Carrying Costs									
	1	2	3	4	5	6	7	8	6*7*8	
2005	\$50	\$140	\$500	\$163	\$653	8.83%	38.37%	\$29	\$29	\$29
2006	\$49	\$136	\$478	\$154	\$617	8.83%	38.37%	\$28	\$28	\$28
2007	\$48	\$132	\$457	\$146	\$583	8.83%	38.37%	\$27	\$27	\$27
2008	\$47	\$128	\$437	\$138	\$550	8.83%	38.37%	\$25	\$25	\$25
2009	\$46	\$124	\$418	\$131	\$519	8.83%	38.37%	\$24	\$24	\$24
2010	\$45	\$121	\$400	\$124	\$490	8.83%	38.37%	\$23	\$23	\$23
2011	\$44	\$118	\$382	\$117	\$461	8.83%	38.37%	\$22	\$22	\$22
2012	\$43	\$115	\$365	\$111	\$434	8.83%	38.37%	\$21	\$21	\$21
2013	\$42	\$112	\$349	\$105	\$408	8.83%	38.37%	\$20	\$20	\$20
2014	\$41	\$109	\$334	\$99	\$383	8.83%	38.37%	\$19	\$19	\$19
2015	\$40	\$106	\$319	\$94	\$359	8.83%	38.37%	\$18	\$18	\$18
2016	\$39	\$103	\$305	\$89	\$336	8.83%	38.37%	\$18	\$18	\$18
2017	\$38	\$100	\$292	\$84	\$314	8.83%	38.37%	\$17	\$17	\$17
2018	\$37	\$97	\$279	\$79	\$292	8.83%	38.37%	\$17	\$17	\$17
2019	\$36	\$94	\$267	\$75	\$272	8.83%	38.37%	\$16	\$16	\$16
2020	\$35	\$91	\$255	\$71	\$252	8.83%	38.37%	\$15	\$15	\$15
2021	\$34	\$88	\$244	\$67	\$233	8.83%	38.37%	\$15	\$15	\$15
2022	\$33	\$86	\$233	\$63	\$215	8.83%	38.37%	\$14	\$14	\$14
2023	\$32	\$84	\$223	\$60	\$199	8.83%	38.37%	\$14	\$14	\$14
2024	\$31	\$82	\$213	\$57	\$183	8.83%	38.37%	\$13	\$13	\$13

Table 4

Year	Incremental Customer Costs							
	1	2	3	4	5-3*4	6	7	8=6*7
2005	\$2.61	\$31	\$31	38.37%	\$ 11.90	\$ 29	38.37%	\$11
2006	\$2.67	\$32	\$32	38.37%	\$ 12.28	\$ 30	38.37%	\$12
2007	\$2.74	\$33	\$33	38.37%	\$ 12.66	\$ 31	38.37%	\$12
2008	\$2.80	\$34	\$34	38.37%	\$ 13.05	\$ 31	38.37%	\$12
2009	\$2.87	\$34	\$34	38.37%	\$ 13.05	\$ 32	38.37%	\$12
2010	\$2.94	\$35	\$35	38.37%	\$ 13.43	\$ 33	38.37%	\$13
2011	\$3.01	\$36	\$36	38.37%	\$ 13.81	\$ 34	38.37%	\$13
2012	\$3.08	\$37	\$37	38.37%	\$ 14.20	\$ 35	38.37%	\$13
2013	\$3.16	\$38	\$38	38.37%	\$ 14.58	\$ 35	38.37%	\$14
2014	\$3.23	\$39	\$39	38.37%	\$ 14.97	\$ 36	38.37%	\$14
2015	\$3.31	\$40	\$40	38.37%	\$ 15.35	\$ 37	38.37%	\$14
2016	\$3.39	\$41	\$41	38.37%	\$ 15.73	\$ 38	38.37%	\$15
2017	\$3.47	\$42	\$42	38.37%	\$ 16.12	\$ 39	38.37%	\$15
2018	\$3.55	\$43	\$43	38.37%	\$ 16.50	\$ 40	38.37%	\$15
2019	\$3.64	\$44	\$44	38.37%	\$ 16.88	\$ 41	38.37%	\$16
2020	\$3.73	\$45	\$45	38.37%	\$ 17.27	\$ 42	38.37%	\$16
2021	\$3.81	\$46	\$46	38.37%	\$ 17.65	\$ 43	38.37%	\$16
2022	\$3.91	\$47	\$47	38.37%	\$ 18.04	\$ 44	38.37%	\$17
2023	\$4.00	\$48	\$48	38.37%	\$ 18.42	\$ 45	38.37%	\$17
2024	\$4.10	\$49	\$49	38.37%	\$ 18.80	\$ 46	38.37%	\$18

Table 5

Year	Gas Costs			
	1	2	3	2*3
2005	170	\$1.9900	\$262	\$262
2006	170	\$1.2186	\$207	\$207
2007	170	\$1.2478	\$212	\$212
2008	170	\$1.2778	\$217	\$217
2009	170	\$1.3084	\$222	\$222
2010	170	\$1.3398	\$228	\$228
2011	170	\$1.3720	\$233	\$233
2012	170	\$1.4049	\$239	\$239
2013	170	\$1.4386	\$245	\$245
2014	170	\$1.4731	\$250	\$250
2015	170	\$1.5085	\$256	\$256
2016	170	\$1.5447	\$263	\$263
2017	170	\$1.5818	\$269	\$269
2018	170	\$1.6197	\$275	\$275
2019	170	\$1.6586	\$282	\$282
2020	170	\$1.6984	\$289	\$289
2021	170	\$1.7392	\$296	\$296
2022	170	\$1.7809	\$303	\$303
2023	170	\$1.8237	\$310	\$310
2024	170	\$1.8674	\$317	\$317

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
Participants Test - Data**

Appliance Type
Storage Tank Water Heating

O&M expense	2.4%	PGA Gas Rates	2.4%	Customer Charge	0%
Electric rates (fu)	2.4%	PGA Base Rate	0.0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	4,773	10%	\$536
2006	\$0.1034	4,773	10%	\$543
2007	\$0.1047	4,773	10%	\$550
2008	\$0.1061	4,773	10%	\$557
2009	\$0.1074	4,773	10%	\$564
2010	\$0.1088	4,773	10%	\$571
2011	\$0.1101	4,773	10%	\$578
2012	\$0.1115	4,773	10%	\$585
2013	\$0.1128	4,773	10%	\$592
2014	\$0.1142	4,773	10%	\$599
2015	\$0.1155	4,773	10%	\$607
2016	\$0.1169	4,773	10%	\$614
2017	\$0.1182	4,773	10%	\$621
2018	\$0.1196	4,773	10%	\$628
2019	\$0.1209	4,773	10%	\$635
2020	\$0.1223	4,773	10%	\$642
2021	\$0.1236	4,773	10%	\$649
2022	\$0.1250	4,773	10%	\$656
2023	\$0.1263	4,773	10%	\$663
2024	\$0.1277	4,773	10%	\$670

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	170	10%	\$223
2006	\$1.2186	170	10%	\$228
2007	\$1.2478	170	10%	\$233
2008	\$1.2778	170	10%	\$239
2009	\$1.3084	170	10%	\$245
2010	\$1.3398	170	10%	\$251
2011	\$1.3720	170	10%	\$257
2012	\$1.4049	170	10%	\$263
2013	\$1.4386	170	10%	\$269
2014	\$1.4731	170	10%	\$275
2015	\$1.5085	170	10%	\$282
2016	\$1.5447	170	10%	\$289
2017	\$1.5818	170	10%	\$296
2018	\$1.6197	170	10%	\$303
2019	\$1.6586	170	10%	\$310
2020	\$1.6984	170	10%	\$318
2021	\$1.7392	170	10%	\$325
2022	\$1.7809	170	10%	\$333
2023	\$1.8237	170	10%	\$341
2024	\$1.8674	170	10%	\$349

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	170	10%	\$70
2006	\$0.3767	170	10%	\$70
2007	\$0.3767	170	10%	\$70
2008	\$0.3767	170	10%	\$70
2009	\$0.3767	170	10%	\$70
2010	\$0.3767	170	10%	\$70
2011	\$0.3767	170	10%	\$70
2012	\$0.3767	170	10%	\$70
2013	\$0.3767	170	10%	\$70
2014	\$0.3767	170	10%	\$70
2015	\$0.3767	170	10%	\$70
2016	\$0.3767	170	10%	\$70
2017	\$0.3767	170	10%	\$70
2018	\$0.3767	170	10%	\$70
2019	\$0.3767	170	10%	\$70
2020	\$0.3767	170	10%	\$70
2021	\$0.3767	170	10%	\$70
2022	\$0.3767	170	10%	\$70
2023	\$0.3767	170	10%	\$70
2024	\$0.3767	170	10%	\$70

Gas Customer Charge - Table 4							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2006	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2007	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2008	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2009	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2010	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2011	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2012	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2013	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2014	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2015	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2016	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2017	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2018	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2019	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2020	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2021	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2022	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2023	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2024	\$10.00	\$120.00	170	443	38.37%	10%	\$51

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
Participants Test - Cost Effective Results**

Appliance Type
Storage Tank Water Heating

Year	Year Number	Benefits				Costs							
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment & Installation Cost	Gas Installation Cost	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS
		Table 1								Table 2	Table 3	Table 4	
		3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13
2005	1	\$536	\$350	\$36	\$922	\$259	(\$314)	\$400	\$36	\$223	\$70	\$51	\$725
2006	2	\$543	0	\$37	\$580	0	0	0	\$37	\$228	\$70	\$51	\$386
2007	3	\$550	0	\$38	\$588	0	0	0	\$38	\$233	\$70	\$51	\$392
2008	4	\$557	0	\$39	\$596	0	0	0	\$39	\$239	\$70	\$51	\$399
2009	5	\$564	0	\$40	\$604	0	0	0	\$40	\$245	\$70	\$51	\$405
2010	6	\$571	0	\$41	\$612	0	0	0	\$41	\$251	\$70	\$51	\$412
2011	7	\$578	0	\$42	\$620	0	0	0	\$42	\$257	\$70	\$51	\$419
2012	8	\$585	0	\$43	\$628	0	0	0	\$43	\$263	\$70	\$51	\$426
2013	9	\$592	0	\$44	\$636	0	0	0	\$44	\$269	\$70	\$51	\$434
2014	10	\$599	0	\$45	\$644	0	0	0	\$45	\$275	\$70	\$51	\$441
2015	11	\$607	0	\$46	\$652	0	0	0	\$46	\$282	\$70	\$51	\$449
2016	12	\$614	0	\$47	\$660	0	0	0	\$47	\$289	\$70	\$51	\$457
2017	13	\$621	0	\$48	\$669	0	0	0	\$48	\$296	\$70	\$51	\$465
2018	14	\$628	100	\$49	\$777	361	(438)	348	\$49	\$303	\$70	\$51	\$745
2019	15	\$635	0	\$50	\$685	0	0	0	\$50	\$310	\$70	\$51	\$481
2020	16	\$642	0	\$51	\$693	0	0	0	\$51	\$318	\$70	\$51	\$490
2021	17	\$649	0	\$53	\$702	0	0	0	\$53	\$325	\$70	\$51	\$499
2022	18	\$656	0	\$54	\$710	0	0	0	\$54	\$333	\$70	\$51	\$508
2023	19	\$663	0	\$55	\$718	0	0	0	\$55	\$341	\$70	\$51	\$517
2024	20	\$670	0	\$56	\$727	0	0	0	\$56	\$349	\$70	\$51	\$527

Present Value of Benefits \$6,528

Present Value of Costs \$4,626

Benefit/Cost Ratio	1.41
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Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential New Construction Program
RIM Test and Participants Test Results**

For

Tankless Water Heating

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
RIM Test - Results**

Appliance Type

Tankless Water Heating

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs	
	Table 1	Table 1A	Table 2		Table 5	Table 3	Table 4			
	1	2	3	4	2 thru 4	6	7	8	9	6 thru 9
2002	\$57	\$179	\$46	\$281	\$179	\$29	\$23	\$450	\$681	
2003	\$57	\$183	\$46	\$285	\$183	\$28	\$24	\$0	\$234	
2004	\$57	\$187	\$46	\$290	\$187	\$27	\$24	\$0	\$238	
2005	\$57	\$192	\$46	\$294	\$192	\$25	\$25	\$0	\$242	
2006	\$57	\$196	\$46	\$299	\$196	\$24	\$25	\$0	\$246	
2007	\$57	\$201	\$46	\$304	\$201	\$23	\$26	\$0	\$250	
2008	\$57	\$206	\$46	\$308	\$206	\$22	\$27	\$0	\$255	
2009	\$57	\$211	\$46	\$313	\$211	\$21	\$27	\$0	\$260	
2010	\$57	\$216	\$46	\$318	\$216	\$21	\$28	\$0	\$265	
2011	\$57	\$221	\$46	\$324	\$221	\$20	\$29	\$0	\$270	
2012	\$57	\$226	\$46	\$329	\$226	\$19	\$30	\$0	\$275	
2013	\$57	\$232	\$46	\$334	\$232	\$18	\$30	\$0	\$280	
2014	\$57	\$237	\$46	\$340	\$237	\$17	\$31	\$0	\$286	
2015	\$57	\$243	\$46	\$346	\$243	\$17	\$32	\$0	\$291	
2016	\$57	\$249	\$46	\$351	\$249	\$16	\$33	\$0	\$297	
2017	\$57	\$255	\$46	\$357	\$255	\$15	\$33	\$0	\$303	
2018	\$57	\$261	\$46	\$363	\$261	\$15	\$34	\$0	\$310	
2019	\$57	\$267	\$46	\$370	\$267	\$14	\$35	\$0	\$316	
2020	\$57	\$274	\$46	\$376	\$274	\$14	\$36	\$0	\$323	
2021	\$57	\$280	\$46	\$383	\$280	\$13	\$36	\$0	\$330	

Present Value
of Benefits

\$3,095

Present Value
of Costs

\$2,993

Benefit/Cost
Ratio

1.03

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
RIM Test - Calculated data**

Appliance Type
Tankless Water Heating

PGA Rate Escalator 2%
Base Rate Escalator 0%
Electric Rate escalator 2%

Depreciation Rate - Supply Main 2.80%
Depreciation Rate - Development Main 2.80%
Depreciation Rate - Service Line 4.40%
Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
Customer Charge - Electric 0%
Inflation factor 2%

Table 1

Revenue - Energy charge				
1	2	3	2*3	
Year	Therms	Base Rate	Total Rate	
2005	150	\$0.3767	\$57	
2006	150	\$0.3767	\$57	
2007	150	\$0.3767	\$57	
2008	150	\$0.3767	\$57	
2009	150	\$0.3767	\$57	
2010	150	\$0.3767	\$57	
2011	150	\$0.3767	\$57	
2012	150	\$0.3767	\$57	
2013	150	\$0.3767	\$57	
2014	150	\$0.3767	\$57	
2015	150	\$0.3767	\$57	
2016	150	\$0.3767	\$57	
2017	150	\$0.3767	\$57	
2018	150	\$0.3767	\$57	
2019	150	\$0.3767	\$57	
2020	150	\$0.3767	\$57	
2021	150	\$0.3767	\$57	
2022	150	\$0.3767	\$57	
2023	150	\$0.3767	\$57	
2024	150	\$0.3767	\$57	

Table 1a

Revenue - Cost of Gas				
1	2	4	2*3	
Year	Therms	PGA Rate	Total Rate	
2005	150	\$1.1900	\$179	
2006	150	\$1.2186	\$183	
2007	150	\$1.2478	\$187	
2008	150	\$1.2778	\$192	
2009	150	\$1.3084	\$196	
2010	150	\$1.3398	\$201	
2011	150	\$1.3720	\$206	
2012	150	\$1.4049	\$211	
2013	150	\$1.4386	\$216	
2014	150	\$1.4731	\$221	
2015	150	\$1.5085	\$226	
2016	150	\$1.5447	\$232	
2017	150	\$1.5818	\$237	
2018	150	\$1.6197	\$243	
2019	150	\$1.6586	\$249	
2020	150	\$1.6984	\$255	
2021	150	\$1.7392	\$261	
2022	150	\$1.7809	\$267	
2023	150	\$1.8237	\$274	
2024	150	\$1.8674	\$280	

Table 2

Revenue - Customer Charge				
1	2	3	4	4*3
Year	Customer Charge/Mo	Annual Cust. Chg	Ratio of Therms Consumed To Total	Prorated Cust. Chg
2005	\$10.00	\$120.00	38.37%	\$46
2006	\$10.00	\$120.00	38.37%	\$46
2007	\$10.00	\$120.00	38.37%	\$46
2008	\$10.00	\$120.00	38.37%	\$46
2009	\$10.00	\$120.00	38.37%	\$46
2010	\$10.00	\$120.00	38.37%	\$46
2011	\$10.00	\$120.00	38.37%	\$46
2012	\$10.00	\$120.00	38.37%	\$46
2013	\$10.00	\$120.00	38.37%	\$46
2014	\$10.00	\$120.00	38.37%	\$46
2015	\$10.00	\$120.00	38.37%	\$46
2016	\$10.00	\$120.00	38.37%	\$46
2017	\$10.00	\$120.00	38.37%	\$46
2018	\$10.00	\$120.00	38.37%	\$46
2019	\$10.00	\$120.00	38.37%	\$46
2020	\$10.00	\$120.00	38.37%	\$46
2021	\$10.00	\$120.00	38.37%	\$46
2022	\$10.00	\$120.00	38.37%	\$46
2023	\$10.00	\$120.00	38.37%	\$46
2024	\$10.00	\$120.00	38.37%	\$46

Table 3

Investment Carrying Costs								
1	2	3	4	5	6	7	8	6*7*8
Year	Supply Main	Development Main	Service Line	Meter	Customer Cost	Avg Cost of Debt	Ratio of Therms Consumed To Total Mains & Svc	Carrying Chg
2005	\$50	\$140	\$500	\$163	\$853	8.83%	38.37%	\$29
2006	\$49	\$136	\$478	\$154	\$817	8.83%	38.37%	\$28
2007	\$48	\$132	\$457	\$146	\$783	8.83%	38.37%	\$27
2008	\$47	\$128	\$437	\$138	\$750	8.83%	38.37%	\$25
2009	\$46	\$124	\$418	\$131	\$719	8.83%	38.37%	\$24
2010	\$45	\$121	\$400	\$124	\$690	8.83%	38.37%	\$23
2011	\$44	\$118	\$382	\$117	\$661	8.83%	38.37%	\$22
2012	\$43	\$115	\$365	\$111	\$634	8.83%	38.37%	\$21
2013	\$42	\$112	\$349	\$105	\$608	8.83%	38.37%	\$21
2014	\$41	\$109	\$334	\$99	\$583	8.83%	38.37%	\$20
2015	\$40	\$106	\$319	\$94	\$559	8.83%	38.37%	\$19
2016	\$39	\$103	\$305	\$89	\$536	8.83%	38.37%	\$18
2017	\$38	\$100	\$292	\$84	\$514	8.83%	38.37%	\$17
2018	\$37	\$97	\$279	\$79	\$492	8.83%	38.37%	\$17
2019	\$36	\$94	\$267	\$75	\$472	8.83%	38.37%	\$16
2020	\$35	\$91	\$255	\$71	\$452	8.83%	38.37%	\$15
2021	\$34	\$88	\$244	\$67	\$433	8.83%	38.37%	\$15
2022	\$33	\$86	\$233	\$63	\$415	8.83%	38.37%	\$14
2023	\$32	\$84	\$223	\$60	\$399	8.83%	38.37%	\$14
2024	\$31	\$82	\$213	\$57	\$383	8.83%	38.37%	\$13

Table 4

Incremental Customer Costs								
1	2	3	4	5=3*4	6	7	8=6*7	5+8
Year	Adm. Cost	Annual Adm. Cost	Ratio Therms To Total Consumed	Customer Costs	O & M Cost	Ratio Therms To Total Consumed	Main Cost	New Customer Adm. & Main O&M
2005	\$2.61	\$31	38.37%	\$ 11.90	\$ 29	38.37%	\$11	\$23
2006	\$2.67	\$32	38.37%	\$ 12.28	\$ 30	38.37%	\$12	\$24
2007	\$2.74	\$33	38.37%	\$ 12.66	\$ 31	38.37%	\$12	\$24
2008	\$2.80	\$34	38.37%	\$ 13.05	\$ 32	38.37%	\$12	\$25
2009	\$2.87	\$34	38.37%	\$ 13.43	\$ 33	38.37%	\$13	\$26
2010	\$2.94	\$35	38.37%	\$ 13.81	\$ 34	38.37%	\$13	\$27
2011	\$3.01	\$36	38.37%	\$ 14.19	\$ 35	38.37%	\$13	\$27
2012	\$3.08	\$37	38.37%	\$ 14.58	\$ 35	38.37%	\$13	\$27
2013	\$3.16	\$38	38.37%	\$ 14.98	\$ 36	38.37%	\$14	\$28
2014	\$3.23	\$39	38.37%	\$ 15.37	\$ 37	38.37%	\$14	\$29
2015	\$3.31	\$40	38.37%	\$ 15.76	\$ 37	38.37%	\$14	\$30
2016	\$3.39	\$41	38.37%	\$ 16.15	\$ 38	38.37%	\$15	\$30
2017	\$3.47	\$42	38.37%	\$ 16.54	\$ 39	38.37%	\$15	\$31
2018	\$3.55	\$43	38.37%	\$ 16.93	\$ 40	38.37%	\$15	\$32
2019	\$3.64	\$44	38.37%	\$ 17.32	\$ 41	38.37%	\$16	\$33
2020	\$3.73	\$45	38.37%	\$ 17.71	\$ 42	38.37%	\$16	\$33
2021	\$3.81	\$46	38.37%	\$ 18.10	\$ 43	38.37%	\$16	\$34
2022	\$3.91	\$47	38.37%	\$ 18.49	\$ 44	38.37%	\$17	\$35
2023	\$4.00	\$48	38.37%	\$ 18.88	\$ 45	38.37%	\$17	\$36
2024	\$4.10	\$49	38.37%	\$ 19.27	\$ 46	38.37%	\$18	\$36

Table 5

Gas Costs				
1	2	3	2*3	
Year	Therms	Per Therm Supply Cost	Gas Supply Cost	
2005	150	\$1.1900	\$179	
2006	150	\$1.2186	\$183	
2007	150	\$1.2478	\$187	
2008	150	\$1.2778	\$192	
2009	150	\$1.3084	\$196	
2010	150	\$1.3398	\$201	
2011	150	\$1.3720	\$206	
2012	150	\$1.4049	\$211	
2013	150	\$1.4386	\$216	
2014	150	\$1.4731	\$221	
2015	150	\$1.5085	\$226	
2016	150	\$1.5447	\$232	
2017	150	\$1.5818	\$237	
2018	150	\$1.6197	\$243	
2019	150	\$1.6586	\$249	
2020	150	\$1.6984	\$255	
2021	150	\$1.7392	\$261	
2022	150	\$1.7809	\$267	
2023	150	\$1.8237	\$274	
2024	150	\$1.8674	\$280	

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
Participants Test - Cost Effective Results**

Appliance Type
Tankless Water Heating

Year	Year Number	Benefits				Costs							
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment & Installation Cost	Gas Installation Cost	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS
		Table 1								Table 2	Table 3	Table 4	
		3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13
2005	1	\$536	\$450	\$36	\$1,022	\$950	(\$314)	\$400	\$36	\$196	\$62	\$45	\$1,375
2006	2	\$543	0	\$37	\$580	0	0	0	\$37	\$201	\$62	\$45	\$345
2007	3	\$550	0	\$38	\$588	0	0	0	\$38	\$206	\$62	\$45	\$350
2008	4	\$557	0	\$39	\$596	0	0	0	\$39	\$211	\$62	\$45	\$356
2009	5	\$564	0	\$40	\$604	0	0	0	\$40	\$216	\$62	\$45	\$362
2010	6	\$571	0	\$41	\$612	0	0	0	\$41	\$221	\$62	\$45	\$368
2011	7	\$578	0	\$42	\$620	0	0	0	\$42	\$226	\$62	\$45	\$375
2012	8	\$585	0	\$43	\$628	0	0	0	\$43	\$232	\$62	\$45	\$381
2013	9	\$592	0	\$44	\$636	0	0	0	\$44	\$237	\$62	\$45	\$388
2014	10	\$599	0	\$45	\$644	0	0	0	\$45	\$243	\$62	\$45	\$394
2015	11	\$607	0	\$46	\$652	0	0	0	\$46	\$249	\$62	\$45	\$401
2016	12	\$614	0	\$47	\$660	0	0	0	\$47	\$255	\$62	\$45	\$408
2017	13	\$621	0	\$48	\$669	0	0	0	\$48	\$261	\$62	\$45	\$416
2018	14	\$628	100	\$49	\$777	1,324	(438)	348	\$49	\$267	\$62	\$45	\$1,658
2019	15	\$635	0	\$50	\$685	0	0	0	\$50	\$274	\$62	\$45	\$431
2020	16	\$642	0	\$51	\$693	0	0	0	\$51	\$280	\$62	\$45	\$438
2021	17	\$649	0	\$53	\$702	0	0	0	\$53	\$287	\$62	\$45	\$446
2022	18	\$656	0	\$54	\$710	0	0	0	\$54	\$294	\$62	\$45	\$455
2023	19	\$663	0	\$55	\$718	0	0	0	\$55	\$301	\$62	\$45	\$463
2024	20	\$670	0	\$56	\$727	0	0	0	\$56	\$308	\$62	\$45	\$471

Present Value of Benefits \$6,621

Present Value of Costs \$5,147

Benefit/Cost Ratio	1.29
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**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
Participants Test - Data**

Appliance Type	
Tankless Water Heating	

O&M expense	2%	PGA Gas Ra	2%	Customer Ch	0%
Electric rates (fu)	2%	PGA Base R	0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	4,773	10.00%	\$536
2006	\$0.1034	4,773	10.00%	\$543
2007	\$0.1047	4,773	10.00%	\$550
2008	\$0.1061	4,773	10.00%	\$557
2009	\$0.1074	4,773	10.00%	\$564
2010	\$0.1088	4,773	10.00%	\$571
2011	\$0.1101	4,773	10.00%	\$578
2012	\$0.1115	4,773	10.00%	\$585
2013	\$0.1128	4,773	10.00%	\$592
2014	\$0.1142	4,773	10.00%	\$599
2015	\$0.1155	4,773	10.00%	\$607
2016	\$0.1169	4,773	10.00%	\$614
2017	\$0.1182	4,773	10.00%	\$621
2018	\$0.1196	4,773	10.00%	\$628
2019	\$0.1209	4,773	10.00%	\$635
2020	\$0.1223	4,773	10.00%	\$642
2021	\$0.1236	4,773	10.00%	\$649
2022	\$0.1250	4,773	10.00%	\$656
2023	\$0.1263	4,773	10.00%	\$663
2024	\$0.1277	4,773	10.00%	\$670

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	150	10.00%	\$196
2006	\$1.2186	150	10.00%	\$201
2007	\$1.2478	150	10.00%	\$206
2008	\$1.2778	150	10.00%	\$211
2009	\$1.3084	150	10.00%	\$216
2010	\$1.3398	150	10.00%	\$221
2011	\$1.3720	150	10.00%	\$226
2012	\$1.4049	150	10.00%	\$232
2013	\$1.4386	150	10.00%	\$237
2014	\$1.4731	150	10.00%	\$243
2015	\$1.5085	150	10.00%	\$249
2016	\$1.5447	150	10.00%	\$255
2017	\$1.5818	150	10.00%	\$261
2018	\$1.6197	150	10.00%	\$267
2019	\$1.6586	150	10.00%	\$274
2020	\$1.6984	150	10.00%	\$280
2021	\$1.7392	150	10.00%	\$287
2022	\$1.7809	150	10.00%	\$294
2023	\$1.8237	150	10.00%	\$301
2024	\$1.8674	150	10.00%	\$308

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	150	10.00%	\$62
2006	\$0.3767	150	10.00%	\$62
2007	\$0.3767	150	10.00%	\$62
2008	\$0.3767	150	10.00%	\$62
2009	\$0.3767	150	10.00%	\$62
2010	\$0.3767	150	10.00%	\$62
2011	\$0.3767	150	10.00%	\$62
2012	\$0.3767	150	10.00%	\$62
2013	\$0.3767	150	10.00%	\$62
2014	\$0.3767	150	10.00%	\$62
2015	\$0.3767	150	10.00%	\$62
2016	\$0.3767	150	10.00%	\$62
2017	\$0.3767	150	10.00%	\$62
2018	\$0.3767	150	10.00%	\$62
2019	\$0.3767	150	10.00%	\$62
2020	\$0.3767	150	10.00%	\$62
2021	\$0.3767	150	10.00%	\$62
2022	\$0.3767	150	10.00%	\$62
2023	\$0.3767	150	10.00%	\$62
2024	\$0.3767	150	10.00%	\$62

Gas Customer Charge - Table 3							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10	\$120.00	150	443	33.86%	10.00%	\$45
2006	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2007	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2008	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2009	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2010	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2011	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2012	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2013	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2014	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2015	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2016	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2017	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2018	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2019	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2020	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2021	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2022	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2023	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2024	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential New Construction Program
RIM Test and Participants Test Results**

For

Heating Systems

Peoples Gas System - Energy Conservation Filing 2006

Residential New Construction Program

RIM Test - Results

Appliance Type

Heating System

	Incremental Revenue Energy Charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs
	Table 1	Table 1A	Table 2		Table 5	Table 3	Table 4		
	1	2	3	4	2 thru 4	6	7	8	9
2002	\$67	\$212	\$48	\$327	\$212	\$30	\$24	\$350	\$616
2003	\$67	\$217	\$48	\$332	\$217	\$29	\$25	\$0	\$271
2004	\$67	\$222	\$48	\$337	\$222	\$28	\$26	\$0	\$275
2005	\$67	\$227	\$48	\$343	\$227	\$27	\$26	\$0	\$280
2006	\$67	\$233	\$48	\$348	\$233	\$26	\$27	\$0	\$285
2007	\$67	\$238	\$48	\$354	\$238	\$24	\$27	\$0	\$290
2008	\$67	\$244	\$48	\$359	\$244	\$23	\$28	\$0	\$296
2009	\$67	\$250	\$48	\$365	\$250	\$22	\$29	\$0	\$301
2010	\$67	\$256	\$48	\$371	\$256	\$22	\$29	\$0	\$307
2011	\$67	\$262	\$48	\$377	\$262	\$21	\$30	\$0	\$313
2012	\$67	\$269	\$48	\$384	\$269	\$20	\$31	\$0	\$319
2013	\$67	\$275	\$48	\$390	\$275	\$19	\$32	\$0	\$326
2014	\$67	\$282	\$48	\$397	\$282	\$18	\$33	\$0	\$332
2015	\$67	\$288	\$48	\$404	\$288	\$17	\$33	\$0	\$339
2016	\$67	\$295	\$48	\$410	\$295	\$17	\$34	\$0	\$346
2017	\$67	\$302	\$48	\$418	\$302	\$16	\$35	\$0	\$353
2018	\$67	\$310	\$48	\$425	\$310	\$15	\$36	\$0	\$361
2019	\$67	\$317	\$48	\$432	\$317	\$15	\$36	\$0	\$368
2020	\$67	\$325	\$48	\$440	\$325	\$14	\$37	\$0	\$376
2021	\$67	\$332	\$48	\$448	\$332	\$14	\$38	\$0	\$384

**Present Value
of Benefits**

\$3,610

**Present Value
of Costs**

\$3,314

**Benefit/Cost
Ratio**

1.09

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
RIM Test - Calculated data**

Appliance Type
Heating System

PGA Rate Escalator	2.4%
Base Rate Escalator	0%
Electric Rate escalator	2.4%

Depreciation Rate - Supply Main	2.80%
Depreciation Rate - Development Main	2.80%
Depreciation Rate - Service Line	4.40%
Depreciation Rate - Meter	5.40%

Customer Charge - Gas	0%
Customer Charge - Electric	0%
Inflation factor	2%

Table 1

Revenue - Energy Charge				
	1	2	3	2*3
Year	Therms	Base Rate	Total Rate	
2005	178	\$0.3767	\$67	
2006	178	\$0.3767	\$67	
2007	178	\$0.3767	\$67	
2008	178	\$0.3767	\$67	
2009	178	\$0.3767	\$67	
2010	178	\$0.3767	\$67	
2011	178	\$0.3767	\$67	
2012	178	\$0.3767	\$67	
2013	178	\$0.3767	\$67	
2014	178	\$0.3767	\$67	
2015	178	\$0.3767	\$67	
2016	178	\$0.3767	\$67	
2017	178	\$0.3767	\$67	
2018	178	\$0.3767	\$67	
2019	178	\$0.3767	\$67	
2020	178	\$0.3767	\$67	
2021	178	\$0.3767	\$67	
2022	178	\$0.3767	\$67	
2023	178	\$0.3767	\$67	
2024	178	\$0.3767	\$67	

Table 1a

Revenue - Cost of Gas				
	1	2	4	2*3
Year	Therms	PGA Rate	Total Rate	
2005	178	\$1.1900	\$212	
2006	178	\$1.2186	\$217	
2007	178	\$1.2478	\$222	
2008	178	\$1.2776	\$227	
2009	178	\$1.3084	\$233	
2010	178	\$1.3398	\$238	
2011	178	\$1.3720	\$244	
2012	178	\$1.4049	\$256	
2013	178	\$1.4386	\$256	
2014	178	\$1.4731	\$262	
2015	178	\$1.5085	\$269	
2016	178	\$1.5447	\$275	
2017	178	\$1.5818	\$282	
2018	178	\$1.6197	\$288	
2019	178	\$1.6586	\$295	
2020	178	\$1.6984	\$302	
2021	178	\$1.7392	\$310	
2022	178	\$1.7809	\$317	
2023	178	\$1.8237	\$325	
2024	178	\$1.8674	\$332	

Table 2

Revenue - Customer Charge				
	1	2	3	4
Year	Customer Charge/Mo	Annual Cust. Chg	To Total	Ratio of Therms Consumed
2005	\$10.00	\$120.00	40.18%	
2006	\$10.00	\$120.00	40.18%	
2007	\$10.00	\$120.00	40.18%	
2008	\$10.00	\$120.00	40.18%	
2009	\$10.00	\$120.00	40.18%	
2010	\$10.00	\$120.00	40.18%	
2011	\$10.00	\$120.00	40.18%	
2012	\$10.00	\$120.00	40.18%	
2013	\$10.00	\$120.00	40.18%	
2014	\$10.00	\$120.00	40.18%	
2015	\$10.00	\$120.00	40.18%	
2016	\$10.00	\$120.00	40.18%	
2017	\$10.00	\$120.00	40.18%	
2018	\$10.00	\$120.00	40.18%	
2019	\$10.00	\$120.00	40.18%	
2020	\$10.00	\$120.00	40.18%	
2021	\$10.00	\$120.00	40.18%	
2022	\$10.00	\$120.00	40.18%	
2023	\$10.00	\$120.00	40.18%	
2024	\$10.00	\$120.00	40.18%	

Table 3

Investment Carrying Costs								
	1	2	3	4	5	6	7	8
Year	Supply Main	Development Main	Service Line	Meter	Customer Cost	Avg Cost of Debt	Ratio of Therms Consumed To Total	Carrying Chg Mains & Svc
2005	\$50	\$140	\$500	\$163	\$863	8.83%	40.18%	\$30
2006	\$49	\$136	\$476	\$154	\$817	8.83%	40.18%	\$29
2007	\$48	\$132	\$457	\$146	\$783	8.83%	40.18%	\$28
2008	\$47	\$126	\$437	\$138	\$750	8.83%	40.18%	\$27
2009	\$46	\$124	\$416	\$131	\$719	8.83%	40.18%	\$26
2010	\$45	\$121	\$400	\$124	\$690	8.83%	40.18%	\$24
2011	\$44	\$118	\$382	\$117	\$661	8.83%	40.18%	\$23
2012	\$43	\$115	\$365	\$111	\$634	8.83%	40.18%	\$22
2013	\$42	\$112	\$349	\$105	\$608	8.83%	40.18%	\$22
2014	\$41	\$109	\$334	\$99	\$583	8.83%	40.18%	\$21
2015	\$40	\$106	\$319	\$94	\$559	8.83%	40.18%	\$20
2016	\$39	\$103	\$305	\$89	\$536	8.83%	40.18%	\$19
2017	\$38	\$100	\$292	\$84	\$514	8.83%	40.18%	\$18
2018	\$37	\$97	\$279	\$79	\$492	8.83%	40.18%	\$17
2019	\$36	\$94	\$267	\$75	\$472	8.83%	40.18%	\$17
2020	\$35	\$91	\$255	\$71	\$452	8.83%	40.18%	\$16
2021	\$34	\$88	\$244	\$67	\$433	8.83%	40.18%	\$15
2022	\$33	\$86	\$233	\$63	\$415	8.83%	40.18%	\$15
2023	\$32	\$84	\$223	\$60	\$399	8.83%	40.18%	\$14
2024	\$31	\$82	\$213	\$57	\$383	8.83%	40.18%	\$14

Table 4

Incremental Customer Costs								
	1	2	3	4	5	6	7	8
Year	Adm. Cost	Annual Adm. Cost	Ratio Therms To Total Consumed	Customer Costs	O & M Cost	Ratio Therms To Total Consumed	Main Cost	New Customer Adm. & Main O&M Cost
2005	\$2.61	\$31	40.18%	\$ 12.46	\$ 29	40.18%	\$12	\$24
2006	\$2.67	\$32	40.18%	\$ 12.86	\$ 30	40.18%	\$12	\$25
2007	\$2.74	\$33	40.18%	\$ 13.26	\$ 31	40.18%	\$12	\$26
2008	\$2.80	\$34	40.18%	\$ 13.66	\$ 31	40.18%	\$13	\$26
2009	\$2.87	\$34	40.18%	\$ 13.66	\$ 32	40.18%	\$13	\$27
2010	\$2.94	\$35	40.18%	\$ 14.06	\$ 33	40.18%	\$13	\$27
2011	\$3.01	\$36	40.18%	\$ 14.47	\$ 34	40.18%	\$14	\$28
2012	\$3.06	\$37	40.18%	\$ 14.87	\$ 35	40.18%	\$14	\$29
2013	\$3.16	\$38	40.18%	\$ 15.27	\$ 35	40.18%	\$14	\$29
2014	\$3.23	\$39	40.18%	\$ 15.67	\$ 36	40.18%	\$15	\$30
2015	\$3.31	\$40	40.18%	\$ 16.07	\$ 37	40.18%	\$15	\$31
2016	\$3.39	\$41	40.18%	\$ 16.47	\$ 38	40.18%	\$15	\$32
2017	\$3.47	\$42	40.18%	\$ 16.88	\$ 39	40.18%	\$16	\$33
2018	\$3.55	\$43	40.18%	\$ 17.28	\$ 40	40.18%	\$16	\$33
2019	\$3.64	\$44	40.18%	\$ 17.68	\$ 41	40.18%	\$16	\$34
2020	\$3.73	\$45	40.18%	\$ 18.08	\$ 42	40.18%	\$17	\$35
2021	\$3.81	\$46	40.18%	\$ 18.48	\$ 43	40.18%	\$17	\$36
2022	\$3.91	\$47	40.18%	\$ 18.88	\$ 44	40.18%	\$18	\$36
2023	\$4.00	\$48	40.18%	\$ 19.29	\$ 45	40.18%	\$18	\$37
2024	\$4.10	\$49	40.18%	\$ 19.69	\$ 46	40.18%	\$18	\$38

Table 5

Gas Costs				
	1	2	3	2*3
Year	Therms	Per Therm Supply Cost	Gas Supply Cost	
2005	178	1.1900	\$212	
2006	178	\$1.2186	\$217	
2007	178	\$1.2478	\$222	
2008	178	\$1.2776	\$227	
2009	178	\$1.3084	\$233	
2010	178	\$1.3398	\$238	
2011	178	\$1.3720	\$244	
2012	178	\$1.4049	\$250	
2013	178	\$1.4386	\$256	
2014	178	\$1.4731	\$262	
2015	178	\$1.5085	\$269	
2016	178	\$1.5447	\$275	
2017	178	\$1.5818	\$282	
2018	178	\$1.6197	\$288	
2019	178	\$1.6586	\$295	
2020	178	\$1.6984	\$302	
2021	178	\$1.7392	\$310	
2022	178	\$1.7809	\$317	
2023	178	\$1.8237	\$325	
2024	178	\$1.8674	\$332	

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
Participants Test - Cost Effective Results**

Appliance Type
Heating System

Year	Year Number	Benefits				Costs								
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment & Installation Cost	Gas Installation Cost	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS	
		Table 1								Table 2	Table 3	Table 4		
1	2	3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13	
2005	1	\$353	\$350	\$192	\$895	\$2,052	(\$3,850)	\$1,600	\$192	\$233	\$74	\$53	\$354	
2006	2	\$358	0	\$197	\$555	0	0	0	\$197	\$239	\$74	\$53	\$562	
2007	3	\$363	0	\$201	\$564	0	0	0	\$201	\$244	\$74	\$53	\$572	
2008	4	\$368	0	\$206	\$574	0	0	0	\$206	\$250	\$74	\$53	\$583	
2009	5	\$372	0	\$211	\$583	0	0	0	\$211	\$256	\$74	\$53	\$594	
2010	6	\$377	0	\$216	\$593	0	0	0	\$216	\$262	\$74	\$53	\$605	
2011	7	\$382	0	\$221	\$603	0	0	0	\$221	\$269	\$74	\$53	\$617	
2012	8	\$386	0	\$227	\$613	0	0	0	\$227	\$275	\$74	\$53	\$629	
2013	9	\$391	0	\$232	\$623	0	0	0	\$232	\$282	\$74	\$53	\$641	
2014	10	\$396	0	\$238	\$633	0	0	0	\$238	\$288	\$74	\$53	\$653	
2015	11	\$400	0	\$243	\$644	0	0	0	\$243	\$295	\$74	\$53	\$666	
2016	12	\$405	0	\$249	\$654	0	0	0	\$249	\$302	\$74	\$53	\$678	
2017	13	\$410	0	\$255	\$665	0	0	0	\$255	\$310	\$74	\$53	\$692	
2018	14	\$414	100	\$261	\$776	2,860	(5,366)	2,021	\$261	\$317	\$74	\$53	\$220	
2019	15	\$419	0	\$268	\$687	0	0	0	\$268	\$325	\$74	\$53	\$719	
2020	16	\$424	0	\$274	\$698	0	0	0	\$274	\$333	\$74	\$53	\$733	
2021	17	\$428	0	\$281	\$709	0	0	0	\$281	\$341	\$74	\$53	\$748	
2022	18	\$433	0	\$287	\$720	0	0	0	\$287	\$349	\$74	\$53	\$763	
2023	19	\$438	0	\$294	\$732	0	0	0	\$294	\$357	\$74	\$53	\$778	
2024	20	\$442	0	\$301	\$744	0	0	0	\$301	\$366	\$74	\$53	\$794	

Present Value of Benefits \$6,399

Present Value of Costs \$5,869

Benefit/Cost Ratio	1.09
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**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
Participants Test - Data**

Appliance Type
Heating System

Escalators	0.0%	Electric rate:	2.4%	Customer Ch	0%
O&M expense	2.4%	PGA Base R	0.0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	3,150	10.00%	\$353
2006	\$0.1034	3,150	10.00%	\$358
2007	\$0.1047	3,150	10.00%	\$363
2008	\$0.1061	3,150	10.00%	\$368
2009	\$0.1074	3,150	10.00%	\$372
2010	\$0.1088	3,150	10.00%	\$377
2011	\$0.1101	3,150	10.00%	\$382
2012	\$0.1115	3,150	10.00%	\$386
2013	\$0.1128	3,150	10.00%	\$391
2014	\$0.1142	3,150	10.00%	\$396
2015	\$0.1155	3,150	10.00%	\$400
2016	\$0.1169	3,150	10.00%	\$405
2017	\$0.1182	3,150	10.00%	\$410
2018	\$0.1196	3,150	10.00%	\$414
2019	\$0.1209	3,150	10.00%	\$419
2020	\$0.1223	3,150	10.00%	\$424
2021	\$0.1236	3,150	10.00%	\$428
2022	\$0.1250	3,150	10.00%	\$433
2023	\$0.1263	3,150	10.00%	\$438
2024	\$0.1277	3,150	10.00%	\$442

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	178	10.00%	\$233
2006	\$1.2186	178	10.00%	\$239
2007	\$1.2478	178	10.00%	\$244
2008	\$1.2778	178	10.00%	\$250
2009	\$1.3084	178	10.00%	\$256
2010	\$1.3398	178	10.00%	\$262
2011	\$1.3720	178	10.00%	\$269
2012	\$1.4049	178	10.00%	\$275
2013	\$1.4386	178	10.00%	\$282
2014	\$1.4731	178	10.00%	\$288
2015	\$1.5085	178	10.00%	\$295
2016	\$1.5447	178	10.00%	\$302
2017	\$1.5818	178	10.00%	\$310
2018	\$1.6197	178	10.00%	\$317
2019	\$1.6586	178	10.00%	\$325
2020	\$1.6984	178	10.00%	\$333
2021	\$1.7392	178	10.00%	\$341
2022	\$1.7809	178	10.00%	\$349
2023	\$1.8237	178	10.00%	\$357
2024	\$1.8674	178	10.00%	\$366

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	178	10.00%	\$74
2006	\$0.3767	178	10.00%	\$74
2007	\$0.3767	178	10.00%	\$74
2008	\$0.3767	178	10.00%	\$74
2009	\$0.3767	178	10.00%	\$74
2010	\$0.3767	178	10.00%	\$74
2011	\$0.3767	178	10.00%	\$74
2012	\$0.3767	178	10.00%	\$74
2013	\$0.3767	178	10.00%	\$74
2014	\$0.3767	178	10.00%	\$74
2015	\$0.3767	178	10.00%	\$74
2016	\$0.3767	178	10.00%	\$74
2017	\$0.3767	178	10.00%	\$74
2018	\$0.3767	178	10.00%	\$74
2019	\$0.3767	178	10.00%	\$74
2020	\$0.3767	178	10.00%	\$74
2021	\$0.3767	178	10.00%	\$74
2022	\$0.3767	178	10.00%	\$74
2023	\$0.3767	178	10.00%	\$74
2024	\$0.3767	178	10.00%	\$74

Gas Customer Charge - Table 3							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2006	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2007	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2008	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2009	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2010	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2011	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2012	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2013	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2014	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2015	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2016	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2017	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2018	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2019	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2020	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2021	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2022	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2023	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2024	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential New Construction Program
RIM Test and Participants Test Results**

For

Clothes Drying Appliances

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
RIM Test - Results**

Appliance Type

Clothes Drying

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs	
	Table 1	Table 1A	Table 2	Table 5	Table 3	Table 4				
	1	2	3	4	2 thru 4	6	7	8	9	6 thru 9
2002	\$19	\$60	\$14	\$92	\$60	\$9	\$7	\$100	\$175	
2003	\$19	\$61	\$14	\$93	\$61	\$8	\$7	\$0	\$76	
2004	\$19	\$62	\$14	\$95	\$62	\$8	\$7	\$0	\$77	
2005	\$19	\$64	\$14	\$96	\$64	\$7	\$7	\$0	\$79	
2006	\$19	\$65	\$14	\$98	\$65	\$7	\$7	\$0	\$80	
2007	\$19	\$67	\$14	\$99	\$67	\$7	\$8	\$0	\$82	
2008	\$19	\$69	\$14	\$101	\$69	\$7	\$8	\$0	\$83	
2009	\$19	\$70	\$14	\$103	\$70	\$6	\$8	\$0	\$85	
2010	\$19	\$72	\$14	\$104	\$72	\$6	\$8	\$0	\$86	
2011	\$19	\$74	\$14	\$106	\$74	\$6	\$8	\$0	\$88	
2012	\$19	\$75	\$14	\$108	\$75	\$6	\$9	\$0	\$90	
2013	\$19	\$77	\$14	\$110	\$77	\$5	\$9	\$0	\$91	
2014	\$19	\$79	\$14	\$111	\$79	\$5	\$9	\$0	\$93	
2015	\$19	\$81	\$14	\$113	\$81	\$5	\$9	\$0	\$95	
2016	\$19	\$83	\$14	\$115	\$83	\$5	\$10	\$0	\$97	
2017	\$19	\$85	\$14	\$117	\$85	\$5	\$10	\$0	\$99	
2018	\$19	\$87	\$14	\$119	\$87	\$4	\$10	\$0	\$101	
2019	\$19	\$89	\$14	\$121	\$89	\$4	\$10	\$0	\$103	
2020	\$19	\$91	\$14	\$124	\$91	\$4	\$10	\$0	\$106	
2021	\$19	\$93	\$14	\$126	\$93	\$4	\$11	\$0	\$108	

Present Value
of Benefits

\$1,014

Present Value
of Costs

\$932

**Benefit/Cost
Ratio**

1.09

Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
RIM Test - Calculated data

Appliance Type
Clothes Drying

PGA Rate Escalator 2.4%
 Base Rate Escalator 0%
 Electric Rate escalator 2.4%

Depreciation Rate - Supply Main 2.80%
 Depreciation Rate - Development Main 2.80%
 Depreciation Rate - Service Line 4.40%
 Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
 Customer Charge - Electric 0%
 Inflation factor 2%

Table 1

Revenue - Energy Charge				
1	2	3	2*3	
Year	Therms	Base Rate	Total Rate	
2005	50	\$0.3767	\$19	
2006	50	\$0.3767	\$19	
2007	50	\$0.3767	\$19	
2008	50	\$0.3767	\$19	
2009	50	\$0.3767	\$19	
2010	50	\$0.3767	\$19	
2011	50	\$0.3767	\$19	
2012	50	\$0.3767	\$19	
2013	50	\$0.3767	\$19	
2014	50	\$0.3767	\$19	
2015	50	\$0.3767	\$19	
2016	50	\$0.3767	\$19	
2017	50	\$0.3767	\$19	
2018	50	\$0.3767	\$19	
2019	50	\$0.3767	\$19	
2020	50	\$0.3767	\$19	
2021	50	\$0.3767	\$19	
2022	50	\$0.3767	\$19	
2023	50	\$0.3767	\$19	
2024	50	\$0.3767	\$19	

Table 1a

Revenue - Cost of Gas				
1	2	4	2*3	
Year	Therms	PGA Rate	Total Rate	
2005	50	\$1,1900	\$60	
2006	50	\$1,2186	\$61	
2007	50	\$1,2478	\$62	
2008	50	\$1,2778	\$64	
2009	50	\$1,3084	\$65	
2010	50	\$1,3398	\$67	
2011	50	\$1,3720	\$69	
2012	50	\$1,4049	\$70	
2013	50	\$1,4386	\$72	
2014	50	\$1,4731	\$74	
2015	50	\$1,5085	\$75	
2016	50	\$1,5447	\$77	
2017	50	\$1,5818	\$79	
2018	50	\$1,6197	\$81	
2019	50	\$1,6586	\$83	
2020	50	\$1,6984	\$85	
2021	50	\$1,7392	\$87	
2022	50	\$1,7809	\$89	
2023	50	\$1,8237	\$91	
2024	50	\$1,8674	\$93	

Table 2

Revenue - Customer Charge				
1	2	3	4	4*3
Year	Customer Charge/Mo	Annual Cust. Chg	Ratio of Therms Consumed To Total	Prorated Cust. Chg
2005	\$10.00	\$120.00	11.29%	\$14
2006	\$10.00	\$120.00	11.29%	\$14
2007	\$10.00	\$120.00	11.29%	\$14
2008	\$10.00	\$120.00	11.29%	\$14
2009	\$10.00	\$120.00	11.29%	\$14
2010	\$10.00	\$120.00	11.29%	\$14
2011	\$10.00	\$120.00	11.29%	\$14
2012	\$10.00	\$120.00	11.29%	\$14
2013	\$10.00	\$120.00	11.29%	\$14
2014	\$10.00	\$120.00	11.29%	\$14
2015	\$10.00	\$120.00	11.29%	\$14
2016	\$10.00	\$120.00	11.29%	\$14
2017	\$10.00	\$120.00	11.29%	\$14
2018	\$10.00	\$120.00	11.29%	\$14
2019	\$10.00	\$120.00	11.29%	\$14
2020	\$10.00	\$120.00	11.29%	\$14
2021	\$10.00	\$120.00	11.29%	\$14
2022	\$10.00	\$120.00	11.29%	\$14
2023	\$10.00	\$120.00	11.29%	\$14
2024	\$10.00	\$120.00	11.29%	\$14

Table 3

Investment Carrying Costs								
1	2	3	4	5	6	7	8	6*7*8
Year	Supply Main	Development Main	Service Line	Meter	Customer Cost	Avg Cost of Debt	Ratio of Therms Consumed To Total Mains & Svc	Carrying Chg
2005	\$50	\$140	\$500	\$163	\$853	8.83%	11.29%	\$9
2006	\$49	\$136	\$478	\$154	\$817	8.83%	11.29%	\$8
2007	\$48	\$132	\$457	\$146	\$783	8.83%	11.29%	\$8
2008	\$47	\$128	\$437	\$138	\$750	8.83%	11.29%	\$7
2009	\$46	\$124	\$418	\$131	\$719	8.83%	11.29%	\$7
2010	\$45	\$121	\$400	\$124	\$690	8.83%	11.29%	\$7
2011	\$44	\$118	\$382	\$117	\$661	8.83%	11.29%	\$7
2012	\$43	\$115	\$365	\$111	\$634	8.83%	11.29%	\$6
2013	\$42	\$112	\$349	\$105	\$608	8.83%	11.29%	\$6
2014	\$41	\$109	\$334	\$99	\$583	8.83%	11.29%	\$6
2015	\$40	\$106	\$319	\$94	\$559	8.83%	11.29%	\$6
2016	\$39	\$103	\$305	\$89	\$536	8.83%	11.29%	\$5
2017	\$38	\$100	\$292	\$84	\$514	8.83%	11.29%	\$5
2018	\$37	\$97	\$279	\$79	\$492	8.83%	11.29%	\$5
2019	\$36	\$94	\$267	\$75	\$472	8.83%	11.29%	\$5
2020	\$35	\$91	\$255	\$71	\$452	8.83%	11.29%	\$5
2021	\$34	\$88	\$244	\$67	\$433	8.83%	11.29%	\$4
2022	\$33	\$86	\$233	\$63	\$415	8.83%	11.29%	\$4
2023	\$32	\$84	\$223	\$60	\$399	8.83%	11.29%	\$4
2024	\$31	\$82	\$213	\$57	\$383	8.83%	11.29%	\$4

Table 4

Incremental Customer Costs									
1	2	3	4	5=3*4	6	7	8=6*7	9=8	
Year	Adm. Cost	Annual Adm. Cost	Ratio Therms To Total Consumed	Customer Costs	O & M Cost	Ratio Therms To Total Consumed	Main Cost	New Customer Adm. & Main O&M	
2005	\$2.61	\$31	11.29%	\$ 3.50	\$ 29	11.29%	\$3	\$7	
2006	\$2.67	\$32	11.29%	\$ 3.61	\$ 30	11.29%	\$3	\$7	
2007	\$2.74	\$33	11.29%	\$ 3.72	\$ 31	11.29%	\$3	\$7	
2008	\$2.80	\$34	11.29%	\$ 3.84	\$ 31	11.29%	\$4	\$7	
2009	\$2.87	\$34	11.29%	\$ 3.84	\$ 32	11.29%	\$4	\$7	
2010	\$2.94	\$35	11.29%	\$ 3.95	\$ 33	11.29%	\$4	\$8	
2011	\$3.01	\$36	11.29%	\$ 4.06	\$ 34	11.29%	\$4	\$8	
2012	\$3.08	\$37	11.29%	\$ 4.18	\$ 35	11.29%	\$4	\$8	
2013	\$3.16	\$38	11.29%	\$ 4.29	\$ 35	11.29%	\$4	\$8	
2014	\$3.23	\$39	11.29%	\$ 4.40	\$ 36	11.29%	\$4	\$8	
2015	\$3.31	\$40	11.29%	\$ 4.51	\$ 37	11.29%	\$4	\$9	
2016	\$3.39	\$41	11.29%	\$ 4.63	\$ 38	11.29%	\$4	\$9	
2017	\$3.47	\$42	11.29%	\$ 4.74	\$ 39	11.29%	\$4	\$9	
2018	\$3.55	\$43	11.29%	\$ 4.85	\$ 40	11.29%	\$4	\$9	
2019	\$3.64	\$44	11.29%	\$ 4.97	\$ 41	11.29%	\$5	\$10	
2020	\$3.73	\$45	11.29%	\$ 5.08	\$ 42	11.29%	\$5	\$10	
2021	\$3.81	\$46	11.29%	\$ 5.19	\$ 43	11.29%	\$5	\$10	
2022	\$3.91	\$47	11.29%	\$ 5.30	\$ 44	11.29%	\$5	\$10	
2023	\$4.00	\$48	11.29%	\$ 5.42	\$ 45	11.29%	\$5	\$10	
2024	\$4.10	\$49	11.29%	\$ 5.53	\$ 46	11.29%	\$5	\$11	

Table 5

Gas Costs			
1	2	3	2*3
Year	Therms	Per Therm Supply Cost	Gas Supply Cost
2005	50	\$1,1900	\$60
2006	50	\$1,2186	\$61
2007	50	\$1,2478	\$62
2008	50	\$1,2778	\$64
2009	50	\$1,3084	\$65
2010	50	\$1,3398	\$67
2011	50	\$1,3720	\$69
2012	50	\$1,4049	\$70
2013	50	\$1,4386	\$72
2014	50	\$1,4731	\$74
2015	50	\$1,5085	\$75
2016	50	\$1,5447	\$77
2017	50	\$1,5818	\$79
2018	50	\$1,6197	\$81
2019	50	\$1,6586	\$83
2020	50	\$1,6984	\$85
2021	50	\$1,7392	\$87
2022	50	\$1,7809	\$89
2023	50	\$1,8237	\$91
2024	50	\$1,8674	\$93

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
Participants Test - Cost Effective Results**

Appliance Type
Clothes Drying

Year	Year Number	Benefits				Costs							
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment & Installation Cost	Gas Installation Cost	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS
		Table 1								Table 2	Table 3	Table 4	
1	2	3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13
2005	1	\$164	\$100	\$36	\$300	\$379	(\$454)	\$300	\$36	\$65	\$21	\$15	\$362
2006	2	\$167	0	\$37	\$203	0	0	0	\$37	\$67	\$21	\$15	\$140
2007	3	\$169	0	\$38	\$207	0	0	0	\$38	\$69	\$21	\$15	\$142
2008	4	\$171	0	\$39	\$210	0	0	0	\$39	\$70	\$21	\$15	\$145
2009	5	\$173	0	\$40	\$213	0	0	0	\$40	\$72	\$21	\$15	\$147
2010	6	\$175	0	\$41	\$216	0	0	0	\$41	\$74	\$21	\$15	\$150
2011	7	\$177	0	\$42	\$219	0	0	0	\$42	\$75	\$21	\$15	\$153
2012	8	\$180	0	\$43	\$222	0	0	0	\$43	\$77	\$21	\$15	\$155
2013	9	\$182	0	\$44	\$225	0	0	0	\$44	\$79	\$21	\$15	\$158
2014	10	\$184	0	\$45	\$229	0	0	0	\$45	\$81	\$21	\$15	\$161
2015	11	\$186	0	\$46	\$232	0	0	0	\$46	\$83	\$21	\$15	\$164
2016	12	\$188	0	\$47	\$235	0	0	0	\$47	\$85	\$21	\$15	\$167
2017	13	\$191	0	\$48	\$238	0	0	0	\$48	\$87	\$21	\$15	\$170
2018	14	\$193	100	\$49	\$342	528	(633)	209	\$49	\$89	\$21	\$15	\$278
2019	15	\$195	0	\$50	\$245	0	0	0	\$50	\$91	\$21	\$15	\$177
2020	16	\$197	0	\$51	\$248	0	0	0	\$51	\$93	\$21	\$15	\$180
2021	17	\$199	0	\$53	\$252	0	0	0	\$53	\$96	\$21	\$15	\$184
2022	18	\$201	0	\$54	\$255	0	0	0	\$54	\$98	\$21	\$15	\$187
2023	19	\$204	0	\$55	\$259	0	0	0	\$55	\$100	\$21	\$15	\$191
2024	20	\$206	0	\$56	\$262	0	0	0	\$56	\$103	\$21	\$15	\$195

Present Value of Benefits \$2,312

Present Value of Costs \$1,781

Benefit/Cost Ratio	1.30
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**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
Participants Test - Data**

Appliance Type
Clothes Drying

O&M expense	2%	PGA Gas Rates	2%	Customer Ch	0%
Electric rates (fu)	2%	PGA Base Rate	0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	1,465	10.00%	\$164
2006	\$0.1034	1,465	10.00%	\$167
2007	\$0.1047	1,465	10.00%	\$169
2008	\$0.1061	1,465	10.00%	\$171
2009	\$0.1074	1,465	10.00%	\$173
2010	\$0.1088	1,465	10.00%	\$175
2011	\$0.1101	1,465	10.00%	\$177
2012	\$0.1115	1,465	10.00%	\$180
2013	\$0.1128	1,465	10.00%	\$182
2014	\$0.1142	1,465	10.00%	\$184
2015	\$0.1155	1,465	10.00%	\$186
2016	\$0.1169	1,465	10.00%	\$188
2017	\$0.1182	1,465	10.00%	\$191
2018	\$0.1196	1,465	10.00%	\$193
2019	\$0.1209	1,465	10.00%	\$195
2020	\$0.1223	1,465	10.00%	\$197
2021	\$0.1236	1,465	10.00%	\$199
2022	\$0.1250	1,465	10.00%	\$201
2023	\$0.1263	1,465	10.00%	\$204
2024	\$0.1277	1,465	10.00%	\$206

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	50	10.00%	\$65
2006	\$1.2186	50	10.00%	\$67
2007	\$1.2478	50	10.00%	\$69
2008	\$1.2778	50	10.00%	\$70
2009	\$1.3084	50	10.00%	\$72
2010	\$1.3398	50	10.00%	\$74
2011	\$1.3720	50	10.00%	\$75
2012	\$1.4049	50	10.00%	\$77
2013	\$1.4386	50	10.00%	\$79
2014	\$1.4731	50	10.00%	\$81
2015	\$1.5085	50	10.00%	\$83
2016	\$1.5447	50	10.00%	\$85
2017	\$1.5818	50	10.00%	\$87
2018	\$1.6197	50	10.00%	\$89
2019	\$1.6586	50	10.00%	\$91
2020	\$1.6984	50	10.00%	\$93
2021	\$1.7392	50	10.00%	\$96
2022	\$1.7809	50	10.00%	\$98
2023	\$1.8237	50	10.00%	\$100
2024	\$1.8674	50	10.00%	\$103

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	50	10.00%	\$21
2006	\$0.3767	50	10.00%	\$21
2007	\$0.3767	50	10.00%	\$21
2008	\$0.3767	50	10.00%	\$21
2009	\$0.3767	50	10.00%	\$21
2010	\$0.3767	50	10.00%	\$21
2011	\$0.3767	50	10.00%	\$21
2012	\$0.3767	50	10.00%	\$21
2013	\$0.3767	50	10.00%	\$21
2014	\$0.3767	50	10.00%	\$21
2015	\$0.3767	50	10.00%	\$21
2016	\$0.3767	50	10.00%	\$21
2017	\$0.3767	50	10.00%	\$21
2018	\$0.3767	50	10.00%	\$21
2019	\$0.3767	50	10.00%	\$21
2020	\$0.3767	50	10.00%	\$21
2021	\$0.3767	50	10.00%	\$21
2022	\$0.3767	50	10.00%	\$21
2023	\$0.3767	50	10.00%	\$21
2024	\$0.3767	50	10.00%	\$21

Gas Customer Charge - Table 3							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10	\$120.00	50	443	11.29%	10.00%	\$15
2006	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2007	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2008	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2009	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2010	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2011	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2012	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2013	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2014	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2015	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2016	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2017	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2018	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2019	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2020	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2021	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2022	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2023	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2024	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential New Construction Program
RIM Test and Participants Test Results**

For

Cooking Appliances

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
RIM Test - Results**

Appliance Type

Cooking

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs	
	Table 1	Table 1A	Table 2		Table 5	Table 3	Table 4			
	1	2	3	4	2 thru 4	6	7	8	9	6 thru 9
2002	\$17	\$54	\$12	\$83	\$54	\$8	\$6	\$100	\$167	
2003	\$17	\$55	\$12	\$84	\$55	\$7	\$6	\$0	\$68	
2004	\$17	\$56	\$12	\$85	\$56	\$7	\$6	\$0	\$70	
2005	\$17	\$57	\$12	\$87	\$57	\$7	\$7	\$0	\$71	
2006	\$17	\$59	\$12	\$88	\$59	\$6	\$7	\$0	\$72	
2007	\$17	\$60	\$12	\$89	\$60	\$6	\$7	\$0	\$73	
2008	\$17	\$62	\$12	\$91	\$62	\$6	\$7	\$0	\$75	
2009	\$17	\$63	\$12	\$92	\$63	\$6	\$7	\$0	\$76	
2010	\$17	\$65	\$12	\$94	\$65	\$5	\$7	\$0	\$78	
2011	\$17	\$66	\$12	\$95	\$66	\$5	\$8	\$0	\$79	
2012	\$17	\$68	\$12	\$97	\$68	\$5	\$8	\$0	\$81	
2013	\$17	\$70	\$12	\$99	\$70	\$5	\$8	\$0	\$82	
2014	\$17	\$71	\$12	\$100	\$71	\$5	\$8	\$0	\$84	
2015	\$17	\$73	\$12	\$102	\$73	\$4	\$8	\$0	\$86	
2016	\$17	\$75	\$12	\$104	\$75	\$4	\$9	\$0	\$87	
2017	\$17	\$76	\$12	\$106	\$76	\$4	\$9	\$0	\$89	
2018	\$17	\$78	\$12	\$107	\$78	\$4	\$9	\$0	\$91	
2019	\$17	\$80	\$12	\$109	\$80	\$4	\$9	\$0	\$93	
2020	\$17	\$82	\$12	\$111	\$82	\$4	\$9	\$0	\$95	
2021	\$17	\$84	\$12	\$113	\$84	\$3	\$10	\$0	\$97	

Present Value
of Benefits

\$913

Present Value
of Costs

\$848

Benefit/Cost
Ratio

1.08

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
RIM Test - Calculated data**

Appliance Type
Cooking

PGA Rate Escalator 2%
Base Rate Escalator 0%
Electric Rate escalator 2%

Depreciation Rate - Supply Main 2.80%
Depreciation Rate - Development Main 2.80%
Depreciation Rate - Service Line 4.40%
Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
Customer Charge - Electric 0%
Inflation factor 2%

Table 1

Revenue - Energy Charge			
1	2	3	2*3
Year	Therms	Base Rate	Total Rate
2005	45	\$0.3767	\$17
2006	45	\$0.3767	\$17
2007	45	\$0.3767	\$17
2008	45	\$0.3767	\$17
2009	45	\$0.3767	\$17
2010	45	\$0.3767	\$17
2011	45	\$0.3767	\$17
2012	45	\$0.3767	\$17
2013	45	\$0.3767	\$17
2014	45	\$0.3767	\$17
2015	45	\$0.3767	\$17
2016	45	\$0.3767	\$17
2017	45	\$0.3767	\$17
2018	45	\$0.3767	\$17
2019	45	\$0.3767	\$17
2020	45	\$0.3767	\$17
2021	45	\$0.3767	\$17
2022	45	\$0.3767	\$17
2023	45	\$0.3767	\$17
2024	45	\$0.3767	\$17

Table 1a

Revenue - Cost of Gas			
1	2	4	2*3
Year	Therms	PGA Rate	Total Rate
2005	45	\$1.1900	\$54
2006	45	\$1.2186	\$55
2007	45	\$1.2478	\$56
2008	45	\$1.2778	\$57
2009	45	\$1.3084	\$59
2010	45	\$1.3398	\$60
2011	45	\$1.3720	\$62
2012	45	\$1.4049	\$63
2013	45	\$1.4386	\$65
2014	45	\$1.4731	\$66
2015	45	\$1.5085	\$68
2016	45	\$1.5447	\$70
2017	45	\$1.5818	\$71
2018	45	\$1.6197	\$73
2019	45	\$1.6586	\$75
2020	45	\$1.6984	\$76
2021	45	\$1.7392	\$78
2022	45	\$1.7809	\$80
2023	45	\$1.8237	\$82
2024	45	\$1.8674	\$84

Table 2

Revenue - Customer Charge				
1	2	3	4	4*3
Year	Customer Charge/Mo	Annual Cust. Chg	Ratio of Therms Consumed To Total	Prorated Cust. Chg
2005	\$10.00	\$120.00	10.16%	\$12
2006	\$10.00	\$120.00	10.16%	\$12
2007	\$10.00	\$120.00	10.16%	\$12
2008	\$10.00	\$120.00	10.16%	\$12
2009	\$10.00	\$120.00	10.16%	\$12
2010	\$10.00	\$120.00	10.16%	\$12
2011	\$10.00	\$120.00	10.16%	\$12
2012	\$10.00	\$120.00	10.16%	\$12
2013	\$10.00	\$120.00	10.16%	\$12
2014	\$10.00	\$120.00	10.16%	\$12
2015	\$10.00	\$120.00	10.16%	\$12
2016	\$10.00	\$120.00	10.16%	\$12
2017	\$10.00	\$120.00	10.16%	\$12
2018	\$10.00	\$120.00	10.16%	\$12
2019	\$10.00	\$120.00	10.16%	\$12
2020	\$10.00	\$120.00	10.16%	\$12
2021	\$10.00	\$120.00	10.16%	\$12
2022	\$10.00	\$120.00	10.16%	\$12
2023	\$10.00	\$120.00	10.16%	\$12
2024	\$10.00	\$120.00	10.16%	\$12

Table 3

Investment Carrying Costs							
1	2	3	4	5	6	7	8
Year	Supply Main	Development Main	Service Line	Meter	Customer Cost	Avg Cost of Debt	Ratio of Therms Consumed To Total Mains & Svc
2005	\$50	\$140	\$500	\$163	\$853	8.83%	10.16%
2006	\$49	\$136	\$478	\$154	\$817	8.83%	10.16%
2007	\$48	\$132	\$457	\$146	\$783	8.83%	10.16%
2008	\$47	\$128	\$437	\$138	\$750	8.83%	10.16%
2009	\$46	\$124	\$418	\$131	\$719	8.83%	10.16%
2010	\$45	\$121	\$400	\$124	\$690	8.83%	10.16%
2011	\$44	\$118	\$382	\$117	\$661	8.83%	10.16%
2012	\$43	\$115	\$365	\$111	\$634	8.83%	10.16%
2013	\$42	\$112	\$349	\$105	\$608	8.83%	10.16%
2014	\$41	\$109	\$334	\$99	\$583	8.83%	10.16%
2015	\$40	\$106	\$319	\$94	\$559	8.83%	10.16%
2016	\$39	\$103	\$305	\$89	\$536	8.83%	10.16%
2017	\$38	\$100	\$292	\$84	\$514	8.83%	10.16%
2018	\$37	\$97	\$279	\$79	\$492	8.83%	10.16%
2019	\$36	\$94	\$267	\$75	\$472	8.83%	10.16%
2020	\$35	\$91	\$255	\$71	\$452	8.83%	10.16%
2021	\$34	\$88	\$244	\$67	\$433	8.83%	10.16%
2022	\$33	\$86	\$233	\$63	\$415	8.83%	10.16%
2023	\$32	\$84	\$223	\$60	\$399	8.83%	10.16%
2024	\$31	\$82	\$213	\$57	\$383	8.83%	10.16%

Table 4

Incremental Customer Costs							
1	2	3	4	5-3*4	6	7	8=6*7
Year	Adm. Cost	Annual Adm. Cost	Ratio Therms To Total Consumed	Customer Costs	O & M Cost	Ratio Therms To Total Consumed	Main Cost
2005	\$2.61	\$31	10.16%	\$ 3.15	\$ 29	10.16%	\$3
2006	\$2.67	\$32	10.16%	\$ 3.25	\$ 30	10.16%	\$3
2007	\$2.74	\$33	10.16%	\$ 3.35	\$ 31	10.16%	\$3
2008	\$2.80	\$34	10.16%	\$ 3.45	\$ 31	10.16%	\$3
2009	\$2.87	\$34	10.16%	\$ 3.45	\$ 32	10.16%	\$3
2010	\$2.94	\$35	10.16%	\$ 3.56	\$ 33	10.16%	\$3
2011	\$3.01	\$36	10.16%	\$ 3.68	\$ 34	10.16%	\$3
2012	\$3.08	\$37	10.16%	\$ 3.76	\$ 35	10.16%	\$4
2013	\$3.16	\$38	10.16%	\$ 3.86	\$ 35	10.16%	\$4
2014	\$3.23	\$39	10.16%	\$ 3.96	\$ 36	10.16%	\$4
2015	\$3.31	\$40	10.16%	\$ 4.06	\$ 37	10.16%	\$4
2016	\$3.39	\$41	10.16%	\$ 4.16	\$ 38	10.16%	\$4
2017	\$3.47	\$42	10.16%	\$ 4.27	\$ 39	10.16%	\$4
2018	\$3.55	\$43	10.16%	\$ 4.37	\$ 40	10.16%	\$4
2019	\$3.64	\$44	10.16%	\$ 4.47	\$ 41	10.16%	\$4
2020	\$3.73	\$45	10.16%	\$ 4.57	\$ 42	10.16%	\$4
2021	\$3.81	\$46	10.16%	\$ 4.67	\$ 43	10.16%	\$4
2022	\$3.91	\$47	10.16%	\$ 4.77	\$ 44	10.16%	\$4
2023	\$4.00	\$48	10.16%	\$ 4.88	\$ 45	10.16%	\$5
2024	\$4.10	\$49	10.16%	\$ 4.98	\$ 46	10.16%	\$5

Table 5

Gas Costs			
1	2	3	2*3
Year	Therms	Commodity Gas Supply Cost	Gas Supply Cost
2005	45	1.1900	\$54
2006	45	\$1.2186	\$55
2007	45	\$1.2478	\$56
2008	45	\$1.2778	\$57
2009	45	\$1.3084	\$59
2010	45	\$1.3398	\$60
2011	45	\$1.3720	\$62
2012	45	\$1.4049	\$63
2013	45	\$1.4386	\$65
2014	45	\$1.4731	\$66
2015	45	\$1.5085	\$68
2016	45	\$1.5447	\$70
2017	45	\$1.5818	\$71
2018	45	\$1.6197	\$73
2019	45	\$1.6586	\$75
2020	45	\$1.6984	\$76
2021	45	\$1.7392	\$78
2022	45	\$1.7809	\$80
2023	45	\$1.8237	\$82
2024	45	\$1.8674	\$84

**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
Participants Test - Cost Effective Results**

Appliance Type
Cooking

Year	Year Number	Benefits				Costs							
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment & Installation Cost	Gas Installation Cost	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS
		Table 1								Table 2	Table 3	Table 4	
		3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13
2005	1	\$147	\$100	\$36	\$283	\$449	(\$574)	\$350	\$36	\$59	\$19	\$13	\$352
2006	2	\$149	0	\$37	\$186	0	0	0	\$37	\$60	\$19	\$13	\$129
2007	3	\$151	0	\$38	\$189	0	0	0	\$38	\$62	\$19	\$13	\$132
2008	4	\$153	0	\$39	\$191	0	0	0	\$39	\$63	\$19	\$13	\$134
2009	5	\$155	0	\$40	\$194	0	0	0	\$40	\$65	\$19	\$13	\$136
2010	6	\$157	0	\$41	\$197	0	0	0	\$41	\$66	\$19	\$13	\$139
2011	7	\$159	0	\$42	\$200	0	0	0	\$42	\$68	\$19	\$13	\$141
2012	8	\$161	0	\$43	\$203	0	0	0	\$43	\$70	\$19	\$13	\$144
2013	9	\$163	0	\$44	\$206	0	0	0	\$44	\$71	\$19	\$13	\$147
2014	10	\$165	0	\$45	\$209	0	0	0	\$45	\$73	\$19	\$13	\$150
2015	11	\$166	0	\$46	\$212	0	0	0	\$46	\$75	\$19	\$13	\$152
2016	12	\$168	0	\$47	\$215	0	0	0	\$47	\$76	\$19	\$13	\$155
2017	13	\$170	0	\$48	\$218	0	0	0	\$48	\$78	\$19	\$13	\$158
2018	14	\$172	100	\$49	\$321	626	(800)	279	\$49	\$80	\$19	\$13	\$266
2019	15	\$174	0	\$50	\$224	0	0	0	\$50	\$82	\$19	\$13	\$164
2020	16	\$176	0	\$51	\$228	0	0	0	\$51	\$84	\$19	\$13	\$168
2021	17	\$178	0	\$53	\$231	0	0	0	\$53	\$86	\$19	\$13	\$171
2022	18	\$180	0	\$54	\$234	0	0	0	\$54	\$88	\$19	\$13	\$174
2023	19	\$182	0	\$55	\$237	0	0	0	\$55	\$90	\$19	\$13	\$177
2024	20	\$184	0	\$56	\$240	0	0	0	\$56	\$92	\$19	\$13	\$181

Present Value of Benefits \$2,126

Present Value of Costs \$1,669

Benefit/Cost Ratio	1.27
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**Peoples Gas System - Energy Conservation Filing 2006
Residential New Construction Program
Participants Test - Data**

Appliance Type
Cooking

O&M expense	2%	PGA Gas Ra	2%	Customer Ct	0%
Electric rates (fu)	2%	PGA Base R	0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	1,310	10.00%	\$147
2006	\$0.1034	1,310	10.00%	\$149
2007	\$0.1047	1,310	10.00%	\$151
2008	\$0.1061	1,310	10.00%	\$153
2009	\$0.1074	1,310	10.00%	\$155
2010	\$0.1088	1,310	10.00%	\$157
2011	\$0.1101	1,310	10.00%	\$159
2012	\$0.1115	1,310	10.00%	\$161
2013	\$0.1128	1,310	10.00%	\$163
2014	\$0.1142	1,310	10.00%	\$165
2015	\$0.1155	1,310	10.00%	\$166
2016	\$0.1169	1,310	10.00%	\$168
2017	\$0.1182	1,310	10.00%	\$170
2018	\$0.1196	1,310	10.00%	\$172
2019	\$0.1209	1,310	10.00%	\$174
2020	\$0.1223	1,310	10.00%	\$176
2021	\$0.1236	1,310	10.00%	\$178
2022	\$0.1250	1,310	10.00%	\$180
2023	\$0.1263	1,310	10.00%	\$182
2024	\$0.1277	1,310	10.00%	\$184

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	45	10.00%	\$59
2006	\$1.2186	45	10.00%	\$60
2007	\$1.2478	45	10.00%	\$62
2008	\$1.2778	45	10.00%	\$63
2009	\$1.3084	45	10.00%	\$65
2010	\$1.3398	45	10.00%	\$66
2011	\$1.3720	45	10.00%	\$68
2012	\$1.4049	45	10.00%	\$70
2013	\$1.4386	45	10.00%	\$71
2014	\$1.4731	45	10.00%	\$73
2015	\$1.5085	45	10.00%	\$75
2016	\$1.5447	45	10.00%	\$76
2017	\$1.5818	45	10.00%	\$78
2018	\$1.6197	45	10.00%	\$80
2019	\$1.6586	45	10.00%	\$82
2020	\$1.6984	45	10.00%	\$84
2021	\$1.7392	45	10.00%	\$86
2022	\$1.7809	45	10.00%	\$88
2023	\$1.8237	45	10.00%	\$90
2024	\$1.8674	45	10.00%	\$92

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	45	10.00%	\$19
2006	\$0.3767	45	10.00%	\$19
2007	\$0.3767	45	10.00%	\$19
2008	\$0.3767	45	10.00%	\$19
2009	\$0.3767	45	10.00%	\$19
2010	\$0.3767	45	10.00%	\$19
2011	\$0.3767	45	10.00%	\$19
2012	\$0.3767	45	10.00%	\$19
2013	\$0.3767	45	10.00%	\$19
2014	\$0.3767	45	10.00%	\$19
2015	\$0.3767	45	10.00%	\$19
2016	\$0.3767	45	10.00%	\$19
2017	\$0.3767	45	10.00%	\$19
2018	\$0.3767	45	10.00%	\$19
2019	\$0.3767	45	10.00%	\$19
2020	\$0.3767	45	10.00%	\$19
2021	\$0.3767	45	10.00%	\$19
2022	\$0.3767	45	10.00%	\$19
2023	\$0.3767	45	10.00%	\$19
2024	\$0.3767	45	10.00%	\$19

Gas Customer Charge - Table 3							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10	\$120.00	45	443	10.16%	10.00%	\$13
2006	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2007	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2008	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2009	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2010	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2011	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2012	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2013	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2014	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2015	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2016	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2017	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2018	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2019	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2020	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2021	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2022	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2023	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2024	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential Appliance Replacement Program
Summary of RIM Test and Participants Test Results**

	<u>Proposed Allowance</u>	<u>Participants Test</u>	<u>RIM Test</u>
Gas Storage Tank Water Heating	\$525	1.38	1.02
Gas Tankless Water Heating	\$525	1.27	1.00
Gas Heating	\$625	1.08	1.00
Gas Clothes Drying	\$100	1.25	1.08
Gas Cooking	\$100	1.22	1.07

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential Appliance Replacement Program
RIM Test and Participants Test Results**

For

Storage Tank Water Heating

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
RIM Test - Results**

Appliance Type Storage Tank Water Heating

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue Gas	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs
	Table 1	Table 1A	Table 2	2 thru 4	Table 5	Table 3	Table 4	9	6 thru 9
	1	2	3	4	6	7	8	9	6 thru 9
2002	\$64	\$202	\$46	\$312	\$202	\$32	\$23	\$525	\$782
2003	\$64	\$207	\$46	\$317	\$207	\$31	\$24	\$0	\$262
2004	\$64	\$212	\$46	\$322	\$212	\$29	\$24	\$0	\$266
2005	\$64	\$217	\$46	\$327	\$217	\$28	\$25	\$0	\$271
2006	\$64	\$222	\$46	\$333	\$222	\$27	\$25	\$0	\$275
2007	\$64	\$228	\$46	\$338	\$228	\$26	\$26	\$0	\$280
2008	\$64	\$233	\$46	\$343	\$233	\$25	\$27	\$0	\$285
2009	\$64	\$239	\$46	\$349	\$239	\$24	\$27	\$0	\$290
2010	\$64	\$245	\$46	\$355	\$245	\$23	\$28	\$0	\$296
2011	\$64	\$250	\$46	\$361	\$250	\$22	\$29	\$0	\$301
2012	\$64	\$256	\$46	\$367	\$256	\$21	\$30	\$0	\$307
2013	\$64	\$263	\$46	\$373	\$263	\$20	\$30	\$0	\$313
2014	\$64	\$269	\$46	\$379	\$269	\$19	\$31	\$0	\$319
2015	\$64	\$275	\$46	\$385	\$275	\$19	\$32	\$0	\$326
2016	\$64	\$282	\$46	\$392	\$282	\$18	\$33	\$0	\$332
2017	\$64	\$289	\$46	\$399	\$289	\$17	\$33	\$0	\$339
2018	\$64	\$296	\$46	\$406	\$296	\$17	\$34	\$0	\$346
2019	\$64	\$303	\$46	\$413	\$303	\$16	\$35	\$0	\$353
2020	\$64	\$310	\$46	\$420	\$310	\$15	\$36	\$0	\$361
2021	\$64	\$317	\$46	\$428	\$317	\$15	\$36	\$0	\$369

Present Value
of Benefits

\$3,448

Present Value
of Costs

\$3,366

Benefit/Cost Ratio

1.02

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
RIM Test - Calculated data**

Appliance Type	
Storage Tank Water Heating	

PGA Rate Escalator 2.4%
Base Rate Escalator 0.0%
Electric Rate Escalator 2.4%

Depreciation Rate - Supply Main 2.80%
Depreciation Rate - Distribution Main 2.80%
Depreciation Rate - Service Line 2.80%
Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
Customer Charge - Electric 0%
Inflation Factor 2.4%

Table 1 Revenue - Energy Charge

Year	Therms	Base Rate	Total Rate
2005	170	\$0.3767	\$64
2006	170	\$0.3767	\$64
2007	170	\$0.3767	\$64
2008	170	\$0.3767	\$64
2009	170	\$0.3767	\$64
2010	170	\$0.3767	\$64
2011	170	\$0.3767	\$64
2012	170	\$0.3767	\$64
2013	170	\$0.3767	\$64
2014	170	\$0.3767	\$64
2015	170	\$0.3767	\$64
2016	170	\$0.3767	\$64
2017	170	\$0.3767	\$64
2018	170	\$0.3767	\$64
2019	170	\$0.3767	\$64
2020	170	\$0.3767	\$64
2021	170	\$0.3767	\$64
2022	170	\$0.3767	\$64
2023	170	\$0.3767	\$64
2024	170	\$0.3767	\$64

Table 1a Revenue - Cost of Gas

Year	Therms	PGA Rate	Total Rate
2005	170	\$1.1500	\$202
2006	170	\$1.2186	\$207
2007	170	\$1.2778	\$212
2008	170	\$1.3398	\$222
2009	170	\$1.3984	\$228
2010	170	\$1.4609	\$239
2011	170	\$1.5271	\$250
2012	170	\$1.5965	\$256
2013	170	\$1.6447	\$263
2014	170	\$1.6818	\$269
2015	170	\$1.7192	\$276
2016	170	\$1.7594	\$282
2017	170	\$1.7994	\$289
2018	170	\$1.8394	\$296
2019	170	\$1.8794	\$303
2020	170	\$1.9194	\$310
2021	170	\$1.9594	\$317
2022	170	\$1.9994	\$324
2023	170	\$2.0394	\$331
2024	170	\$2.0794	\$337

Table 2 Revenue - Customer Charge

Year	Customer Charge	Annual Cost Chg	Ratio of Consumed To Total	Prorated Cost Chg
2005	\$10.00	\$120.00	38.37%	\$46
2006	\$10.00	\$120.00	38.37%	\$46
2007	\$10.00	\$120.00	38.37%	\$46
2008	\$10.00	\$120.00	38.37%	\$46
2009	\$10.00	\$120.00	38.37%	\$46
2010	\$10.00	\$120.00	38.37%	\$46
2011	\$10.00	\$120.00	38.37%	\$46
2012	\$10.00	\$120.00	38.37%	\$46
2013	\$10.00	\$120.00	38.37%	\$46
2014	\$10.00	\$120.00	38.37%	\$46
2015	\$10.00	\$120.00	38.37%	\$46
2016	\$10.00	\$120.00	38.37%	\$46
2017	\$10.00	\$120.00	38.37%	\$46
2018	\$10.00	\$120.00	38.37%	\$46
2019	\$10.00	\$120.00	38.37%	\$46
2020	\$10.00	\$120.00	38.37%	\$46
2021	\$10.00	\$120.00	38.37%	\$46
2022	\$10.00	\$120.00	38.37%	\$46
2023	\$10.00	\$120.00	38.37%	\$46
2024	\$10.00	\$120.00	38.37%	\$46

Table 3 Gas Costs

Year	Therms	Pro Therms Supply Cost	Gas Supply Cost
2005	170	1,150.00	\$202
2006	170	1,218.60	\$207
2007	170	1,277.80	\$212
2008	170	1,339.80	\$222
2009	170	1,398.40	\$228
2010	170	1,460.90	\$239
2011	170	1,527.10	\$250
2012	170	1,596.50	\$256
2013	170	1,644.70	\$263
2014	170	1,681.80	\$269
2015	170	1,719.20	\$276
2016	170	1,759.40	\$282
2017	170	1,799.40	\$289
2018	170	1,839.40	\$296
2019	170	1,879.40	\$303
2020	170	1,919.40	\$310
2021	170	1,959.40	\$317
2022	170	1,999.40	\$324
2023	170	2,039.40	\$331
2024	170	2,079.40	\$337

Table 4 Incremental Customer Costs

Year	Admin	Annual Avg Cost	Ratio Therms To Total Consumed	O & M Cost	Ratio Therms To Total Consumed	New Customer Cost
2005	\$2.61	\$32	38.37%	\$8.30	38.37%	\$23
2006	\$2.74	\$33	38.37%	\$8.66	38.37%	\$24
2007	\$2.87	\$34	38.37%	\$9.05	38.37%	\$25
2008	\$3.01	\$35	38.37%	\$9.44	38.37%	\$26
2009	\$3.15	\$36	38.37%	\$9.84	38.37%	\$27
2010	\$3.30	\$37	38.37%	\$10.25	38.37%	\$28
2011	\$3.44	\$38	38.37%	\$10.67	38.37%	\$29
2012	\$3.59	\$39	38.37%	\$11.10	38.37%	\$30
2013	\$3.74	\$40	38.37%	\$11.54	38.37%	\$31
2014	\$3.89	\$41	38.37%	\$12.00	38.37%	\$32
2015	\$4.04	\$42	38.37%	\$12.47	38.37%	\$33
2016	\$4.19	\$43	38.37%	\$12.95	38.37%	\$34
2017	\$4.34	\$44	38.37%	\$13.44	38.37%	\$35
2018	\$4.49	\$45	38.37%	\$13.94	38.37%	\$36
2019	\$4.64	\$46	38.37%	\$14.45	38.37%	\$37
2020	\$4.79	\$47	38.37%	\$14.97	38.37%	\$38
2021	\$4.94	\$48	38.37%	\$15.50	38.37%	\$39
2022	\$5.09	\$49	38.37%	\$16.04	38.37%	\$40
2023	\$5.24	\$50	38.37%	\$16.59	38.37%	\$41
2024	\$5.39	\$51	38.37%	\$17.15	38.37%	\$42

Table 5 Investment Carrying Costs

Year	Supply Main	Development Main	Service Line	Customer Meter	Avg Cost of Debt	Ratio of Therms Consumed To Total Mains & Svc
2005	\$0	\$280	\$500	\$843	8.83%	38.37%
2006	\$0	\$284	\$504	\$854	8.83%	38.37%
2007	\$0	\$287	\$507	\$865	8.83%	38.37%
2008	\$0	\$290	\$510	\$876	8.83%	38.37%
2009	\$0	\$293	\$513	\$887	8.83%	38.37%
2010	\$0	\$296	\$516	\$898	8.83%	38.37%
2011	\$0	\$299	\$519	\$909	8.83%	38.37%
2012	\$0	\$302	\$522	\$920	8.83%	38.37%
2013	\$0	\$305	\$525	\$931	8.83%	38.37%
2014	\$0	\$308	\$528	\$942	8.83%	38.37%
2015	\$0	\$311	\$531	\$953	8.83%	38.37%
2016	\$0	\$314	\$534	\$964	8.83%	38.37%
2017	\$0	\$317	\$537	\$975	8.83%	38.37%
2018	\$0	\$320	\$540	\$986	8.83%	38.37%
2019	\$0	\$323	\$543	\$997	8.83%	38.37%
2020	\$0	\$326	\$546	\$1008	8.83%	38.37%
2021	\$0	\$329	\$549	\$1019	8.83%	38.37%
2022	\$0	\$332	\$552	\$1030	8.83%	38.37%
2023	\$0	\$335	\$555	\$1041	8.83%	38.37%
2024	\$0	\$338	\$558	\$1052	8.83%	38.37%

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
Participants Test - Cost Effective Results**

Appliance Type
Storage Tank Water Heating

Year	Year Number	Benefits				Costs								
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment Cost	Gas Installation Costs	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS	
		Table 1								Table 2		Table 3	Table 4	
		3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13	
2005	1	\$536	\$525	\$36	\$1,097	\$259	(\$314)	\$550	\$36	\$223	\$70	\$51	\$875	
2006	2	\$543	0	\$37	\$580	0	0	0	\$37	\$228	\$70	\$51	\$386	
2007	3	\$550	0	\$38	\$588	0	0	0	\$38	\$233	\$70	\$51	\$392	
2008	4	\$557	0	\$39	\$596	0	0	0	\$39	\$239	\$70	\$51	\$399	
2009	5	\$564	0	\$40	\$604	0	0	0	\$40	\$245	\$70	\$51	\$405	
2010	6	\$571	0	\$41	\$612	0	0	0	\$41	\$251	\$70	\$51	\$412	
2011	7	\$578	0	\$42	\$620	0	0	0	\$42	\$257	\$70	\$51	\$419	
2012	8	\$585	0	\$43	\$628	0	0	0	\$43	\$263	\$70	\$51	\$426	
2013	9	\$592	0	\$44	\$636	0	0	0	\$44	\$269	\$70	\$51	\$434	
2014	10	\$599	0	\$45	\$644	0	0	0	\$45	\$275	\$70	\$51	\$441	
2015	11	\$607	0	\$46	\$652	0	0	0	\$46	\$282	\$70	\$51	\$449	
2016	12	\$614	0	\$47	\$660	0	0	0	\$47	\$289	\$70	\$51	\$457	
2017	13	\$621	0	\$48	\$669	0	0	0	\$48	\$296	\$70	\$51	\$465	
2018	14	\$628	100	\$49	\$777	361	(438)	558	\$49	\$303	\$70	\$51	\$954	
2019	15	\$635	0	\$50	\$685	0	0	0	\$50	\$310	\$70	\$51	\$481	
2020	16	\$642	0	\$51	\$693	0	0	0	\$51	\$318	\$70	\$51	\$490	
2021	17	\$649	0	\$53	\$702	0	0	0	\$53	\$325	\$70	\$51	\$499	
2022	18	\$656	0	\$54	\$710	0	0	0	\$54	\$333	\$70	\$51	\$508	
2023	19	\$663	0	\$55	\$718	0	0	0	\$55	\$341	\$70	\$51	\$517	
2024	20	\$670	0	\$56	\$727	0	0	0	\$56	\$349	\$70	\$51	\$527	

Present Value of Benefits \$6,690

Present Value of Costs \$4,836

Benefit/Cost Ratio	1.38
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**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
Participants Test - Data**

Appliance Type
Storage Tank Water Heating

O&M expense	2.4%	PGA Gas Rates	2.4%	Customer Charge	0%
Electric rates (fu)	2.4%	PGA Base Rate	0.0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	4,773	10%	\$536
2006	\$0.1034	4,773	10%	\$543
2007	\$0.1047	4,773	10%	\$550
2008	\$0.1061	4,773	10%	\$557
2009	\$0.1074	4,773	10%	\$564
2010	\$0.1088	4,773	10%	\$571
2011	\$0.1101	4,773	10%	\$578
2012	\$0.1115	4,773	10%	\$585
2013	\$0.1128	4,773	10%	\$592
2014	\$0.1142	4,773	10%	\$599
2015	\$0.1155	4,773	10%	\$607
2016	\$0.1169	4,773	10%	\$614
2017	\$0.1182	4,773	10%	\$621
2018	\$0.1196	4,773	10%	\$628
2019	\$0.1209	4,773	10%	\$635
2020	\$0.1223	4,773	10%	\$642
2021	\$0.1236	4,773	10%	\$649
2022	\$0.1250	4,773	10%	\$656
2023	\$0.1263	4,773	10%	\$663
2024	\$0.1277	4,773	10%	\$670

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	170	10%	\$223
2006	\$1.2186	170	10%	\$228
2007	\$1.2478	170	10%	\$233
2008	\$1.2778	170	10%	\$239
2009	\$1.3084	170	10%	\$245
2010	\$1.3398	170	10%	\$251
2011	\$1.3720	170	10%	\$257
2012	\$1.4049	170	10%	\$263
2013	\$1.4386	170	10%	\$269
2014	\$1.4731	170	10%	\$275
2015	\$1.5085	170	10%	\$282
2016	\$1.5447	170	10%	\$289
2017	\$1.5818	170	10%	\$296
2018	\$1.6197	170	10%	\$303
2019	\$1.6586	170	10%	\$310
2020	\$1.6984	170	10%	\$318
2021	\$1.7392	170	10%	\$325
2022	\$1.7809	170	10%	\$333
2023	\$1.8237	170	10%	\$341
2024	\$1.8674	170	10%	\$349

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	170	10%	\$70
2006	\$0.3767	170	10%	\$70
2007	\$0.3767	170	10%	\$70
2008	\$0.3767	170	10%	\$70
2009	\$0.3767	170	10%	\$70
2010	\$0.3767	170	10%	\$70
2011	\$0.3767	170	10%	\$70
2012	\$0.3767	170	10%	\$70
2013	\$0.3767	170	10%	\$70
2014	\$0.3767	170	10%	\$70
2015	\$0.3767	170	10%	\$70
2016	\$0.3767	170	10%	\$70
2017	\$0.3767	170	10%	\$70
2018	\$0.3767	170	10%	\$70
2019	\$0.3767	170	10%	\$70
2020	\$0.3767	170	10%	\$70
2021	\$0.3767	170	10%	\$70
2022	\$0.3767	170	10%	\$70
2023	\$0.3767	170	10%	\$70
2024	\$0.3767	170	10%	\$70

Gas Customer Charge - Table 4							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+2)
2005	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2006	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2007	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2008	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2009	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2010	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2011	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2012	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2013	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2014	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2015	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2016	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2017	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2018	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2019	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2020	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2021	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2022	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2023	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2024	\$10.00	\$120.00	170	443	38.37%	10%	\$51

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential Appliance Replacement Program
RIM Test and Participants Test Results**

For

Tankless Water Heating

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
RIM Test - Results**

Appliance Type
Tankless Water Heating

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs
	Table 1	Table 1A	Table 2		Table 5	Table 3	Table 4		
	2	3	4	2 thru 4	6	7	8	9	6 thru 9
2002	\$57	\$179	\$46	\$281	\$179	\$32	\$23	\$525	\$759
2003	\$57	\$183	\$46	\$285	\$183	\$31	\$24	\$0	\$237
2004	\$57	\$187	\$46	\$290	\$187	\$29	\$24	\$0	\$241
2005	\$57	\$192	\$46	\$294	\$192	\$28	\$25	\$0	\$245
2006	\$57	\$196	\$46	\$299	\$196	\$27	\$25	\$0	\$249
2007	\$57	\$201	\$46	\$304	\$201	\$26	\$26	\$0	\$253
2008	\$57	\$206	\$46	\$308	\$206	\$25	\$27	\$0	\$257
2009	\$57	\$211	\$46	\$313	\$211	\$24	\$27	\$0	\$262
2010	\$57	\$216	\$46	\$318	\$216	\$23	\$28	\$0	\$267
2011	\$57	\$221	\$46	\$324	\$221	\$22	\$29	\$0	\$272
2012	\$57	\$226	\$46	\$329	\$226	\$21	\$30	\$0	\$277
2013	\$57	\$232	\$46	\$334	\$232	\$20	\$30	\$0	\$282
2014	\$57	\$237	\$46	\$340	\$237	\$19	\$31	\$0	\$288
2015	\$57	\$243	\$46	\$346	\$243	\$19	\$32	\$0	\$293
2016	\$57	\$249	\$46	\$351	\$249	\$18	\$33	\$0	\$299
2017	\$57	\$255	\$46	\$357	\$255	\$17	\$33	\$0	\$305
2018	\$57	\$261	\$46	\$363	\$261	\$17	\$34	\$0	\$312
2019	\$57	\$267	\$46	\$370	\$267	\$16	\$35	\$0	\$318
2020	\$57	\$274	\$46	\$376	\$274	\$15	\$36	\$0	\$324
2021	\$57	\$280	\$46	\$383	\$280	\$15	\$36	\$0	\$331

Present Value
of Benefits

\$3,095

Present Value
of Costs

\$3,087

Ratio

1.00

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
RIM Test - Calculated data**

Appliance Type
Tankless Water Heating

PGA Rate Escalator 2%
Base Rate Escalator 0%
Electric Rate escalator 2%

Depreciation Rate - Supply Main 2.80%
Depreciation Rate - Development Main 2.80%
Depreciation Rate - Service Line 4.40%
Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
Customer Charge - Electric 0%
Inflation factor 2%

Table 1

Revenue - Energy Charge			
1	2	3	2*3
Year	Therms	Base Rate	Total Rate
2005	150	\$0.3767	\$57
2006	150	\$0.3767	\$57
2007	150	\$0.3767	\$57
2008	150	\$0.3767	\$57
2009	150	\$0.3767	\$57
2010	150	\$0.3767	\$57
2011	150	\$0.3767	\$57
2012	150	\$0.3767	\$57
2013	150	\$0.3767	\$57
2014	150	\$0.3767	\$57
2015	150	\$0.3767	\$57
2016	150	\$0.3767	\$57
2017	150	\$0.3767	\$57
2018	150	\$0.3767	\$57
2019	150	\$0.3767	\$57
2020	150	\$0.3767	\$57
2021	150	\$0.3767	\$57
2022	150	\$0.3767	\$57
2023	150	\$0.3767	\$57
2024	150	\$0.3767	\$57

Table 1a

Revenue - Cost of Gas			
1	2	4	2*3
Year	Therms	PGA Rate	Total Rate
2005	150	\$1.1900	\$179
2006	150	\$1.2186	\$183
2007	150	\$1.2478	\$187
2008	150	\$1.2778	\$192
2009	150	\$1.3084	\$196
2010	150	\$1.3398	\$201
2011	150	\$1.3720	\$206
2012	150	\$1.4049	\$211
2013	150	\$1.4386	\$216
2014	150	\$1.4731	\$221
2015	150	\$1.5085	\$226
2016	150	\$1.5447	\$232
2017	150	\$1.5818	\$237
2018	150	\$1.6197	\$243
2019	150	\$1.6586	\$249
2020	150	\$1.6984	\$255
2021	150	\$1.7392	\$261
2022	150	\$1.7809	\$267
2023	150	\$1.8237	\$274
2024	150	\$1.8674	\$280

Table 2

Revenue - Customer Charge				
1	2	3	4	4*3
Year	Customer Charge/Mo	Annual Cust. Chg	Ratio of Therms Consumed To Total	Prorated Cust. Chg
2005	\$10.00	\$120.00	38.37%	\$46
2006	\$10.00	\$120.00	38.37%	\$46
2007	\$10.00	\$120.00	38.37%	\$46
2008	\$10.00	\$120.00	38.37%	\$46
2009	\$10.00	\$120.00	38.37%	\$46
2010	\$10.00	\$120.00	38.37%	\$46
2011	\$10.00	\$120.00	38.37%	\$46
2012	\$10.00	\$120.00	38.37%	\$46
2013	\$10.00	\$120.00	38.37%	\$46
2014	\$10.00	\$120.00	38.37%	\$46
2015	\$10.00	\$120.00	38.37%	\$46
2016	\$10.00	\$120.00	38.37%	\$46
2017	\$10.00	\$120.00	38.37%	\$46
2018	\$10.00	\$120.00	38.37%	\$46
2019	\$10.00	\$120.00	38.37%	\$46
2020	\$10.00	\$120.00	38.37%	\$46
2021	\$10.00	\$120.00	38.37%	\$46
2022	\$10.00	\$120.00	38.37%	\$46
2023	\$10.00	\$120.00	38.37%	\$46
2024	\$10.00	\$120.00	38.37%	\$46

Table 3

Investment Carrying Costs							
1	2	3	4	5	6	7	6*7*8
Year	Supply Main	Development Main	Service Line	Meter	Customer Cost	Avg Cost of Debt	Ratio of Therms Consumed To Total Mains & Svc
2005	\$0	\$280	\$500	\$163	\$943	8.83%	38.37%
2006	\$0	\$272	\$478	\$154	\$904	8.83%	38.37%
2007	\$0	\$264	\$457	\$146	\$867	8.83%	38.37%
2008	\$0	\$257	\$437	\$138	\$832	8.83%	38.37%
2009	\$0	\$250	\$418	\$131	\$799	8.83%	38.37%
2010	\$0	\$243	\$400	\$124	\$767	8.83%	38.37%
2011	\$0	\$236	\$382	\$117	\$735	8.83%	38.37%
2012	\$0	\$229	\$365	\$111	\$705	8.83%	38.37%
2013	\$0	\$223	\$349	\$105	\$677	8.83%	38.37%
2014	\$0	\$217	\$334	\$99	\$650	8.83%	38.37%
2015	\$0	\$211	\$319	\$94	\$624	8.83%	38.37%
2016	\$0	\$205	\$305	\$89	\$599	8.83%	38.37%
2017	\$0	\$199	\$292	\$84	\$575	8.83%	38.37%
2018	\$0	\$193	\$279	\$79	\$551	8.83%	38.37%
2019	\$0	\$188	\$267	\$75	\$530	8.83%	38.37%
2020	\$0	\$183	\$255	\$71	\$509	8.83%	38.37%
2021	\$0	\$178	\$244	\$67	\$489	8.83%	38.37%
2022	\$0	\$173	\$233	\$63	\$469	8.83%	38.37%
2023	\$0	\$168	\$223	\$60	\$451	8.83%	38.37%
2024	\$0	\$163	\$213	\$57	\$433	8.83%	38.37%

Table 4

Incremental Customer Costs							
1	2	3	4	5=3*4	6	7	8=5*7
Year	Adm. Cost	Annual Adm. Cost	Ratio Therms To Total Consumed	Customer Costs	O & M Cost	Ratio Therms To Total Consumed	Main Cost
2005	\$2.61	\$31	38.37%	\$ 11.90	\$ 29	38.37%	\$11
2006	\$2.67	\$32	38.37%	\$ 12.28	\$ 30	38.37%	\$12
2007	\$2.74	\$33	38.37%	\$ 12.66	\$ 31	38.37%	\$12
2008	\$2.80	\$34	38.37%	\$ 13.05	\$ 31	38.37%	\$12
2009	\$2.87	\$34	38.37%	\$ 13.05	\$ 32	38.37%	\$12
2010	\$2.94	\$35	38.37%	\$ 13.43	\$ 33	38.37%	\$13
2011	\$3.01	\$36	38.37%	\$ 13.81	\$ 34	38.37%	\$13
2012	\$3.08	\$37	38.37%	\$ 14.20	\$ 35	38.37%	\$13
2013	\$3.16	\$38	38.37%	\$ 14.58	\$ 35	38.37%	\$14
2014	\$3.23	\$39	38.37%	\$ 14.97	\$ 36	38.37%	\$14
2015	\$3.31	\$40	38.37%	\$ 15.35	\$ 37	38.37%	\$14
2016	\$3.39	\$41	38.37%	\$ 15.73	\$ 38	38.37%	\$15
2017	\$3.47	\$42	38.37%	\$ 16.12	\$ 39	38.37%	\$15
2018	\$3.55	\$43	38.37%	\$ 16.50	\$ 40	38.37%	\$15
2019	\$3.64	\$44	38.37%	\$ 16.88	\$ 41	38.37%	\$16
2020	\$3.73	\$45	38.37%	\$ 17.27	\$ 42	38.37%	\$16
2021	\$3.81	\$46	38.37%	\$ 17.65	\$ 43	38.37%	\$16
2022	\$3.91	\$47	38.37%	\$ 18.04	\$ 44	38.37%	\$17
2023	\$4.00	\$48	38.37%	\$ 18.42	\$ 45	38.37%	\$17
2024	\$4.10	\$49	38.37%	\$ 18.80	\$ 46	38.37%	\$18

Table 5

Gas Costs			
1	2	3	2*3
Year	Therms	Per Therm Supply Cost	Gas Supply Cost
2005	150	1.1900	\$179
2006	150	1.2186	\$183
2007	150	1.2478	\$187
2008	150	1.2778	\$192
2009	150	1.3084	\$196
2010	150	1.3398	\$201
2011	150	1.3720	\$206
2012	150	1.4049	\$211
2013	150	1.4386	\$216
2014	150	1.4731	\$221
2015	150	1.5085	\$226
2016	150	1.5447	\$232
2017	150	1.5818	\$237
2018	150	1.6197	\$243
2019	150	1.6586	\$249
2020	150	1.6984	\$255
2021	150	1.7392	\$261
2022	150	1.7809	\$267
2023	150	1.8237	\$274
2024	150	1.8674	\$280

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
Participants Test - Cost Effective Results**

Appliance Type
Tankless Water Heating

Year	Year Number	Benefits				Costs								
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment Cost	Gas Installation Costs	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS	
		Table 1								Table 2	Table 3	Table 4		
1	2	3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13	
2005	1	\$536	\$525	\$36	\$1,097	\$950	(\$314)	\$500	\$36	\$196	\$62	\$45	\$1,475	
2006	2	\$543	0	\$37	\$580	0	0	0	\$37	\$201	\$62	\$45	\$345	
2007	3	\$550	0	\$38	\$588	0	0	0	\$38	\$206	\$62	\$45	\$350	
2008	4	\$557	0	\$39	\$596	0	0	0	\$39	\$211	\$62	\$45	\$356	
2009	5	\$564	0	\$40	\$604	0	0	0	\$40	\$216	\$62	\$45	\$362	
2010	6	\$571	0	\$41	\$612	0	0	0	\$41	\$221	\$62	\$45	\$368	
2011	7	\$578	0	\$42	\$620	0	0	0	\$42	\$226	\$62	\$45	\$375	
2012	8	\$585	0	\$43	\$628	0	0	0	\$43	\$232	\$62	\$45	\$381	
2013	9	\$592	0	\$44	\$636	0	0	0	\$44	\$237	\$62	\$45	\$388	
2014	10	\$599	0	\$45	\$644	0	0	0	\$45	\$243	\$62	\$45	\$394	
2015	11	\$607	0	\$46	\$652	0	0	0	\$46	\$249	\$62	\$45	\$401	
2016	12	\$614	0	\$47	\$660	0	0	0	\$47	\$255	\$62	\$45	\$408	
2017	13	\$621	0	\$48	\$669	0	0	0	\$48	\$261	\$62	\$45	\$416	
2018	14	\$628	100	\$49	\$777	1,324	(438)	488	\$49	\$267	\$62	\$45	\$1,797	
2019	15	\$635	0	\$50	\$685	0	0	0	\$50	\$274	\$62	\$45	\$431	
2020	16	\$642	0	\$51	\$693	0	0	0	\$51	\$280	\$62	\$45	\$438	
2021	17	\$649	0	\$53	\$702	0	0	0	\$53	\$287	\$62	\$45	\$446	
2022	18	\$656	0	\$54	\$710	0	0	0	\$54	\$294	\$62	\$45	\$455	
2023	19	\$663	0	\$55	\$718	0	0	0	\$55	\$301	\$62	\$45	\$463	
2024	20	\$670	0	\$56	\$727	0	0	0	\$56	\$308	\$62	\$45	\$471	

Present Value of Benefits \$6,690

Present Value of Costs \$5,287

Benefit/Cost Ratio	1.27
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**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
Participants Test - Data**

Appliance Type
Tankless Water Heating

O&M expense	2%	PGA Gas Ra	2%	Customer Ct	0%
Electric rates (fu)	2%	PGA Base R	0%		

Electric KWH Cost - Table 1		B-C*(1+D)		
Year	Unit KWH Annual KWH used	Tax & Fees	Electric Cost	
2005	\$0.1020	4.773	10.00%	\$536
2006	\$0.1034	4.773	10.00%	\$543
2007	\$0.1047	4.773	10.00%	\$550
2008	\$0.1061	4.773	10.00%	\$557
2009	\$0.1074	4.773	10.00%	\$564
2010	\$0.1088	4.773	10.00%	\$571
2011	\$0.1101	4.773	10.00%	\$578
2012	\$0.1115	4.773	10.00%	\$585
2013	\$0.1128	4.773	10.00%	\$592
2014	\$0.1142	4.773	10.00%	\$599
2015	\$0.1156	4.773	10.00%	\$607
2016	\$0.1169	4.773	10.00%	\$614
2017	\$0.1182	4.773	10.00%	\$621
2018	\$0.1196	4.773	10.00%	\$628
2019	\$0.1209	4.773	10.00%	\$635
2020	\$0.1223	4.773	10.00%	\$642
2021	\$0.1236	4.773	10.00%	\$649
2022	\$0.1250	4.773	10.00%	\$656
2023	\$0.1263	4.773	10.00%	\$663
2024	\$0.1277	4.773	10.00%	\$670

Gas Supply Cost - Table 2		B-C*(1+D)		
Year	Annual Therm Cost Therm used	Tax & Fees	Gas Cost	
2005	\$1.1900	150	10.00%	\$196
2006	\$1.2186	150	10.00%	\$201
2007	\$1.2478	150	10.00%	\$206
2008	\$1.2778	150	10.00%	\$211
2009	\$1.3084	150	10.00%	\$216
2010	\$1.3398	150	10.00%	\$221
2011	\$1.3720	150	10.00%	\$226
2012	\$1.4049	150	10.00%	\$232
2013	\$1.4386	150	10.00%	\$237
2014	\$1.4731	150	10.00%	\$243
2015	\$1.5085	150	10.00%	\$249
2016	\$1.5447	150	10.00%	\$255
2017	\$1.5818	150	10.00%	\$261
2018	\$1.6197	150	10.00%	\$267
2019	\$1.6586	150	10.00%	\$274
2020	\$1.6984	150	10.00%	\$280
2021	\$1.7392	150	10.00%	\$287
2022	\$1.7809	150	10.00%	\$294
2023	\$1.8237	150	10.00%	\$301
2024	\$1.8674	150	10.00%	\$308

Gas Energy Charge - Table 3		B-C*(1+D)		
Year	Rate Per Annual Therm used	Tax & Fees	Gas Cost	
2005	\$0.3767	150	10.00%	\$62
2006	\$0.3767	150	10.00%	\$62
2007	\$0.3767	150	10.00%	\$62
2008	\$0.3767	150	10.00%	\$62
2009	\$0.3767	150	10.00%	\$62
2010	\$0.3767	150	10.00%	\$62
2011	\$0.3767	150	10.00%	\$62
2012	\$0.3767	150	10.00%	\$62
2013	\$0.3767	150	10.00%	\$62
2014	\$0.3767	150	10.00%	\$62
2015	\$0.3767	150	10.00%	\$62
2016	\$0.3767	150	10.00%	\$62
2017	\$0.3767	150	10.00%	\$62
2018	\$0.3767	150	10.00%	\$62
2019	\$0.3767	150	10.00%	\$62
2020	\$0.3767	150	10.00%	\$62
2021	\$0.3767	150	10.00%	\$62
2022	\$0.3767	150	10.00%	\$62
2023	\$0.3767	150	10.00%	\$62
2024	\$0.3767	150	10.00%	\$62

Gas Customer Charge - Table 3		C*(D/E)*(1+Z)				
Year	Monthly Cust. Charge	Annual Cust. Charge	Ratio - Appliance Annual Therm Total	Tax & Fees	Pro-Rated Cust Charge	
2005	\$10	\$120.00	443	33.86%	10.00%	\$45
2006	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2007	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2008	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2009	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2010	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2011	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2012	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2013	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2014	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2015	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2016	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2017	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2018	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2019	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2020	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2021	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2022	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2023	\$10.00	\$120.00	443	33.86%	10.00%	\$45
2024	\$10.00	\$120.00	443	33.86%	10.00%	\$45

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential Appliance Replacement Program
RIM Test and Participants Test Results**

For

Heating Systems

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
RIM Test - Results**

Appliance Type
Heating System

	Incremental Revenue Energy Charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs	
	Table 1	Table 1A	Table 2		Table 5	Table 3	Table 4			
	1	2	3	4	2 thru 4	6	7	8	9	6 thru 9
2002	\$67	\$212	\$48	\$327	\$212	\$33	\$24	\$625	\$894	
2003	\$67	\$217	\$48	\$332	\$217	\$32	\$25	\$0	\$274	
2004	\$67	\$222	\$48	\$337	\$222	\$31	\$26	\$0	\$278	
2005	\$67	\$227	\$48	\$343	\$227	\$30	\$26	\$0	\$283	
2006	\$67	\$233	\$48	\$348	\$233	\$28	\$27	\$0	\$288	
2007	\$67	\$238	\$48	\$354	\$238	\$27	\$27	\$0	\$293	
2008	\$67	\$244	\$48	\$359	\$244	\$26	\$28	\$0	\$298	
2009	\$67	\$250	\$48	\$365	\$250	\$25	\$29	\$0	\$304	
2010	\$67	\$256	\$48	\$371	\$256	\$24	\$29	\$0	\$310	
2011	\$67	\$262	\$48	\$377	\$262	\$23	\$30	\$0	\$316	
2012	\$67	\$269	\$48	\$384	\$269	\$22	\$31	\$0	\$322	
2013	\$67	\$275	\$48	\$390	\$275	\$21	\$32	\$0	\$328	
2014	\$67	\$282	\$48	\$397	\$282	\$20	\$33	\$0	\$334	
2015	\$67	\$288	\$48	\$404	\$288	\$20	\$33	\$0	\$341	
2016	\$67	\$295	\$48	\$410	\$295	\$19	\$34	\$0	\$348	
2017	\$67	\$302	\$48	\$418	\$302	\$18	\$35	\$0	\$355	
2018	\$67	\$310	\$48	\$425	\$310	\$17	\$36	\$0	\$363	
2019	\$67	\$317	\$48	\$432	\$317	\$17	\$36	\$0	\$370	
2020	\$67	\$325	\$48	\$440	\$325	\$16	\$37	\$0	\$378	
2021	\$67	\$332	\$48	\$448	\$332	\$15	\$38	\$0	\$386	

Present Value of Benefits

\$3,610

Present Value of Costs

\$3,594

Ratio

1.00

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
RIM Test - Calculated data**

Appliance Type
Heating System

PGA Rate Escalator 2.4%
Base Rate Escalator 0%
Electric Rate escalator 2.4%

Depreciation Rate - Supply Main 2.80%
Depreciation Rate - Development Main 2.80%
Depreciation Rate - Service Line 4.40%
Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
Customer Charge - Electric 0%
Inflation factor 2%

Table 1

Revenue - Energy Charge			
1	2	3	2*3
Year	Therms	Base Rate	Total Rate
2005	178	\$0.3767	\$67
2006	178	\$0.3767	\$67
2007	178	\$0.3767	\$67
2008	178	\$0.3767	\$67
2009	178	\$0.3767	\$67
2010	178	\$0.3767	\$67
2011	178	\$0.3767	\$67
2012	178	\$0.3767	\$67
2013	178	\$0.3767	\$67
2014	178	\$0.3767	\$67
2015	178	\$0.3767	\$67
2016	178	\$0.3767	\$67
2017	178	\$0.3767	\$67
2018	178	\$0.3767	\$67
2019	178	\$0.3767	\$67
2020	178	\$0.3767	\$67
2021	178	\$0.3767	\$67
2022	178	\$0.3767	\$67
2023	178	\$0.3767	\$67
2024	178	\$0.3767	\$67

Table 1a

Revenue - Cost of Gas			
1	2	3	2*3
Year	Therms	PGA Rate	Total Rate
2005	178	\$1.1900	\$212
2006	178	\$1.2186	\$217
2007	178	\$1.2478	\$222
2008	178	\$1.2778	\$227
2009	178	\$1.3084	\$233
2010	178	\$1.3398	\$238
2011	178	\$1.3720	\$244
2012	178	\$1.4049	\$250
2013	178	\$1.4386	\$256
2014	178	\$1.4731	\$262
2015	178	\$1.5085	\$269
2016	178	\$1.5447	\$275
2017	178	\$1.5818	\$282
2018	178	\$1.6197	\$288
2019	178	\$1.6586	\$295
2020	178	\$1.6984	\$302
2021	178	\$1.7392	\$310
2022	178	\$1.7809	\$317
2023	178	\$1.8237	\$325
2024	178	\$1.8674	\$332

Table 2

Revenue - Customer Charge				
1	2	3	4	4*3
Year	Customer Charge/Mo	Annual Cust. Chg	Ratio of Therms Consumed To Total	Prorated Cust. Chg.
2005	\$10.00	\$120.00	40.18%	\$48
2006	\$10.00	\$120.00	40.18%	\$48
2007	\$10.00	\$120.00	40.18%	\$48
2008	\$10.00	\$120.00	40.18%	\$48
2009	\$10.00	\$120.00	40.18%	\$48
2010	\$10.00	\$120.00	40.18%	\$48
2011	\$10.00	\$120.00	40.18%	\$48
2012	\$10.00	\$120.00	40.18%	\$48
2013	\$10.00	\$120.00	40.18%	\$48
2014	\$10.00	\$120.00	40.18%	\$48
2015	\$10.00	\$120.00	40.18%	\$48
2016	\$10.00	\$120.00	40.18%	\$48
2017	\$10.00	\$120.00	40.18%	\$48
2018	\$10.00	\$120.00	40.18%	\$48
2019	\$10.00	\$120.00	40.18%	\$48
2020	\$10.00	\$120.00	40.18%	\$48
2021	\$10.00	\$120.00	40.18%	\$48
2022	\$10.00	\$120.00	40.18%	\$48
2023	\$10.00	\$120.00	40.18%	\$48
2024	\$10.00	\$120.00	40.18%	\$48

Table 3

Investment Carrying Costs								
1	2	3	4	5	6	7	8	8*7*6
Year	Supply Main	Development Main	Service Lane	Customer Meter	Customer Cost	Avg Cost of Obj	Ratio of Therms Consumed To Total	Carrying Chg Mains & Svc
2005	\$0	\$299	\$300	\$163	\$943	8.83%	40.18%	\$33
2006	\$0	\$272	\$478	\$154	\$904	8.83%	40.18%	\$32
2007	\$0	\$264	\$457	\$146	\$867	8.83%	40.18%	\$31
2008	\$0	\$257	\$437	\$138	\$832	8.83%	40.18%	\$30
2009	\$0	\$250	\$418	\$131	\$799	8.83%	40.18%	\$28
2010	\$0	\$243	\$400	\$124	\$767	8.83%	40.18%	\$27
2011	\$0	\$236	\$382	\$117	\$735	8.83%	40.18%	\$26
2012	\$0	\$229	\$365	\$111	\$705	8.83%	40.18%	\$25
2013	\$0	\$223	\$349	\$105	\$677	8.83%	40.18%	\$24
2014	\$0	\$217	\$334	\$99	\$650	8.83%	40.18%	\$23
2015	\$0	\$211	\$319	\$94	\$624	8.83%	40.18%	\$22
2016	\$0	\$205	\$305	\$89	\$599	8.83%	40.18%	\$21
2017	\$0	\$199	\$292	\$84	\$575	8.83%	40.18%	\$20
2018	\$0	\$193	\$279	\$79	\$551	8.83%	40.18%	\$20
2019	\$0	\$188	\$267	\$75	\$530	8.83%	40.18%	\$19
2020	\$0	\$183	\$255	\$71	\$509	8.83%	40.18%	\$18
2021	\$0	\$178	\$244	\$67	\$489	8.83%	40.18%	\$17
2022	\$0	\$173	\$233	\$63	\$469	8.83%	40.18%	\$17
2023	\$0	\$168	\$223	\$60	\$451	8.83%	40.18%	\$16
2024	\$0	\$163	\$213	\$57	\$433	8.83%	40.18%	\$15

Table 4

Incremental Customer Costs							
1	2	3	4	5=3*4	6	7	8=6*7
Year	Adm. Cost	Annual Adm. Cost	Ratio Therms To Total Consumed	Customer Costs	O & M Cost	Ratio Therms To Total Consumed	Main Cost
2005	\$2.61	\$31	40.18%	\$ 12.46	\$ 29	40.18%	\$12
2006	\$2.67	\$32	40.18%	\$ 12.86	\$ 30	40.18%	\$12
2007	\$2.74	\$33	40.18%	\$ 13.26	\$ 31	40.18%	\$12
2008	\$2.80	\$34	40.18%	\$ 13.66	\$ 31	40.18%	\$13
2009	\$2.87	\$34	40.18%	\$ 13.66	\$ 32	40.18%	\$13
2010	\$2.94	\$35	40.18%	\$ 14.06	\$ 33	40.18%	\$13
2011	\$3.01	\$36	40.18%	\$ 14.47	\$ 34	40.18%	\$14
2012	\$3.08	\$37	40.18%	\$ 14.87	\$ 35	40.18%	\$14
2013	\$3.16	\$38	40.18%	\$ 15.27	\$ 35	40.18%	\$14
2014	\$3.23	\$39	40.18%	\$ 15.67	\$ 36	40.18%	\$15
2015	\$3.31	\$40	40.18%	\$ 16.07	\$ 37	40.18%	\$15
2016	\$3.39	\$41	40.18%	\$ 16.47	\$ 38	40.18%	\$15
2017	\$3.47	\$42	40.18%	\$ 16.88	\$ 39	40.18%	\$16
2018	\$3.55	\$43	40.18%	\$ 17.28	\$ 40	40.18%	\$16
2019	\$3.64	\$44	40.18%	\$ 17.68	\$ 41	40.18%	\$16
2020	\$3.73	\$45	40.18%	\$ 18.08	\$ 42	40.18%	\$17
2021	\$3.81	\$46	40.18%	\$ 18.48	\$ 43	40.18%	\$17
2022	\$3.91	\$47	40.18%	\$ 18.88	\$ 44	40.18%	\$18
2023	\$4.00	\$48	40.18%	\$ 19.29	\$ 45	40.18%	\$18
2024	\$4.10	\$49	40.18%	\$ 19.69	\$ 46	40.18%	\$18

Table 5

Gas Costs			
1	2	3	2*3
Year	Therms	Per Therm Supply Cost	Gas Supply Cost
2005	178	\$1.1600	\$212
2006	178	\$1.2186	\$217
2007	178	\$1.2478	\$222
2008	178	\$1.2778	\$227
2009	178	\$1.3084	\$233
2010	178	\$1.3398	\$238
2011	178	\$1.3720	\$244
2012	178	\$1.4049	\$250
2013	178	\$1.4386	\$256
2014	178	\$1.4731	\$262
2015	178	\$1.5085	\$269
2016	178	\$1.5447	\$275
2017	178	\$1.5818	\$282
2018	178	\$1.6197	\$288
2019	178	\$1.6586	\$295
2020	178	\$1.6984	\$302
2021	178	\$1.7392	\$310
2022	178	\$1.7809	\$317
2023	178	\$1.8237	\$325
2024	178	\$1.8674	\$332

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
Participants Test - Cost Effective Results**

Appliance Type
Heating System

Year	Year Number	Benefits				Costs								
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment Cost	Gas Installtion Costs	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS	
		Table 1								Table 2	Table 3	Table 4		
1	2	3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13	
2005	1	\$353	\$625	\$192	\$1,170	\$2,052	(\$3,850)	\$1,800	\$192	\$233	\$74	\$53	\$554	
2006	2	\$358	0	\$197	\$555	0	0	0	\$197	\$239	\$74	\$53	\$562	
2007	3	\$363	0	\$201	\$564	0	0	0	\$201	\$244	\$74	\$53	\$572	
2008	4	\$368	0	\$206	\$574	0	0	0	\$206	\$250	\$74	\$53	\$583	
2009	5	\$372	0	\$211	\$583	0	0	0	\$211	\$256	\$74	\$53	\$594	
2010	6	\$377	0	\$216	\$593	0	0	0	\$216	\$262	\$74	\$53	\$605	
2011	7	\$382	0	\$221	\$603	0	0	0	\$221	\$269	\$74	\$53	\$617	
2012	8	\$386	0	\$227	\$613	0	0	0	\$227	\$275	\$74	\$53	\$629	
2013	9	\$391	0	\$232	\$623	0	0	0	\$232	\$282	\$74	\$53	\$641	
2014	10	\$396	0	\$238	\$633	0	0	0	\$238	\$288	\$74	\$53	\$653	
2015	11	\$400	0	\$243	\$644	0	0	0	\$243	\$295	\$74	\$53	\$666	
2016	12	\$405	0	\$249	\$654	0	0	0	\$249	\$302	\$74	\$53	\$678	
2017	13	\$410	0	\$255	\$665	0	0	0	\$255	\$310	\$74	\$53	\$692	
2018	14	\$414	100	\$261	\$776	2,860	(5,366)	2,300	\$261	\$317	\$74	\$53	\$499	
2019	15	\$419	0	\$268	\$687	0	0	0	\$268	\$325	\$74	\$53	\$719	
2020	16	\$424	0	\$274	\$698	0	0	0	\$274	\$333	\$74	\$53	\$733	
2021	17	\$428	0	\$281	\$709	0	0	0	\$281	\$341	\$74	\$53	\$748	
2022	18	\$433	0	\$287	\$720	0	0	0	\$287	\$349	\$74	\$53	\$763	
2023	19	\$438	0	\$294	\$732	0	0	0	\$294	\$357	\$74	\$53	\$778	
2024	20	\$442	0	\$301	\$744	0	0	0	\$301	\$366	\$74	\$53	\$794	

Present Value of Benefits \$6,653

Present Value of Costs \$6,149

Benefit/Cost Ratio	1.08
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**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
Participants Test - Data**

Appliance Type
Heating System

Escalators	0.0%	Electric rate:	2.4%	Customer Ct	0%
O&M expense	2.4%	PGA Base R	0.0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	3,150	10.00%	\$353
2006	\$0.1034	3,150	10.00%	\$358
2007	\$0.1047	3,150	10.00%	\$363
2008	\$0.1061	3,150	10.00%	\$368
2009	\$0.1074	3,150	10.00%	\$372
2010	\$0.1088	3,150	10.00%	\$377
2011	\$0.1101	3,150	10.00%	\$382
2012	\$0.1115	3,150	10.00%	\$386
2013	\$0.1128	3,150	10.00%	\$391
2014	\$0.1142	3,150	10.00%	\$396
2015	\$0.1155	3,150	10.00%	\$400
2016	\$0.1169	3,150	10.00%	\$405
2017	\$0.1182	3,150	10.00%	\$410
2018	\$0.1196	3,150	10.00%	\$414
2019	\$0.1209	3,150	10.00%	\$419
2020	\$0.1223	3,150	10.00%	\$424
2021	\$0.1236	3,150	10.00%	\$428
2022	\$0.1250	3,150	10.00%	\$433
2023	\$0.1263	3,150	10.00%	\$438
2024	\$0.1277	3,150	10.00%	\$442

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	178	10.00%	\$233
2006	\$1.2186	178	10.00%	\$239
2007	\$1.2478	178	10.00%	\$244
2008	\$1.2778	178	10.00%	\$250
2009	\$1.3084	178	10.00%	\$256
2010	\$1.3398	178	10.00%	\$262
2011	\$1.3720	178	10.00%	\$269
2012	\$1.4049	178	10.00%	\$275
2013	\$1.4386	178	10.00%	\$282
2014	\$1.4731	178	10.00%	\$288
2015	\$1.5085	178	10.00%	\$295
2016	\$1.5447	178	10.00%	\$302
2017	\$1.5818	178	10.00%	\$310
2018	\$1.6197	178	10.00%	\$317
2019	\$1.6586	178	10.00%	\$325
2020	\$1.6984	178	10.00%	\$333
2021	\$1.7392	178	10.00%	\$341
2022	\$1.7809	178	10.00%	\$349
2023	\$1.8237	178	10.00%	\$357
2024	\$1.8674	178	10.00%	\$366

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	178	10.00%	\$74
2006	\$0.3767	178	10.00%	\$74
2007	\$0.3767	178	10.00%	\$74
2008	\$0.3767	178	10.00%	\$74
2009	\$0.3767	178	10.00%	\$74
2010	\$0.3767	178	10.00%	\$74
2011	\$0.3767	178	10.00%	\$74
2012	\$0.3767	178	10.00%	\$74
2013	\$0.3767	178	10.00%	\$74
2014	\$0.3767	178	10.00%	\$74
2015	\$0.3767	178	10.00%	\$74
2016	\$0.3767	178	10.00%	\$74
2017	\$0.3767	178	10.00%	\$74
2018	\$0.3767	178	10.00%	\$74
2019	\$0.3767	178	10.00%	\$74
2020	\$0.3767	178	10.00%	\$74
2021	\$0.3767	178	10.00%	\$74
2022	\$0.3767	178	10.00%	\$74
2023	\$0.3767	178	10.00%	\$74
2024	\$0.3767	178	10.00%	\$74

Gas Customer Charge - Table 3							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2006	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2007	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2008	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2009	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2010	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2011	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2012	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2013	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2014	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2015	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2016	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2017	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2018	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2019	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2020	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2021	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2022	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2023	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2024	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential Appliance Replacement Program
RIM Test and Participants Test Results**

For

Clothes Drying Appliances

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
RIM Test - Results**

Appliance Type Clothes Drying

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs
	Table 1	Table 1A	Table 2	2 thru 4	Table 5	Table 3	Table 4		
	1	2	3	4	6	7	8	9	6 thru 9
2002	\$19	\$60	\$14	\$92	\$60	\$9	\$7	\$100	\$176
2003	\$19	\$61	\$14	\$93	\$61	\$9	\$7	\$0	\$77
2004	\$19	\$62	\$14	\$95	\$62	\$9	\$7	\$0	\$78
2005	\$19	\$64	\$14	\$96	\$64	\$8	\$7	\$0	\$80
2006	\$19	\$65	\$14	\$98	\$65	\$8	\$7	\$0	\$81
2007	\$19	\$67	\$14	\$99	\$67	\$8	\$8	\$0	\$82
2008	\$19	\$69	\$14	\$101	\$69	\$7	\$8	\$0	\$84
2009	\$19	\$70	\$14	\$103	\$70	\$7	\$8	\$0	\$85
2010	\$19	\$72	\$14	\$104	\$72	\$7	\$8	\$0	\$87
2011	\$19	\$74	\$14	\$106	\$74	\$6	\$8	\$0	\$89
2012	\$19	\$75	\$14	\$108	\$75	\$6	\$9	\$0	\$90
2013	\$19	\$77	\$14	\$110	\$77	\$6	\$9	\$0	\$92
2014	\$19	\$79	\$14	\$111	\$79	\$6	\$9	\$0	\$94
2015	\$19	\$81	\$14	\$113	\$81	\$5	\$9	\$0	\$96
2016	\$19	\$83	\$14	\$115	\$83	\$5	\$10	\$0	\$98
2017	\$19	\$85	\$14	\$117	\$85	\$5	\$10	\$0	\$100
2018	\$19	\$87	\$14	\$119	\$87	\$5	\$10	\$0	\$102
2019	\$19	\$89	\$14	\$121	\$89	\$5	\$10	\$0	\$104
2020	\$19	\$91	\$14	\$124	\$91	\$4	\$10	\$0	\$106
2021	\$19	\$93	\$14	\$126	\$93	\$4	\$11	\$0	\$108

Present Value
of Benefits

\$1,014

Present Value
of Costs

\$940

Ratio

1.08

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
RIM Test - Calculated data**

Appliance Type
Clothes Drying

PGA Rate Escalator 2.4%
Base Rate Escalator 0%
Electric Rate escalator 2.4%

Depreciation Rate - Supply Main 2.80%
Depreciation Rate - Development Main 2.80%
Depreciation Rate - Service Line 4.40%
Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
Customer Charge - Electric 0%
Inflation factor 2%

Table 1

Revenue - Energy Charge				
1	2	3	2*3	
Year	Therms	Base Rate	Total Rate	
2005	50	\$0.3767	\$19	
2006	50	\$0.3767	\$19	
2007	50	\$0.3767	\$19	
2008	50	\$0.3767	\$19	
2009	50	\$0.3767	\$19	
2010	50	\$0.3767	\$19	
2011	50	\$0.3767	\$19	
2012	50	\$0.3767	\$19	
2013	50	\$0.3767	\$19	
2014	50	\$0.3767	\$19	
2015	50	\$0.3767	\$19	
2016	50	\$0.3767	\$19	
2017	50	\$0.3767	\$19	
2018	50	\$0.3767	\$19	
2019	50	\$0.3767	\$19	
2020	50	\$0.3767	\$19	
2021	50	\$0.3767	\$19	
2022	50	\$0.3767	\$19	
2023	50	\$0.3767	\$19	
2024	50	\$0.3767	\$19	

Table 1a

Revenue - Cost of Gas				
1	2	4	2*3	
Year	Therms	PGA Rate	Total Rate	
2005	50	\$1.1900	\$60	
2006	50	\$1.2186	\$61	
2007	50	\$1.2478	\$62	
2008	50	\$1.2778	\$64	
2009	50	\$1.3064	\$65	
2010	50	\$1.3398	\$67	
2011	50	\$1.3720	\$69	
2012	50	\$1.4049	\$70	
2013	50	\$1.4386	\$72	
2014	50	\$1.4731	\$74	
2015	50	\$1.5085	\$75	
2016	50	\$1.5447	\$77	
2017	50	\$1.5818	\$79	
2018	50	\$1.6197	\$81	
2019	50	\$1.6586	\$83	
2020	50	\$1.6984	\$85	
2021	50	\$1.7392	\$87	
2022	50	\$1.7809	\$89	
2023	50	\$1.8237	\$91	
2024	50	\$1.8674	\$93	

Table 2

Revenue - Customer Charge				
1	2	3	4	4*3
Year	Customer Charge/Mo	Annual Cust. Chg	Ratio of Therms Consumed To Total	Prorated Cust. Chg
2005	\$10.00	\$120.00	11.29%	\$14
2006	\$10.00	\$120.00	11.29%	\$14
2007	\$10.00	\$120.00	11.29%	\$14
2008	\$10.00	\$120.00	11.29%	\$14
2009	\$10.00	\$120.00	11.29%	\$14
2010	\$10.00	\$120.00	11.29%	\$14
2011	\$10.00	\$120.00	11.29%	\$14
2012	\$10.00	\$120.00	11.29%	\$14
2013	\$10.00	\$120.00	11.29%	\$14
2014	\$10.00	\$120.00	11.29%	\$14
2015	\$10.00	\$120.00	11.29%	\$14
2016	\$10.00	\$120.00	11.29%	\$14
2017	\$10.00	\$120.00	11.29%	\$14
2018	\$10.00	\$120.00	11.29%	\$14
2019	\$10.00	\$120.00	11.29%	\$14
2020	\$10.00	\$120.00	11.29%	\$14
2021	\$10.00	\$120.00	11.29%	\$14
2022	\$10.00	\$120.00	11.29%	\$14
2023	\$10.00	\$120.00	11.29%	\$14
2024	\$10.00	\$120.00	11.29%	\$14

Table 3

Investment Carrying Costs									
1	2	3	4	5	6	7	8	6*7*8	
Year	Supply Main	Development Main	Service Line	Meter	Customer Cost	Avg Cost of Debt	Ratio of Therms Consumed To Total	Carrying Chg Mains & Ctg	
2005	\$0	\$280	\$500	\$163	\$943	8.83%	11.29%	\$9	
2006	\$0	\$272	\$478	\$154	\$904	8.83%	11.29%	\$9	
2007	\$0	\$264	\$457	\$146	\$867	8.83%	11.29%	\$9	
2008	\$0	\$257	\$437	\$138	\$832	8.83%	11.29%	\$8	
2009	\$0	\$250	\$418	\$131	\$799	8.83%	11.29%	\$8	
2010	\$0	\$243	\$400	\$124	\$767	8.83%	11.29%	\$8	
2011	\$0	\$236	\$382	\$117	\$735	8.83%	11.29%	\$7	
2012	\$0	\$229	\$365	\$111	\$705	8.83%	11.29%	\$7	
2013	\$0	\$223	\$349	\$105	\$677	8.83%	11.29%	\$7	
2014	\$0	\$217	\$334	\$99	\$650	8.83%	11.29%	\$6	
2015	\$0	\$211	\$319	\$94	\$624	8.83%	11.29%	\$6	
2016	\$0	\$205	\$305	\$89	\$599	8.83%	11.29%	\$6	
2017	\$0	\$199	\$292	\$84	\$575	8.83%	11.29%	\$6	
2018	\$0	\$193	\$279	\$79	\$551	8.83%	11.29%	\$5	
2019	\$0	\$188	\$267	\$75	\$530	8.83%	11.29%	\$5	
2020	\$0	\$183	\$255	\$71	\$509	8.83%	11.29%	\$5	
2021	\$0	\$178	\$244	\$67	\$489	8.83%	11.29%	\$5	
2022	\$0	\$173	\$233	\$63	\$469	8.83%	11.29%	\$5	
2023	\$0	\$168	\$223	\$60	\$451	8.83%	11.29%	\$4	
2024	\$0	\$163	\$213	\$57	\$433	8.83%	11.29%	\$4	

Table 4

Incremental Customer Costs									
1	2	3	4	5=3*4		6	7	8=5*7	
Year	Adm. Cost	Annual Adm. Cost	Ratio Therms To Total Consumed	Customer Costs	O & M Cost	Ratio Therms To Total Consumed	Main Cost	New Customer Adm. & Main O&M	
2005	\$2.61	\$31	11.29%	\$ 3.50	\$ 29	11.29%	\$3	\$7	
2006	\$2.67	\$32	11.29%	\$ 3.61	\$ 30	11.29%	\$3	\$7	
2007	\$2.74	\$33	11.29%	\$ 3.72	\$ 31	11.29%	\$3	\$7	
2008	\$2.80	\$34	11.29%	\$ 3.84	\$ 31	11.29%	\$4	\$7	
2009	\$2.87	\$34	11.29%	\$ 3.84	\$ 32	11.29%	\$4	\$7	
2010	\$2.94	\$35	11.29%	\$ 3.95	\$ 33	11.29%	\$4	\$8	
2011	\$3.01	\$36	11.29%	\$ 4.06	\$ 34	11.29%	\$4	\$8	
2012	\$3.08	\$37	11.29%	\$ 4.18	\$ 35	11.29%	\$4	\$8	
2013	\$3.16	\$38	11.29%	\$ 4.29	\$ 35	11.29%	\$4	\$8	
2014	\$3.23	\$39	11.29%	\$ 4.40	\$ 36	11.29%	\$4	\$8	
2015	\$3.31	\$40	11.29%	\$ 4.51	\$ 37	11.29%	\$4	\$9	
2016	\$3.39	\$41	11.29%	\$ 4.63	\$ 38	11.29%	\$4	\$9	
2017	\$3.47	\$42	11.29%	\$ 4.74	\$ 39	11.29%	\$4	\$9	
2018	\$3.55	\$43	11.29%	\$ 4.85	\$ 40	11.29%	\$4	\$9	
2019	\$3.64	\$44	11.29%	\$ 4.97	\$ 41	11.29%	\$5	\$10	
2020	\$3.73	\$45	11.29%	\$ 5.08	\$ 42	11.29%	\$5	\$10	
2021	\$3.81	\$46	11.29%	\$ 5.19	\$ 43	11.29%	\$5	\$10	
2022	\$3.91	\$47	11.29%	\$ 5.30	\$ 44	11.29%	\$5	\$10	
2023	\$4.00	\$48	11.29%	\$ 5.42	\$ 45	11.29%	\$5	\$10	
2024	\$4.10	\$49	11.29%	\$ 5.53	\$ 46	11.29%	\$5	\$11	

Table 5

Gas Costs				
1	2	3	2*3	
Year	Therms	Per Therm Supply Cost	Gas Supply Cost	
2005	50	1.1900	\$60	
2006	50	\$1.2186	\$61	
2007	50	\$1.2478	\$62	
2008	50	\$1.2778	\$64	
2009	50	\$1.3064	\$65	
2010	50	\$1.3398	\$67	
2011	50	\$1.3720	\$69	
2012	50	\$1.4049	\$70	
2013	50	\$1.4386	\$72	
2014	50	\$1.4731	\$74	
2015	50	\$1.5085	\$75	
2016	50	\$1.5447	\$77	
2017	50	\$1.5818	\$79	
2018	50	\$1.6197	\$81	
2019	50	\$1.6586	\$83	
2020	50	\$1.6984	\$85	
2021	50	\$1.7392	\$87	
2022	50	\$1.7809	\$89	
2023	50	\$1.8237	\$91	
2024	50	\$1.8674	\$93	

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
Participants Test - Cost Effective Results**

Appliance Type
Clothes Drying

Year	Year Number	Benefits				Costs								
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment Cost	Gas Installation Costs	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS	
		Table 1								Table 2		Table 3	Table 4	
		3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13	
2005	1	\$164	\$100	\$36	\$300	\$379	(\$454)	\$350	\$36	\$65	\$21	\$15	\$412	
2006	2	\$167	0	\$37	\$203	0	0	0	\$37	\$67	\$21	\$15	\$140	
2007	3	\$169	0	\$38	\$207	0	0	0	\$38	\$69	\$21	\$15	\$142	
2008	4	\$171	0	\$39	\$210	0	0	0	\$39	\$70	\$21	\$15	\$145	
2009	5	\$173	0	\$40	\$213	0	0	0	\$40	\$72	\$21	\$15	\$147	
2010	6	\$175	0	\$41	\$216	0	0	0	\$41	\$74	\$21	\$15	\$150	
2011	7	\$177	0	\$42	\$219	0	0	0	\$42	\$75	\$21	\$15	\$153	
2012	8	\$180	0	\$43	\$222	0	0	0	\$43	\$77	\$21	\$15	\$155	
2013	9	\$182	0	\$44	\$225	0	0	0	\$44	\$79	\$21	\$15	\$158	
2014	10	\$184	0	\$45	\$229	0	0	0	\$45	\$81	\$21	\$15	\$161	
2015	11	\$186	0	\$46	\$232	0	0	0	\$46	\$83	\$21	\$15	\$164	
2016	12	\$188	0	\$47	\$235	0	0	0	\$47	\$85	\$21	\$15	\$167	
2017	13	\$191	0	\$48	\$238	0	0	0	\$48	\$87	\$21	\$15	\$170	
2018	14	\$193	100	\$49	\$342	528	(633)	279	\$49	\$89	\$21	\$15	\$348	
2019	15	\$195	0	\$50	\$245	0	0	0	\$50	\$91	\$21	\$15	\$177	
2020	16	\$197	0	\$51	\$248	0	0	0	\$51	\$93	\$21	\$15	\$180	
2021	17	\$199	0	\$53	\$252	0	0	0	\$53	\$96	\$21	\$15	\$184	
2022	18	\$201	0	\$54	\$255	0	0	0	\$54	\$98	\$21	\$15	\$187	
2023	19	\$204	0	\$55	\$259	0	0	0	\$55	\$100	\$21	\$15	\$191	
2024	20	\$206	0	\$56	\$262	0	0	0	\$56	\$103	\$21	\$15	\$195	

Present Value
of Benefits \$2,312

Present Value
of Costs \$1,851

Benefit/Cost Ratio	1.25
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**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
Participants Test - Data**

Appliance Type
Clothes Drying

O&M expense	2%	PGA Gas Rates	2%	Customer Ch	0%
Electric rates (fu	2%	PGA Base Rate	0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	1,465	10.00%	\$164
2006	\$0.1034	1,465	10.00%	\$167
2007	\$0.1047	1,465	10.00%	\$169
2008	\$0.1061	1,465	10.00%	\$171
2009	\$0.1074	1,465	10.00%	\$173
2010	\$0.1088	1,465	10.00%	\$175
2011	\$0.1101	1,465	10.00%	\$177
2012	\$0.1115	1,465	10.00%	\$180
2013	\$0.1128	1,465	10.00%	\$182
2014	\$0.1142	1,465	10.00%	\$184
2015	\$0.1155	1,465	10.00%	\$186
2016	\$0.1169	1,465	10.00%	\$188
2017	\$0.1182	1,465	10.00%	\$191
2018	\$0.1196	1,465	10.00%	\$193
2019	\$0.1209	1,465	10.00%	\$195
2020	\$0.1223	1,465	10.00%	\$197
2021	\$0.1236	1,465	10.00%	\$199
2022	\$0.1250	1,465	10.00%	\$201
2023	\$0.1263	1,465	10.00%	\$204
2024	\$0.1277	1,465	10.00%	\$206

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	50	10.00%	\$65
2006	\$1.2186	50	10.00%	\$67
2007	\$1.2478	50	10.00%	\$69
2008	\$1.2778	50	10.00%	\$70
2009	\$1.3084	50	10.00%	\$72
2010	\$1.3398	50	10.00%	\$74
2011	\$1.3720	50	10.00%	\$75
2012	\$1.4049	50	10.00%	\$77
2013	\$1.4386	50	10.00%	\$79
2014	\$1.4731	50	10.00%	\$81
2015	\$1.5085	50	10.00%	\$83
2016	\$1.5447	50	10.00%	\$85
2017	\$1.5818	50	10.00%	\$87
2018	\$1.6197	50	10.00%	\$89
2019	\$1.6586	50	10.00%	\$91
2020	\$1.6984	50	10.00%	\$93
2021	\$1.7392	50	10.00%	\$96
2022	\$1.7809	50	10.00%	\$98
2023	\$1.8237	50	10.00%	\$100
2024	\$1.8674	50	10.00%	\$103

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	50	10.00%	\$21
2006	\$0.3767	50	10.00%	\$21
2007	\$0.3767	50	10.00%	\$21
2008	\$0.3767	50	10.00%	\$21
2009	\$0.3767	50	10.00%	\$21
2010	\$0.3767	50	10.00%	\$21
2011	\$0.3767	50	10.00%	\$21
2012	\$0.3767	50	10.00%	\$21
2013	\$0.3767	50	10.00%	\$21
2014	\$0.3767	50	10.00%	\$21
2015	\$0.3767	50	10.00%	\$21
2016	\$0.3767	50	10.00%	\$21
2017	\$0.3767	50	10.00%	\$21
2018	\$0.3767	50	10.00%	\$21
2019	\$0.3767	50	10.00%	\$21
2020	\$0.3767	50	10.00%	\$21
2021	\$0.3767	50	10.00%	\$21
2022	\$0.3767	50	10.00%	\$21
2023	\$0.3767	50	10.00%	\$21
2024	\$0.3767	50	10.00%	\$21

Gas Customer Charge - Table 3							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10	\$120.00	50	443	11.29%	10.00%	\$15
2006	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2007	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2008	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2009	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2010	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2011	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2012	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2013	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2014	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2015	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2016	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2017	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2018	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2019	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2020	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2021	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2022	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2023	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15
2024	\$10.00	\$120.00	50	443	11.29%	10.00%	\$15

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential Appliance Replacement Program
RIM Test and Participants Test Results**

For

Cooking Appliances

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
RIM Test - Results**

Appliance Type

Cooking

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs	
	Table 1	Table 1A	Table 2		Table 5	Table 3	Table 4			
	1	2	3	4	2 thru 4	6	7	8	9	6 thru 9
2002	\$17	\$54	\$12	\$83	\$54	\$8	\$6	\$100	\$168	
2003	\$17	\$55	\$12	\$84	\$55	\$8	\$6	\$0	\$69	
2004	\$17	\$56	\$12	\$85	\$56	\$8	\$6	\$0	\$70	
2005	\$17	\$57	\$12	\$87	\$57	\$7	\$7	\$0	\$72	
2006	\$17	\$59	\$12	\$88	\$59	\$7	\$7	\$0	\$73	
2007	\$17	\$60	\$12	\$89	\$60	\$7	\$7	\$0	\$74	
2008	\$17	\$62	\$12	\$91	\$62	\$7	\$7	\$0	\$75	
2009	\$17	\$63	\$12	\$92	\$63	\$6	\$7	\$0	\$77	
2010	\$17	\$65	\$12	\$94	\$65	\$6	\$7	\$0	\$78	
2011	\$17	\$66	\$12	\$95	\$66	\$6	\$8	\$0	\$80	
2012	\$17	\$68	\$12	\$97	\$68	\$6	\$8	\$0	\$81	
2013	\$17	\$70	\$12	\$99	\$70	\$5	\$8	\$0	\$83	
2014	\$17	\$71	\$12	\$100	\$71	\$5	\$8	\$0	\$85	
2015	\$17	\$73	\$12	\$102	\$73	\$5	\$8	\$0	\$86	
2016	\$17	\$75	\$12	\$104	\$75	\$5	\$9	\$0	\$88	
2017	\$17	\$76	\$12	\$106	\$76	\$5	\$9	\$0	\$90	
2018	\$17	\$78	\$12	\$107	\$78	\$4	\$9	\$0	\$92	
2019	\$17	\$80	\$12	\$109	\$80	\$4	\$9	\$0	\$94	
2020	\$17	\$82	\$12	\$111	\$82	\$4	\$9	\$0	\$96	
2021	\$17	\$84	\$12	\$113	\$84	\$4	\$10	\$0	\$98	

Present Value
of Benefits

\$913

Present Value
of Costs

\$855

Ratio

1.07

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
RIM Test - Calculated data**

Appliance Type
Cooking

PGA Rate Escalator
Base Rate Escalator
Electric Rate Escalator

Depreciation Rate - Supply Main
Depreciation Rate - Development Main
Depreciation Rate - Service Line
Depreciation Rate - Meter

2.40%
2.80%
4.80%
5.40%

Customer Charge - Gas
Customer Charge - Electric
Inflation Factor

0%
0%
2%

Table 1

Year	Revenue - Energy Charge			Total Rate
	1	2	3	
2005	45	\$0.3767	\$17	\$17
2006	45	\$0.3767	\$17	\$17
2007	45	\$0.3767	\$17	\$17
2008	45	\$0.3767	\$17	\$17
2009	45	\$0.3767	\$17	\$17
2010	45	\$0.3767	\$17	\$17
2011	45	\$0.3767	\$17	\$17
2012	45	\$0.3767	\$17	\$17
2013	45	\$0.3767	\$17	\$17
2014	45	\$0.3767	\$17	\$17
2015	45	\$0.3767	\$17	\$17
2016	45	\$0.3767	\$17	\$17
2017	45	\$0.3767	\$17	\$17
2018	45	\$0.3767	\$17	\$17
2019	45	\$0.3767	\$17	\$17
2020	45	\$0.3767	\$17	\$17
2021	45	\$0.3767	\$17	\$17
2022	45	\$0.3767	\$17	\$17
2023	45	\$0.3767	\$17	\$17
2024	45	\$0.3767	\$17	\$17

Table 1a

Year	Revenue - Cost of Gas			Total Rate
	1	2	3	
2005	45	\$1,180.00	\$54	\$54
2006	45	\$1,2185	\$55	\$55
2007	45	\$1,2478	\$56	\$56
2008	45	\$1,2778	\$57	\$57
2009	45	\$1,3084	\$59	\$59
2010	45	\$1,3401	\$60	\$60
2011	45	\$1,3720	\$62	\$62
2012	45	\$1,4049	\$63	\$63
2013	45	\$1,4386	\$65	\$65
2014	45	\$1,4731	\$66	\$66
2015	45	\$1,5085	\$68	\$68
2016	45	\$1,5448	\$70	\$70
2017	45	\$1,5818	\$73	\$73
2018	45	\$1,6197	\$75	\$75
2019	45	\$1,6586	\$76	\$76
2020	45	\$1,6984	\$78	\$78
2021	45	\$1,7392	\$80	\$80
2022	45	\$1,7809	\$82	\$82
2023	45	\$1,8235	\$84	\$84
2024	45	\$1,8674	\$84	\$84

Table 2

Year	Revenue - Customer Charge			Prorated Cust. Chg.
	1	2	3	
2005	45	\$10.00	\$120.00	\$12
2006	45	\$10.00	\$120.00	\$12
2007	45	\$10.00	\$120.00	\$12
2008	45	\$10.00	\$120.00	\$12
2009	45	\$10.00	\$120.00	\$12
2010	45	\$10.00	\$120.00	\$12
2011	45	\$10.00	\$120.00	\$12
2012	45	\$10.00	\$120.00	\$12
2013	45	\$10.00	\$120.00	\$12
2014	45	\$10.00	\$120.00	\$12
2015	45	\$10.00	\$120.00	\$12
2016	45	\$10.00	\$120.00	\$12
2017	45	\$10.00	\$120.00	\$12
2018	45	\$10.00	\$120.00	\$12
2019	45	\$10.00	\$120.00	\$12
2020	45	\$10.00	\$120.00	\$12
2021	45	\$10.00	\$120.00	\$12
2022	45	\$10.00	\$120.00	\$12
2023	45	\$10.00	\$120.00	\$12
2024	45	\$10.00	\$120.00	\$12

Table 3

Year	Investment Carrying Costs			Avg Cost	Ratio of Themes Consist To Total	Carrying Chg Maint. & Svc
	1	2	3			
2005	50	\$280	\$500	\$643	8.83%	\$8
2006	50	\$272	\$478	\$594	8.83%	\$8
2007	50	\$264	\$457	\$546	8.83%	\$8
2008	50	\$257	\$437	\$502	8.83%	\$8
2009	50	\$250	\$418	\$470	8.83%	\$8
2010	50	\$243	\$400	\$440	8.83%	\$8
2011	50	\$236	\$382	\$412	8.83%	\$8
2012	50	\$229	\$365	\$385	8.83%	\$8
2013	50	\$223	\$349	\$357	8.83%	\$8
2014	50	\$217	\$334	\$329	8.83%	\$8
2015	50	\$211	\$319	\$304	8.83%	\$8
2016	50	\$205	\$305	\$280	8.83%	\$8
2017	50	\$199	\$292	\$256	8.83%	\$8
2018	50	\$194	\$279	\$232	8.83%	\$8
2019	50	\$188	\$267	\$208	8.83%	\$8
2020	50	\$183	\$255	\$184	8.83%	\$8
2021	50	\$178	\$244	\$160	8.83%	\$8
2022	50	\$173	\$233	\$136	8.83%	\$8
2023	50	\$168	\$223	\$112	8.83%	\$8
2024	50	\$163	\$213	\$88	8.83%	\$8

Table 4

Year	Incremental Customer Costs			Ratio Themes To Total Consumed	O & M Cost	New Customer Adm. & Main O&M Cost
	1	2	3			
2005	\$2.87	\$2.74	\$3.35	\$3.15	\$29	\$6
2006	\$2.82	\$2.74	\$3.35	\$3.15	\$29	\$6
2007	\$2.80	\$2.80	\$3.45	\$3.15	\$31	\$6
2008	\$2.87	\$3.4	\$3.45	\$3.15	\$31	\$6
2009	\$2.84	\$3.5	\$3.56	\$3.3	\$33	\$7
2010	\$3.01	\$3.6	\$3.66	\$3.4	\$33	\$7
2011	\$3.16	\$3.7	\$3.76	\$3.5	\$34	\$7
2012	\$3.31	\$3.8	\$3.86	\$3.6	\$35	\$7
2013	\$3.46	\$3.9	\$3.96	\$3.7	\$36	\$7
2014	\$3.61	\$4.0	\$4.06	\$3.8	\$37	\$8
2015	\$3.76	\$4.1	\$4.16	\$3.9	\$38	\$8
2016	\$3.91	\$4.2	\$4.27	\$4.0	\$39	\$8
2017	\$4.06	\$4.3	\$4.37	\$4.1	\$40	\$8
2018	\$4.21	\$4.4	\$4.47	\$4.2	\$41	\$9
2019	\$4.36	\$4.5	\$4.57	\$4.3	\$42	\$9
2020	\$4.51	\$4.6	\$4.67	\$4.4	\$43	\$9
2021	\$4.66	\$4.7	\$4.77	\$4.4	\$44	\$9
2022	\$4.81	\$4.8	\$4.88	\$4.5	\$45	\$9
2023	\$4.96	\$4.9	\$4.98	\$4.5	\$46	\$9
2024	\$5.11	\$5.0	\$5.08	\$4.6	\$47	\$10

Table 5

Year	Gas Costs			Commodity Gas Supply Cost	Gas Supply Cost
	1	2	3		
2005	45	\$1,190.00	\$54	\$54	\$54
2006	45	\$1,2186	\$55	\$55	\$55
2007	45	\$1,2478	\$56	\$56	\$56
2008	45	\$1,2778	\$57	\$57	\$57
2009	45	\$1,3084	\$59	\$59	\$59
2010	45	\$1,3398	\$60	\$60	\$60
2011	45	\$1,3720	\$62	\$62	\$62
2012	45	\$1,4049	\$63	\$63	\$63
2013	45	\$1,4386	\$65	\$65	\$65
2014	45	\$1,4731	\$66	\$66	\$66
2015	45	\$1,5085	\$68	\$68	\$68
2016	45	\$1,5448	\$70	\$70	\$70
2017	45	\$1,5818	\$71	\$71	\$71
2018	45	\$1,6197	\$73	\$73	\$73
2019	45	\$1,6586	\$75	\$75	\$75
2020	45	\$1,6984	\$78	\$78	\$78
2021	45	\$1,7392	\$80	\$80	\$80
2022	45	\$1,7809	\$82	\$82	\$82
2023	45	\$1,8235	\$84	\$84	\$84
2024	45	\$1,8674	\$84	\$84	\$84

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
Participants Test - Cost Effective Results**

Appliance Type
Cooking

Year	Year Number	Benefits				Costs								
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment & Installation Cost	Gas Installation Cost	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS	
		Table 1								Table 2	Table 3	Table 4		
		3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13	
2005	1	\$147	\$100	\$36	\$283	\$449	(\$574)	\$400	\$36	\$59	\$19	\$13	\$402	
2006	2	\$149	0	\$37	\$186	0	0	0	\$37	\$60	\$19	\$13	\$129	
2007	3	\$151	0	\$38	\$189	0	0	0	\$38	\$62	\$19	\$13	\$132	
2008	4	\$153	0	\$39	\$191	0	0	0	\$39	\$63	\$19	\$13	\$134	
2009	5	\$155	0	\$40	\$194	0	0	0	\$40	\$65	\$19	\$13	\$136	
2010	6	\$157	0	\$41	\$197	0	0	0	\$41	\$66	\$19	\$13	\$139	
2011	7	\$159	0	\$42	\$200	0	0	0	\$42	\$68	\$19	\$13	\$141	
2012	8	\$161	0	\$43	\$203	0	0	0	\$43	\$70	\$19	\$13	\$144	
2013	9	\$163	0	\$44	\$206	0	0	0	\$44	\$71	\$19	\$13	\$147	
2014	10	\$165	0	\$45	\$209	0	0	0	\$45	\$73	\$19	\$13	\$150	
2015	11	\$166	0	\$46	\$212	0	0	0	\$46	\$75	\$19	\$13	\$152	
2016	12	\$168	0	\$47	\$215	0	0	0	\$47	\$76	\$19	\$13	\$155	
2017	13	\$170	0	\$48	\$218	0	0	0	\$48	\$78	\$19	\$13	\$158	
2018	14	\$172	100	\$49	\$321	626	(800)	348	\$49	\$80	\$19	\$13	\$335	
2019	15	\$174	0	\$50	\$224	0	0	0	\$50	\$82	\$19	\$13	\$164	
2020	16	\$176	0	\$51	\$228	0	0	0	\$51	\$84	\$19	\$13	\$168	
2021	17	\$178	0	\$53	\$231	0	0	0	\$53	\$86	\$19	\$13	\$171	
2022	18	\$180	0	\$54	\$234	0	0	0	\$54	\$88	\$19	\$13	\$174	
2023	19	\$182	0	\$55	\$237	0	0	0	\$55	\$90	\$19	\$13	\$177	
2024	20	\$184	0	\$56	\$240	0	0	0	\$56	\$92	\$19	\$13	\$181	

Present Value
of Benefits \$2,126

Present Value
of Costs \$1,739

Benefit/Cost Ratio	1.22
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**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Replacement Program
Participants Test - Data**

Appliance Type	
Cooking	

O&M expense	2%	PGA Gas Ra	2%	Customer Cr	0%
Electric rates (fu	2%	PGA Base R	0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	1,310	10.00%	\$147
2006	\$0.1034	1,310	10.00%	\$149
2007	\$0.1047	1,310	10.00%	\$151
2008	\$0.1061	1,310	10.00%	\$153
2009	\$0.1074	1,310	10.00%	\$155
2010	\$0.1088	1,310	10.00%	\$157
2011	\$0.1101	1,310	10.00%	\$159
2012	\$0.1115	1,310	10.00%	\$161
2013	\$0.1128	1,310	10.00%	\$163
2014	\$0.1142	1,310	10.00%	\$165
2015	\$0.1155	1,310	10.00%	\$166
2016	\$0.1169	1,310	10.00%	\$168
2017	\$0.1182	1,310	10.00%	\$170
2018	\$0.1196	1,310	10.00%	\$172
2019	\$0.1209	1,310	10.00%	\$174
2020	\$0.1223	1,310	10.00%	\$176
2021	\$0.1236	1,310	10.00%	\$178
2022	\$0.1250	1,310	10.00%	\$180
2023	\$0.1263	1,310	10.00%	\$182
2024	\$0.1277	1,310	10.00%	\$184

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	45	10.00%	\$59
2006	\$1.2186	45	10.00%	\$60
2007	\$1.2478	45	10.00%	\$62
2008	\$1.2778	45	10.00%	\$63
2009	\$1.3084	45	10.00%	\$65
2010	\$1.3398	45	10.00%	\$66
2011	\$1.3720	45	10.00%	\$68
2012	\$1.4049	45	10.00%	\$70
2013	\$1.4386	45	10.00%	\$71
2014	\$1.4731	45	10.00%	\$73
2015	\$1.5085	45	10.00%	\$75
2016	\$1.5447	45	10.00%	\$76
2017	\$1.5818	45	10.00%	\$78
2018	\$1.6197	45	10.00%	\$80
2019	\$1.6586	45	10.00%	\$82
2020	\$1.6984	45	10.00%	\$84
2021	\$1.7392	45	10.00%	\$86
2022	\$1.7809	45	10.00%	\$88
2023	\$1.8237	45	10.00%	\$90
2024	\$1.8674	45	10.00%	\$92

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	45	10.00%	\$19
2006	\$0.3767	45	10.00%	\$19
2007	\$0.3767	45	10.00%	\$19
2008	\$0.3767	45	10.00%	\$19
2009	\$0.3767	45	10.00%	\$19
2010	\$0.3767	45	10.00%	\$19
2011	\$0.3767	45	10.00%	\$19
2012	\$0.3767	45	10.00%	\$19
2013	\$0.3767	45	10.00%	\$19
2014	\$0.3767	45	10.00%	\$19
2015	\$0.3767	45	10.00%	\$19
2016	\$0.3767	45	10.00%	\$19
2017	\$0.3767	45	10.00%	\$19
2018	\$0.3767	45	10.00%	\$19
2019	\$0.3767	45	10.00%	\$19
2020	\$0.3767	45	10.00%	\$19
2021	\$0.3767	45	10.00%	\$19
2022	\$0.3767	45	10.00%	\$19
2023	\$0.3767	45	10.00%	\$19
2024	\$0.3767	45	10.00%	\$19

Gas Customer Charge - Table 3							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10	\$120.00	45	443	10.16%	10.00%	\$13
2006	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2007	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2008	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2009	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2010	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2011	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2012	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2013	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2014	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2015	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2016	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2017	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2018	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2019	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2020	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2021	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2022	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2023	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2024	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13

Exhibit A

Peoples Gas System Energy Conservation Program June 21, 2006

Residential Appliance Retention Program Summary of RIM Test and Participants Test Results

	<u>Proposed Allowance</u>	<u>Participants Test</u>	<u>RIM Test</u>
Gas Storage Tank Water Heating	\$350	1.45	1.28
Gas Tankless Water Heating	\$450	1.32	1.24
Gas Heating	\$350	1.12	1.29
Gas Clothes Drying	\$100	1.41	1.29
Gas Cooking	\$100	1.39	1.27

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential Appliance Retention Program
RIM Test and Participants Test Results**

For

Storage Tank Water Heating

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
RIM Test - Results**

Appliance Type
Storage Tank Water Heating

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue Gas	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs
	Table 1	Table 1A	Table 2		Table 5	Table 3	Table 4		
	1	2	3	4	2 thru 4	6	7	8	9
									6 thru 9
2002	\$64	\$202	\$46	\$312	\$202	\$0	\$0	\$350	\$552
2003	\$64	\$207	\$46	\$317	\$207	\$0	\$0	\$0	\$207
2004	\$64	\$212	\$46	\$322	\$212	\$0	\$0	\$0	\$212
2005	\$64	\$217	\$46	\$327	\$217	\$0	\$0	\$0	\$217
2006	\$64	\$222	\$46	\$333	\$222	\$0	\$0	\$0	\$222
2007	\$64	\$228	\$46	\$338	\$228	\$0	\$0	\$0	\$228
2008	\$64	\$233	\$46	\$343	\$233	\$0	\$0	\$0	\$233
2009	\$64	\$239	\$46	\$349	\$239	\$0	\$0	\$0	\$239
2010	\$64	\$245	\$46	\$355	\$245	\$0	\$0	\$0	\$245
2011	\$64	\$250	\$46	\$361	\$250	\$0	\$0	\$0	\$250
2012	\$64	\$256	\$46	\$367	\$256	\$0	\$0	\$0	\$256
2013	\$64	\$263	\$46	\$373	\$263	\$0	\$0	\$0	\$263
2014	\$64	\$269	\$46	\$379	\$269	\$0	\$0	\$0	\$269
2015	\$64	\$275	\$46	\$385	\$275	\$0	\$0	\$0	\$275
2016	\$64	\$282	\$46	\$392	\$282	\$0	\$0	\$0	\$282
2017	\$64	\$289	\$46	\$399	\$289	\$0	\$0	\$0	\$289
2018	\$64	\$296	\$46	\$406	\$296	\$0	\$0	\$0	\$296
2019	\$64	\$303	\$46	\$413	\$303	\$0	\$0	\$0	\$303
2020	\$64	\$310	\$46	\$420	\$310	\$0	\$0	\$0	\$310
2021	\$64	\$317	\$46	\$428	\$317	\$0	\$0	\$0	\$317

Present Value
of Benefits

\$3,448

Present Value
of Costs

\$2,691

Benefit/Cost
Ratio

1.28

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
RIM Test - Calculated data**

Appliance Type	
Storage Tank Water Heating	

2.4%
0.0%
2.4%

PGA Rate Escalator
Base Rate Escalator
Electric Rate Escalator

Depreciation Rate - Supply Main
Depreciation Rate - Development Main
Depreciation Rate - Service Line
Depreciation Rate - Meter

2.80%
2.80%
4.40%
5.40%

Customer Charge - Gas
Customer Charge - Electric
Inflation Factor

0%
0%
2.6%

Table 1

Year	Revenue - Energy charge		Total Rate	
	Therms	Rate	Therms	Rate
2005	170	\$0.3767	170	\$0.3767
2006	170	\$0.3767	170	\$0.3767
2007	170	\$0.3767	170	\$0.3767
2008	170	\$0.3767	170	\$0.3767
2009	170	\$0.3767	170	\$0.3767
2010	170	\$0.3767	170	\$0.3767
2011	170	\$0.3767	170	\$0.3767
2012	170	\$0.3767	170	\$0.3767
2013	170	\$0.3767	170	\$0.3767
2014	170	\$0.3767	170	\$0.3767
2015	170	\$0.3767	170	\$0.3767
2016	170	\$0.3767	170	\$0.3767
2017	170	\$0.3767	170	\$0.3767
2018	170	\$0.3767	170	\$0.3767
2019	170	\$0.3767	170	\$0.3767
2020	170	\$0.3767	170	\$0.3767
2021	170	\$0.3767	170	\$0.3767
2022	170	\$0.3767	170	\$0.3767
2023	170	\$0.3767	170	\$0.3767
2024	170	\$0.3767	170	\$0.3767

Table 1a

Year	Revenue - Cost of Gas		PGA Rate	Total Rate
	Therms	Rate		
2005	170	\$1.1900	\$202	\$202
2006	170	\$1.2186	\$207	\$207
2007	170	\$1.2472	\$212	\$212
2008	170	\$1.2758	\$217	\$217
2009	170	\$1.3044	\$222	\$222
2010	170	\$1.3330	\$228	\$228
2011	170	\$1.3616	\$233	\$233
2012	170	\$1.3902	\$239	\$239
2013	170	\$1.4188	\$245	\$245
2014	170	\$1.4474	\$250	\$250
2015	170	\$1.4760	\$256	\$256
2016	170	\$1.5046	\$262	\$262
2017	170	\$1.5332	\$268	\$268
2018	170	\$1.5618	\$274	\$274
2019	170	\$1.5904	\$280	\$280
2020	170	\$1.6190	\$286	\$286
2021	170	\$1.6476	\$292	\$292
2022	170	\$1.6762	\$298	\$298
2023	170	\$1.7048	\$304	\$304
2024	170	\$1.7334	\$310	\$310

Table 2

Year	Revenue - Customer charge		Ratio of Consumed To Total		Priced Cust. Chg.
	Customer Charge/Mo	Annual Cust. Chg	Ratio of Consumed To Total	Ratio of Consumed To Total	
2005	\$10.00	\$120.00	38.37%	38.37%	\$46
2006	\$10.00	\$120.00	38.37%	38.37%	\$46
2007	\$10.00	\$120.00	38.37%	38.37%	\$46
2008	\$10.00	\$120.00	38.37%	38.37%	\$46
2009	\$10.00	\$120.00	38.37%	38.37%	\$46
2010	\$10.00	\$120.00	38.37%	38.37%	\$46
2011	\$10.00	\$120.00	38.37%	38.37%	\$46
2012	\$10.00	\$120.00	38.37%	38.37%	\$46
2013	\$10.00	\$120.00	38.37%	38.37%	\$46
2014	\$10.00	\$120.00	38.37%	38.37%	\$46
2015	\$10.00	\$120.00	38.37%	38.37%	\$46
2016	\$10.00	\$120.00	38.37%	38.37%	\$46
2017	\$10.00	\$120.00	38.37%	38.37%	\$46
2018	\$10.00	\$120.00	38.37%	38.37%	\$46
2019	\$10.00	\$120.00	38.37%	38.37%	\$46
2020	\$10.00	\$120.00	38.37%	38.37%	\$46
2021	\$10.00	\$120.00	38.37%	38.37%	\$46
2022	\$10.00	\$120.00	38.37%	38.37%	\$46
2023	\$10.00	\$120.00	38.37%	38.37%	\$46
2024	\$10.00	\$120.00	38.37%	38.37%	\$46

Table 3

Year	Supply Development		Meter	Service Line	Investment Carrying Costs	Avg Cost of Debt	Ratio of Therms Consumed To Total	Carrying Chp Mains & Svc
	Main	Service						
2005	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2006	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2007	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2008	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2009	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2010	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2011	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2012	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2013	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2014	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2015	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2016	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2017	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2018	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2019	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2020	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2021	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2022	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2023	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0
2024	\$0	\$0	\$0	\$0	\$0	8.83%	38.37%	\$0

Table 4

Year	Admin. Cost	Annual Admin. Cost	Ratio Therms To Total Consumed	Customer O & M Cost	Ratio Therms To Total Consumed	New Customer Admin. & Main Cost
2005	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2006	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2007	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2008	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2009	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2010	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2011	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2012	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2013	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2014	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2015	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2016	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2017	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2018	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2019	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2020	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2021	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2022	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2023	\$0.00	\$0.00	38.37%	\$	38.37%	\$0
2024	\$0.00	\$0.00	38.37%	\$	38.37%	\$0

Table 5

Year	Therms	Gas Costs	
		Per Therm Supply Cost	Gas Supply Cost
2005	170	\$1.2186	\$207
2006	170	\$1.2472	\$212
2007	170	\$1.2758	\$217
2008	170	\$1.3044	\$222
2009	170	\$1.3330	\$228
2010	170	\$1.3616	\$233
2011	170	\$1.3902	\$239
2012	170	\$1.4188	\$245
2013	170	\$1.4474	\$250
2014	170	\$1.4760	\$256
2015	170	\$1.5046	\$262
2016	170	\$1.5332	\$268
2017	170	\$1.5618	\$274
2018	170	\$1.5904	\$280
2019	170	\$1.6190	\$286
2020	170	\$1.6476	\$292
2021	170	\$1.6762	\$298
2022	170	\$1.7048	\$304
2023	170	\$1.7334	\$310
2024	170	\$1.7620	\$316

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
Participants Test - Cost Effective Results**

Appliance Type
Storage Tank Water Heating

Year	Year Number	Benefits				Costs							
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment & Installation Cost	Gas Installation Costs	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS
		Table 1								Table 2	Table 3	Table 4	
		3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13
2005	1	\$536	\$350	\$36	\$922	\$259	(\$314)	\$250	\$36	\$223	\$70	\$51	\$575
2006	2	\$543	0	\$37	\$580	0	0	0	\$37	\$228	\$70	\$51	\$386
2007	3	\$550	0	\$38	\$588	0	0	0	\$38	\$233	\$70	\$51	\$392
2008	4	\$557	0	\$39	\$596	0	0	0	\$39	\$239	\$70	\$51	\$399
2009	5	\$564	0	\$40	\$604	0	0	0	\$40	\$245	\$70	\$51	\$405
2010	6	\$571	0	\$41	\$612	0	0	0	\$41	\$251	\$70	\$51	\$412
2011	7	\$578	0	\$42	\$620	0	0	0	\$42	\$257	\$70	\$51	\$419
2012	8	\$585	0	\$43	\$628	0	0	0	\$43	\$263	\$70	\$51	\$426
2013	9	\$592	0	\$44	\$636	0	0	0	\$44	\$269	\$70	\$51	\$434
2014	10	\$599	0	\$45	\$644	0	0	0	\$45	\$275	\$70	\$51	\$441
2015	11	\$607	0	\$46	\$652	0	0	0	\$46	\$282	\$70	\$51	\$449
2016	12	\$614	0	\$47	\$660	0	0	0	\$47	\$289	\$70	\$51	\$457
2017	13	\$621	0	\$48	\$669	0	0	0	\$48	\$296	\$70	\$51	\$465
2018	14	\$628	100	\$49	\$777	361	(438)	348	\$49	\$303	\$70	\$51	\$745
2019	15	\$635	0	\$50	\$685	0	0	0	\$50	\$310	\$70	\$51	\$481
2020	16	\$642	0	\$51	\$693	0	0	0	\$51	\$318	\$70	\$51	\$490
2021	17	\$649	0	\$53	\$702	0	0	0	\$53	\$325	\$70	\$51	\$499
2022	18	\$656	0	\$54	\$710	0	0	0	\$54	\$333	\$70	\$51	\$508
2023	19	\$663	0	\$55	\$718	0	0	0	\$55	\$341	\$70	\$51	\$517
2024	20	\$670	0	\$56	\$727	0	0	0	\$56	\$349	\$70	\$51	\$527

Present Value of Benefits \$6,528

Present Value of Costs \$4,487

Benefit/Cost Ratio	1.45
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**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
Participants Test - Data**

Appliance Type
Storage Tank Water Heating

O&M expense	2.4%	PGA Gas Rates	2.4%	Customer Charge	0%
Electric rates (fe	2.4%	PGA Base Rate	0.0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	4,773	10%	\$536
2006	\$0.1034	4,773	10%	\$543
2007	\$0.1047	4,773	10%	\$550
2008	\$0.1061	4,773	10%	\$557
2009	\$0.1074	4,773	10%	\$564
2010	\$0.1088	4,773	10%	\$571
2011	\$0.1101	4,773	10%	\$578
2012	\$0.1115	4,773	10%	\$585
2013	\$0.1128	4,773	10%	\$592
2014	\$0.1142	4,773	10%	\$599
2015	\$0.1155	4,773	10%	\$607
2016	\$0.1169	4,773	10%	\$614
2017	\$0.1182	4,773	10%	\$621
2018	\$0.1196	4,773	10%	\$628
2019	\$0.1209	4,773	10%	\$635
2020	\$0.1223	4,773	10%	\$642
2021	\$0.1236	4,773	10%	\$649
2022	\$0.1250	4,773	10%	\$656
2023	\$0.1263	4,773	10%	\$663
2024	\$0.1277	4,773	10%	\$670

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	170	10%	\$223
2006	\$1.2186	170	10%	\$228
2007	\$1.2478	170	10%	\$233
2008	\$1.2778	170	10%	\$239
2009	\$1.3084	170	10%	\$245
2010	\$1.3398	170	10%	\$251
2011	\$1.3720	170	10%	\$257
2012	\$1.4049	170	10%	\$263
2013	\$1.4386	170	10%	\$269
2014	\$1.4731	170	10%	\$275
2015	\$1.5085	170	10%	\$282
2016	\$1.5447	170	10%	\$289
2017	\$1.5818	170	10%	\$296
2018	\$1.6197	170	10%	\$303
2019	\$1.6586	170	10%	\$310
2020	\$1.6984	170	10%	\$318
2021	\$1.7392	170	10%	\$325
2022	\$1.7809	170	10%	\$333
2023	\$1.8237	170	10%	\$341
2024	\$1.8674	170	10%	\$349

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	170	10%	\$70
2006	\$0.3767	170	10%	\$70
2007	\$0.3767	170	10%	\$70
2008	\$0.3767	170	10%	\$70
2009	\$0.3767	170	10%	\$70
2010	\$0.3767	170	10%	\$70
2011	\$0.3767	170	10%	\$70
2012	\$0.3767	170	10%	\$70
2013	\$0.3767	170	10%	\$70
2014	\$0.3767	170	10%	\$70
2015	\$0.3767	170	10%	\$70
2016	\$0.3767	170	10%	\$70
2017	\$0.3767	170	10%	\$70
2018	\$0.3767	170	10%	\$70
2019	\$0.3767	170	10%	\$70
2020	\$0.3767	170	10%	\$70
2021	\$0.3767	170	10%	\$70
2022	\$0.3767	170	10%	\$70
2023	\$0.3767	170	10%	\$70
2024	\$0.3767	170	10%	\$70

Gas Customer Charge - Table 4							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2006	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2007	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2008	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2009	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2010	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2011	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2012	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2013	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2014	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2015	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2016	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2017	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2018	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2019	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2020	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2021	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2022	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2023	\$10.00	\$120.00	170	443	38.37%	10%	\$51
2024	\$10.00	\$120.00	170	443	38.37%	10%	\$51

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential Appliance Retention Program
RIM Test and Participants Test Results**

For

Tankless Water Heating

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
RIM Test - Results**

Appliance Type
Tankless Water Heating

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs
	Table 1	Table 1A	Table 2		Table 5	Table 3	Table 4		
	1	2	3	4	2 thru 4	6	7	8	9
2002	\$57	\$179	\$46	\$281	\$179	\$0	\$0	\$450	\$629
2003	\$57	\$183	\$46	\$285	\$183	\$0	\$0	\$0	\$183
2004	\$57	\$187	\$46	\$290	\$187	\$0	\$0	\$0	\$187
2005	\$57	\$192	\$46	\$294	\$192	\$0	\$0	\$0	\$192
2006	\$57	\$196	\$46	\$299	\$196	\$0	\$0	\$0	\$196
2007	\$57	\$201	\$46	\$304	\$201	\$0	\$0	\$0	\$201
2008	\$57	\$206	\$46	\$308	\$206	\$0	\$0	\$0	\$206
2009	\$57	\$211	\$46	\$313	\$211	\$0	\$0	\$0	\$211
2010	\$57	\$216	\$46	\$318	\$216	\$0	\$0	\$0	\$216
2011	\$57	\$221	\$46	\$324	\$221	\$0	\$0	\$0	\$221
2012	\$57	\$226	\$46	\$329	\$226	\$0	\$0	\$0	\$226
2013	\$57	\$232	\$46	\$334	\$232	\$0	\$0	\$0	\$232
2014	\$57	\$237	\$46	\$340	\$237	\$0	\$0	\$0	\$237
2015	\$57	\$243	\$46	\$346	\$243	\$0	\$0	\$0	\$243
2016	\$57	\$249	\$46	\$351	\$249	\$0	\$0	\$0	\$249
2017	\$57	\$255	\$46	\$357	\$255	\$0	\$0	\$0	\$255
2018	\$57	\$261	\$46	\$363	\$261	\$0	\$0	\$0	\$261
2019	\$57	\$267	\$46	\$370	\$267	\$0	\$0	\$0	\$267
2020	\$57	\$274	\$46	\$376	\$274	\$0	\$0	\$0	\$274
2021	\$57	\$280	\$46	\$383	\$280	\$0	\$0	\$0	\$280

Present Value
of Benefits

\$3,095

Present Value
of Costs

\$2,505

Benefit/Cost Ratio

1.24

Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
RIM Test - Calculated Data

Appliance Type	
Tankless Water Heating	

PGA Rate Escalator 2%
 Base Rate Escalator 2%
 Electric Rate Escalator 2%
 Electric Rate Escalator 2%

Depreciation Rate - Supply Main 2.80%
 Depreciation Rate - Development Main 2.80%
 Depreciation Rate - Service Line 4.40%
 Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
 Customer Charge - Electric 0%
 Inflation Factor 2%

Table 1

Year	Revenue - Energy Charge		Total Rate
	Therms	Base Rate	
2005	150	\$0.3767	\$57
2006	150	\$0.3767	\$57
2007	150	\$0.3767	\$57
2008	150	\$0.3767	\$57
2009	150	\$0.3767	\$57
2010	150	\$0.3767	\$57
2011	150	\$0.3767	\$57
2012	150	\$0.3767	\$57
2013	150	\$0.3767	\$57
2014	150	\$0.3767	\$57
2015	150	\$0.3767	\$57
2016	150	\$0.3767	\$57
2017	150	\$0.3767	\$57
2018	150	\$0.3767	\$57
2019	150	\$0.3767	\$57
2020	150	\$0.3767	\$57
2021	150	\$0.3767	\$57
2022	150	\$0.3767	\$57
2023	150	\$0.3767	\$57
2024	150	\$0.3767	\$57

Table 1a

Year	Revenue - Cost of Gas		Total Rate
	Therms	PGA Rate	
2005	150	\$1.1900	\$179
2006	150	\$1.2186	\$183
2007	150	\$1.2478	\$187
2008	150	\$1.2778	\$192
2009	150	\$1.3084	\$196
2010	150	\$1.3398	\$201
2011	150	\$1.3729	\$206
2012	150	\$1.4069	\$211
2013	150	\$1.4395	\$216
2014	150	\$1.4731	\$221
2015	150	\$1.5085	\$226
2016	150	\$1.5447	\$232
2017	150	\$1.5818	\$237
2018	150	\$1.6197	\$243
2019	150	\$1.6586	\$249
2020	150	\$1.6984	\$254
2021	150	\$1.7392	\$261
2022	150	\$1.7809	\$267
2023	150	\$1.8237	\$274
2024	150	\$1.8674	\$280

Table 2

Year	Revenue - Customer Charge			Ratio of Therms Consumed to Total	Prorated Cust. Chg.
	Customer Charge	Annual Cust. Chg.	Total Cust. Chg.		
2005	\$10.00	\$120.00	\$130.00	38.37%	\$46
2006	\$10.00	\$120.00	\$130.00	38.37%	\$46
2007	\$10.00	\$120.00	\$130.00	38.37%	\$46
2008	\$10.00	\$120.00	\$130.00	38.37%	\$46
2009	\$10.00	\$120.00	\$130.00	38.37%	\$46
2010	\$10.00	\$120.00	\$130.00	38.37%	\$46
2011	\$10.00	\$120.00	\$130.00	38.37%	\$46
2012	\$10.00	\$120.00	\$130.00	38.37%	\$46
2013	\$10.00	\$120.00	\$130.00	38.37%	\$46
2014	\$10.00	\$120.00	\$130.00	38.37%	\$46
2015	\$10.00	\$120.00	\$130.00	38.37%	\$46
2016	\$10.00	\$120.00	\$130.00	38.37%	\$46
2017	\$10.00	\$120.00	\$130.00	38.37%	\$46
2018	\$10.00	\$120.00	\$130.00	38.37%	\$46
2019	\$10.00	\$120.00	\$130.00	38.37%	\$46
2020	\$10.00	\$120.00	\$130.00	38.37%	\$46
2021	\$10.00	\$120.00	\$130.00	38.37%	\$46
2022	\$10.00	\$120.00	\$130.00	38.37%	\$46
2023	\$10.00	\$120.00	\$130.00	38.37%	\$46
2024	\$10.00	\$120.00	\$130.00	38.37%	\$46

Table 3

Year	Investment Carrying Costs		Avg Cost	Rate of Therms Consumed to Total	Carrying Chg
	Supply Development	Service Line			
2005	\$0	\$0	8.83%	38.37%	\$0
2006	\$0	\$0	8.83%	38.37%	\$0
2007	\$0	\$0	8.83%	38.37%	\$0
2008	\$0	\$0	8.83%	38.37%	\$0
2009	\$0	\$0	8.83%	38.37%	\$0
2010	\$0	\$0	8.83%	38.37%	\$0
2011	\$0	\$0	8.83%	38.37%	\$0
2012	\$0	\$0	8.83%	38.37%	\$0
2013	\$0	\$0	8.83%	38.37%	\$0
2014	\$0	\$0	8.83%	38.37%	\$0
2015	\$0	\$0	8.83%	38.37%	\$0
2016	\$0	\$0	8.83%	38.37%	\$0
2017	\$0	\$0	8.83%	38.37%	\$0
2018	\$0	\$0	8.83%	38.37%	\$0
2019	\$0	\$0	8.83%	38.37%	\$0
2020	\$0	\$0	8.83%	38.37%	\$0
2021	\$0	\$0	8.83%	38.37%	\$0
2022	\$0	\$0	8.83%	38.37%	\$0
2023	\$0	\$0	8.83%	38.37%	\$0
2024	\$0	\$0	8.83%	38.37%	\$0

Table 4

Year	Incremental Customer Costs		Ratio Therms To Total Consumed	Customer O & M Cost	Ratio Therms To Total Consumed	New Customer
	Admin. Cost	Annual Admin. Cost				
2005	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2006	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2007	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2008	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2009	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2010	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2011	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2012	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2013	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2014	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2015	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2016	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2017	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2018	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2019	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2020	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2021	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2022	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2023	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0
2024	\$0.00	\$0.00	38.37%	\$ -	38.37%	\$0

Table 5

Year	Gas Costs		Per Therm Supply Cost	Gas Supply Cost
	Therms	Cost		
2005	150	\$1,900	\$12.67	\$179
2006	150	\$1,2186	\$8.12	\$183
2007	150	\$1,2478	\$8.32	\$187
2008	150	\$1,2778	\$8.52	\$192
2009	150	\$1,3084	\$8.72	\$196
2010	150	\$1,3398	\$8.92	\$201
2011	150	\$1,3729	\$9.12	\$206
2012	150	\$1,4069	\$9.32	\$211
2013	150	\$1,4395	\$9.52	\$216
2014	150	\$1,4731	\$9.72	\$221
2015	150	\$1,5085	\$9.92	\$226
2016	150	\$1,5447	\$10.12	\$232
2017	150	\$1,5818	\$10.32	\$237
2018	150	\$1,6197	\$10.52	\$243
2019	150	\$1,6586	\$10.72	\$249
2020	150	\$1,6984	\$10.92	\$254
2021	150	\$1,7392	\$11.12	\$261
2022	150	\$1,7809	\$11.32	\$267
2023	150	\$1,8237	\$11.52	\$274
2024	150	\$1,8674	\$11.72	\$280

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
Participants Test - Cost Effective Results**

Appliance Type
Tankless Water Heating

Year	Year Number	Benefits				Costs							
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment & Installation Cost	Gas Installation Costs	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS
		Table 1								Table 2	Table 3	Table 4	
		3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13
2005	1	\$536	\$450	\$36	\$1,022	\$950	(\$314)	\$250	\$36	\$196	\$62	\$45	\$1,225
2006	2	\$543	0	\$37	\$580	0	0	0	\$37	\$201	\$62	\$45	\$345
2007	3	\$550	0	\$38	\$588	0	0	0	\$38	\$206	\$62	\$45	\$350
2008	4	\$557	0	\$39	\$596	0	0	0	\$39	\$211	\$62	\$45	\$356
2009	5	\$564	0	\$40	\$604	0	0	0	\$40	\$216	\$62	\$45	\$362
2010	6	\$571	0	\$41	\$612	0	0	0	\$41	\$221	\$62	\$45	\$368
2011	7	\$578	0	\$42	\$620	0	0	0	\$42	\$226	\$62	\$45	\$375
2012	8	\$585	0	\$43	\$628	0	0	0	\$43	\$232	\$62	\$45	\$381
2013	9	\$592	0	\$44	\$636	0	0	0	\$44	\$237	\$62	\$45	\$388
2014	10	\$599	0	\$45	\$644	0	0	0	\$45	\$243	\$62	\$45	\$394
2015	11	\$607	0	\$46	\$652	0	0	0	\$46	\$249	\$62	\$45	\$401
2016	12	\$614	0	\$47	\$660	0	0	0	\$47	\$255	\$62	\$45	\$408
2017	13	\$621	0	\$48	\$669	0	0	0	\$48	\$261	\$62	\$45	\$416
2018	14	\$628	100	\$49	\$777	1,324	(438)	348	\$49	\$267	\$62	\$45	\$1,658
2019	15	\$635	0	\$50	\$685	0	0	0	\$50	\$274	\$62	\$45	\$431
2020	16	\$642	0	\$51	\$693	0	0	0	\$51	\$280	\$62	\$45	\$438
2021	17	\$649	0	\$53	\$702	0	0	0	\$53	\$287	\$62	\$45	\$446
2022	18	\$656	0	\$54	\$710	0	0	0	\$54	\$294	\$62	\$45	\$455
2023	19	\$663	0	\$55	\$718	0	0	0	\$55	\$301	\$62	\$45	\$463
2024	20	\$670	0	\$56	\$727	0	0	0	\$56	\$308	\$62	\$45	\$471

Present Value
of Benefits \$6,621

Present Value
of Costs \$5,008

Benefit/Cost Ratio	1.32
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**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
Participants Test - Data**

Appliance Type	
Tankless Water Heating	

O&M expense	2%	PGA Gas Ra	2%	Customer Ct	0%
Electric rates (fu)	2%	PGA Base R	0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	4,773	10.00%	\$536
2006	\$0.1034	4,773	10.00%	\$543
2007	\$0.1047	4,773	10.00%	\$550
2008	\$0.1061	4,773	10.00%	\$557
2009	\$0.1074	4,773	10.00%	\$564
2010	\$0.1088	4,773	10.00%	\$571
2011	\$0.1101	4,773	10.00%	\$578
2012	\$0.1115	4,773	10.00%	\$585
2013	\$0.1128	4,773	10.00%	\$592
2014	\$0.1142	4,773	10.00%	\$599
2015	\$0.1155	4,773	10.00%	\$607
2016	\$0.1169	4,773	10.00%	\$614
2017	\$0.1182	4,773	10.00%	\$621
2018	\$0.1196	4,773	10.00%	\$628
2019	\$0.1209	4,773	10.00%	\$635
2020	\$0.1223	4,773	10.00%	\$642
2021	\$0.1236	4,773	10.00%	\$649
2022	\$0.1250	4,773	10.00%	\$656
2023	\$0.1263	4,773	10.00%	\$663
2024	\$0.1277	4,773	10.00%	\$670

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	150	10.00%	\$196
2006	\$1.2186	150	10.00%	\$201
2007	\$1.2478	150	10.00%	\$206
2008	\$1.2778	150	10.00%	\$211
2009	\$1.3084	150	10.00%	\$216
2010	\$1.3398	150	10.00%	\$221
2011	\$1.3720	150	10.00%	\$226
2012	\$1.4049	150	10.00%	\$232
2013	\$1.4386	150	10.00%	\$237
2014	\$1.4731	150	10.00%	\$243
2015	\$1.5085	150	10.00%	\$249
2016	\$1.5447	150	10.00%	\$255
2017	\$1.5818	150	10.00%	\$261
2018	\$1.6197	150	10.00%	\$267
2019	\$1.6586	150	10.00%	\$274
2020	\$1.6984	150	10.00%	\$280
2021	\$1.7392	150	10.00%	\$287
2022	\$1.7809	150	10.00%	\$294
2023	\$1.8237	150	10.00%	\$301
2024	\$1.8674	150	10.00%	\$308

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	150	10.00%	\$62
2006	\$0.3767	150	10.00%	\$62
2007	\$0.3767	150	10.00%	\$62
2008	\$0.3767	150	10.00%	\$62
2009	\$0.3767	150	10.00%	\$62
2010	\$0.3767	150	10.00%	\$62
2011	\$0.3767	150	10.00%	\$62
2012	\$0.3767	150	10.00%	\$62
2013	\$0.3767	150	10.00%	\$62
2014	\$0.3767	150	10.00%	\$62
2015	\$0.3767	150	10.00%	\$62
2016	\$0.3767	150	10.00%	\$62
2017	\$0.3767	150	10.00%	\$62
2018	\$0.3767	150	10.00%	\$62
2019	\$0.3767	150	10.00%	\$62
2020	\$0.3767	150	10.00%	\$62
2021	\$0.3767	150	10.00%	\$62
2022	\$0.3767	150	10.00%	\$62
2023	\$0.3767	150	10.00%	\$62
2024	\$0.3767	150	10.00%	\$62

Gas Customer Charge - Table 3							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10	\$120.00	150	443	33.86%	10.00%	\$45
2006	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2007	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2008	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2009	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2010	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2011	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2012	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2013	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2014	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2015	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2016	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2017	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2018	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2019	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2020	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2021	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2022	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2023	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45
2024	\$10.00	\$120.00	150	443	33.86%	10.00%	\$45

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential Appliance Retention Program
RIM Test and Participants Test Results**

For

Heating Systems

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
RIM Test - Results**

Appliance Type
Heating System

	Incremental Revenue Energy Charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs
	Table 1	Table 1A	Table 2		Table 5	Table 3	Table 4		
	1	2	3	4	2 thru 4	6	7	8	9
2002	\$67	\$212	\$48	\$327	\$212	\$0	\$0	\$350	\$562
2003	\$67	\$217	\$48	\$332	\$217	\$0	\$0	\$0	\$217
2004	\$67	\$222	\$48	\$337	\$222	\$0	\$0	\$0	\$222
2005	\$67	\$227	\$48	\$343	\$227	\$0	\$0	\$0	\$227
2006	\$67	\$233	\$48	\$348	\$233	\$0	\$0	\$0	\$233
2007	\$67	\$238	\$48	\$354	\$238	\$0	\$0	\$0	\$238
2008	\$67	\$244	\$48	\$359	\$244	\$0	\$0	\$0	\$244
2009	\$67	\$250	\$48	\$365	\$250	\$0	\$0	\$0	\$250
2010	\$67	\$256	\$48	\$371	\$256	\$0	\$0	\$0	\$256
2011	\$67	\$262	\$48	\$377	\$262	\$0	\$0	\$0	\$262
2012	\$67	\$269	\$48	\$384	\$269	\$0	\$0	\$0	\$269
2013	\$67	\$275	\$48	\$390	\$275	\$0	\$0	\$0	\$275
2014	\$67	\$282	\$48	\$397	\$282	\$0	\$0	\$0	\$282
2015	\$67	\$288	\$48	\$404	\$288	\$0	\$0	\$0	\$288
2016	\$67	\$295	\$48	\$410	\$295	\$0	\$0	\$0	\$295
2017	\$67	\$302	\$48	\$418	\$302	\$0	\$0	\$0	\$302
2018	\$67	\$310	\$48	\$425	\$310	\$0	\$0	\$0	\$310
2019	\$67	\$317	\$48	\$432	\$317	\$0	\$0	\$0	\$317
2020	\$67	\$325	\$48	\$440	\$325	\$0	\$0	\$0	\$325
2021	\$67	\$332	\$48	\$448	\$332	\$0	\$0	\$0	\$332

Present Value
of Benefits

\$3,610

Present Value
of Costs

\$2,802

Benefit/Cost Ratio	1.29
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**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
RIM Test - Calculated data**

Appliance Type
Heating System

PGA Rate Escalator 2.4%
Base Rate Escalator 0%
Electric Rate escalator 2.4%

Depreciation Rate - Supply Main 2.80%
Depreciation Rate - Development Main 2.80%
Depreciation Rate - Service Line 4.40%
Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
Customer Charge - Electric 0%
Inflation factor 2%

Table 1

Revenue - Energy charge			
1	2	3	2*3
Year	Therms	Base Rate	Total Rate
2005	178	\$0.3767	\$67
2006	178	\$0.3767	\$67
2007	178	\$0.3767	\$67
2008	178	\$0.3767	\$67
2009	178	\$0.3767	\$67
2010	178	\$0.3767	\$67
2011	178	\$0.3767	\$67
2012	178	\$0.3767	\$67
2013	178	\$0.3767	\$67
2014	178	\$0.3767	\$67
2015	178	\$0.3767	\$67
2016	178	\$0.3767	\$67
2017	178	\$0.3767	\$67
2018	178	\$0.3767	\$67
2019	178	\$0.3767	\$67
2020	178	\$0.3767	\$67
2021	178	\$0.3767	\$67
2022	178	\$0.3767	\$67
2023	178	\$0.3767	\$67
2024	178	\$0.3767	\$67

Table 1a

Revenue - Cost of Gas			
1	2	4	2*3
Year	Therms	PGA Rate	Total Rate
2005	178	\$1.1900	\$212
2006	178	\$1.2186	\$217
2007	178	\$1.2478	\$222
2008	178	\$1.2778	\$227
2009	178	\$1.3084	\$233
2010	178	\$1.3398	\$238
2011	178	\$1.3720	\$244
2012	178	\$1.4049	\$250
2013	178	\$1.4386	\$256
2014	178	\$1.4731	\$262
2015	178	\$1.5085	\$269
2016	178	\$1.5447	\$275
2017	178	\$1.5818	\$282
2018	178	\$1.6197	\$288
2019	178	\$1.6586	\$295
2020	178	\$1.6984	\$302
2021	178	\$1.7392	\$310
2022	178	\$1.7809	\$317
2023	178	\$1.8237	\$325
2024	178	\$1.8674	\$332

Table 2

Revenue - Customer charge				
1	2	3	4	4*3
Year	Customer Charge/Mo	Annual Cust. Chg	Ratio of Therms Consumed To Total	Prorated Cust. Chg
2005	\$10.00	\$120.00	40.18%	\$48
2006	\$10.00	\$120.00	40.18%	\$48
2007	\$10.00	\$120.00	40.18%	\$48
2008	\$10.00	\$120.00	40.18%	\$48
2009	\$10.00	\$120.00	40.18%	\$48
2010	\$10.00	\$120.00	40.18%	\$48
2011	\$10.00	\$120.00	40.18%	\$48
2012	\$10.00	\$120.00	40.18%	\$48
2013	\$10.00	\$120.00	40.18%	\$48
2014	\$10.00	\$120.00	40.18%	\$48
2015	\$10.00	\$120.00	40.18%	\$48
2016	\$10.00	\$120.00	40.18%	\$48
2017	\$10.00	\$120.00	40.18%	\$48
2018	\$10.00	\$120.00	40.18%	\$48
2019	\$10.00	\$120.00	40.18%	\$48
2020	\$10.00	\$120.00	40.18%	\$48
2021	\$10.00	\$120.00	40.18%	\$48
2022	\$10.00	\$120.00	40.18%	\$48
2023	\$10.00	\$120.00	40.18%	\$48
2024	\$10.00	\$120.00	40.18%	\$48

Table 3

Investment Carrying Costs								
1	2	3	4	5	6	7	8	6*7*8
Year	Supply Main	Development Main	Service Line	Meter	Customer Cost	Avg Cost of Debt	Ratio of Therms Consumed To Total	Carrying Chg Mains & Svc
2005	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2006	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2007	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2008	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2009	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2010	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2011	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2012	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2013	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2014	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2015	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2016	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2017	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2018	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2019	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2020	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2021	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2022	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2023	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0
2024	\$0	\$0	\$0	\$0	\$0	8.83%	40.18%	\$0

Table 4

Incremental Customer Costs										
1	2	3	4	5=3*4	6	7	8=6*7	9=8	10	11
Year	Adm. Cost	Annual Adm. Cost	Ratio Therms To Total Consumed	Customer Costs	O & M Cost	Ratio Therms To Total Consumed	Main Cost	New Customer Adm. & Main - \$M		
2005	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2006	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2007	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2008	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2009	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2010	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2011	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2012	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2013	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2014	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2015	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2016	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2017	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2018	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2019	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2020	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2021	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2022	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2023	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		
2024	\$0.00	\$0	40.18%	\$	\$	40.18%	\$0	\$0		

Table 5

Gas Costs			
1	2	3	2*3
Year	Therms	Per Therm Supply Cost	Gas Supply Cost
2005	178	1.1900	\$212
2006	178	\$1.2186	\$217
2007	178	\$1.2478	\$222
2008	178	\$1.2778	\$227
2009	178	\$1.3084	\$233
2010	178	\$1.3398	\$238
2011	178	\$1.3720	\$244
2012	178	\$1.4049	\$250
2013	178	\$1.4386	\$256
2014	178	\$1.4731	\$262
2015	178	\$1.5085	\$269
2016	178	\$1.5447	\$275
2017	178	\$1.5818	\$282
2018	178	\$1.6197	\$288
2019	178	\$1.6586	\$295
2020	178	\$1.6984	\$302
2021	178	\$1.7392	\$310
2022	178	\$1.7809	\$317
2023	178	\$1.8237	\$325
2024	178	\$1.8674	\$332

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
Participants Test - Cost Effective Results**

Appliance Type
Heating System

Year	Year Number	Benefits				Costs							
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment & Installation Cost	Gas Installation Cost	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS
		Table 1						Table 2		Table 3		Table 4	
1	2	3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13
2005	1	\$353	\$350	\$192	\$895	\$2,052	(\$3,850)	\$1,450	\$192	\$233	\$74	\$53	\$204
2006	2	\$358	0	\$197	\$555	0	0	0	\$197	\$239	\$74	\$53	\$562
2007	3	\$363	0	\$201	\$564	0	0	0	\$201	\$244	\$74	\$53	\$572
2008	4	\$368	0	\$206	\$574	0	0	0	\$206	\$250	\$74	\$53	\$583
2009	5	\$372	0	\$211	\$583	0	0	0	\$211	\$256	\$74	\$53	\$594
2010	6	\$377	0	\$216	\$593	0	0	0	\$216	\$262	\$74	\$53	\$605
2011	7	\$382	0	\$221	\$603	0	0	0	\$221	\$269	\$74	\$53	\$617
2012	8	\$386	0	\$227	\$613	0	0	0	\$227	\$275	\$74	\$53	\$629
2013	9	\$391	0	\$232	\$623	0	0	0	\$232	\$282	\$74	\$53	\$641
2014	10	\$396	0	\$238	\$633	0	0	0	\$238	\$288	\$74	\$53	\$653
2015	11	\$400	0	\$243	\$644	0	0	0	\$243	\$295	\$74	\$53	\$666
2016	12	\$405	0	\$249	\$654	0	0	0	\$249	\$302	\$74	\$53	\$678
2017	13	\$410	0	\$255	\$665	0	0	0	\$255	\$310	\$74	\$53	\$692
2018	14	\$414	100	\$261	\$776	2,860	(5,366)	2,021	\$261	\$317	\$74	\$53	\$220
2019	15	\$419	0	\$268	\$687	0	0	0	\$268	\$325	\$74	\$53	\$719
2020	16	\$424	0	\$274	\$698	0	0	0	\$274	\$333	\$74	\$53	\$733
2021	17	\$428	0	\$281	\$709	0	0	0	\$281	\$341	\$74	\$53	\$748
2022	18	\$433	0	\$287	\$720	0	0	0	\$287	\$349	\$74	\$53	\$763
2023	19	\$438	0	\$294	\$732	0	0	0	\$294	\$357	\$74	\$53	\$778
2024	20	\$442	0	\$301	\$744	0	0	0	\$301	\$366	\$74	\$53	\$794

Present Value
of Benefits **\$6,399**

Present Value
of Costs **\$5,730**

Benefit/Cost Ratio	1.12
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**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
Participants Test - Data**

Appliance Type
Heating System

Escalators	0.0%	Electric rate:	2.4%	Customer CF	0%
O&M expense	2.4%	PGA Base R	0.0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	3,150	10.00%	\$353
2006	\$0.1034	3,150	10.00%	\$358
2007	\$0.1047	3,150	10.00%	\$363
2008	\$0.1061	3,150	10.00%	\$368
2009	\$0.1074	3,150	10.00%	\$372
2010	\$0.1088	3,150	10.00%	\$377
2011	\$0.1101	3,150	10.00%	\$382
2012	\$0.1115	3,150	10.00%	\$386
2013	\$0.1128	3,150	10.00%	\$391
2014	\$0.1142	3,150	10.00%	\$396
2015	\$0.1155	3,150	10.00%	\$400
2016	\$0.1169	3,150	10.00%	\$405
2017	\$0.1182	3,150	10.00%	\$410
2018	\$0.1196	3,150	10.00%	\$414
2019	\$0.1209	3,150	10.00%	\$419
2020	\$0.1223	3,150	10.00%	\$424
2021	\$0.1236	3,150	10.00%	\$428
2022	\$0.1250	3,150	10.00%	\$433
2023	\$0.1263	3,150	10.00%	\$438
2024	\$0.1277	3,150	10.00%	\$442

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	178	10.00%	\$233
2006	\$1.2186	178	10.00%	\$239
2007	\$1.2478	178	10.00%	\$244
2008	\$1.2778	178	10.00%	\$250
2009	\$1.3084	178	10.00%	\$256
2010	\$1.3398	178	10.00%	\$262
2011	\$1.3720	178	10.00%	\$269
2012	\$1.4049	178	10.00%	\$275
2013	\$1.4386	178	10.00%	\$282
2014	\$1.4731	178	10.00%	\$288
2015	\$1.5085	178	10.00%	\$295
2016	\$1.5447	178	10.00%	\$302
2017	\$1.5818	178	10.00%	\$310
2018	\$1.6197	178	10.00%	\$317
2019	\$1.6586	178	10.00%	\$325
2020	\$1.6984	178	10.00%	\$333
2021	\$1.7392	178	10.00%	\$341
2022	\$1.7809	178	10.00%	\$349
2023	\$1.8237	178	10.00%	\$357
2024	\$1.8674	178	10.00%	\$366

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	178	10.00%	\$74
2006	\$0.3767	178	10.00%	\$74
2007	\$0.3767	178	10.00%	\$74
2008	\$0.3767	178	10.00%	\$74
2009	\$0.3767	178	10.00%	\$74
2010	\$0.3767	178	10.00%	\$74
2011	\$0.3767	178	10.00%	\$74
2012	\$0.3767	178	10.00%	\$74
2013	\$0.3767	178	10.00%	\$74
2014	\$0.3767	178	10.00%	\$74
2015	\$0.3767	178	10.00%	\$74
2016	\$0.3767	178	10.00%	\$74
2017	\$0.3767	178	10.00%	\$74
2018	\$0.3767	178	10.00%	\$74
2019	\$0.3767	178	10.00%	\$74
2020	\$0.3767	178	10.00%	\$74
2021	\$0.3767	178	10.00%	\$74
2022	\$0.3767	178	10.00%	\$74
2023	\$0.3767	178	10.00%	\$74
2024	\$0.3767	178	10.00%	\$74

Gas Customer Charge - Table 3							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2006	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2007	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2008	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2009	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2010	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2011	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2012	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2013	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2014	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2015	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2016	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2017	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2018	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2019	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2020	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2021	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2022	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2023	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53
2024	\$10.00	\$120.00	178	443	40.18%	10.00%	\$53

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential Appliance Retention Program
RIM Test and Participants Test Results**

For

Clothes Drying Appliances

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
RIM Test - Results**

Appliance Type

Clothes Drying

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs	
	Table 1	Table 1A	Table 2		Table 5	Table 3	Table 4			
	1	2	3	4	2 thru 4	6	7	8	9	6 thru 9
2002	\$19	\$60	\$14	\$92	\$60	\$0	\$0	\$100	\$160	
2003	\$19	\$61	\$14	\$93	\$61	\$0	\$0	\$0	\$61	
2004	\$19	\$62	\$14	\$95	\$62	\$0	\$0	\$0	\$62	
2005	\$19	\$64	\$14	\$96	\$64	\$0	\$0	\$0	\$64	
2006	\$19	\$65	\$14	\$98	\$65	\$0	\$0	\$0	\$65	
2007	\$19	\$67	\$14	\$99	\$67	\$0	\$0	\$0	\$67	
2008	\$19	\$69	\$14	\$101	\$69	\$0	\$0	\$0	\$69	
2009	\$19	\$70	\$14	\$103	\$70	\$0	\$0	\$0	\$70	
2010	\$19	\$72	\$14	\$104	\$72	\$0	\$0	\$0	\$72	
2011	\$19	\$74	\$14	\$106	\$74	\$0	\$0	\$0	\$74	
2012	\$19	\$75	\$14	\$108	\$75	\$0	\$0	\$0	\$75	
2013	\$19	\$77	\$14	\$110	\$77	\$0	\$0	\$0	\$77	
2014	\$19	\$79	\$14	\$111	\$79	\$0	\$0	\$0	\$79	
2015	\$19	\$81	\$14	\$113	\$81	\$0	\$0	\$0	\$81	
2016	\$19	\$83	\$14	\$115	\$83	\$0	\$0	\$0	\$83	
2017	\$19	\$85	\$14	\$117	\$85	\$0	\$0	\$0	\$85	
2018	\$19	\$87	\$14	\$119	\$87	\$0	\$0	\$0	\$87	
2019	\$19	\$89	\$14	\$121	\$89	\$0	\$0	\$0	\$89	
2020	\$19	\$91	\$14	\$124	\$91	\$0	\$0	\$0	\$91	
2021	\$19	\$93	\$14	\$126	\$93	\$0	\$0	\$0	\$93	

Present Value
of Benefits

\$1,014

Present Value
of Costs

\$789

**Benefit/Cost
Ratio**

1.29

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
RIM Test - Calculated Data**

Appliance Type
Clothes Drying

PGA Rate Escalator 2.4%
Base Rate Escalator 0%
Electric Rate escalator 2.4%

Depreciation Rate - Supply Main 2.80%
Depreciation Rate - Development Main 2.80%
Depreciation Rate - Service Line 4.40%
Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
Customer Charge - Electric 0%
Inflation factor 2%

Table 1

Revenue - Energy Charge			
1	2	3	2*3
Year	Therms	Base Rate	Total Rate
2005	50	\$0.3767	\$19
2006	50	\$0.3767	\$19
2007	50	\$0.3767	\$19
2008	50	\$0.3767	\$19
2009	50	\$0.3767	\$19
2010	50	\$0.3767	\$19
2011	50	\$0.3767	\$19
2012	50	\$0.3767	\$19
2013	50	\$0.3767	\$19
2014	50	\$0.3767	\$19
2015	50	\$0.3767	\$19
2016	50	\$0.3767	\$19
2017	50	\$0.3767	\$19
2018	50	\$0.3767	\$19
2019	50	\$0.3767	\$19
2020	50	\$0.3767	\$19
2021	50	\$0.3767	\$19
2022	50	\$0.3767	\$19
2023	50	\$0.3767	\$19
2024	50	\$0.3767	\$19

Table 1a

Revenue - Cost of Gas			
1	2	4	2*3
Year	Therms	PGA Rate	Total Rate
2005	50	\$1.1900	\$60
2006	50	\$1.2196	\$61
2007	50	\$1.2478	\$62
2008	50	\$1.2778	\$64
2009	50	\$1.3084	\$65
2010	50	\$1.3398	\$67
2011	50	\$1.3720	\$69
2012	50	\$1.4049	\$70
2013	50	\$1.4386	\$72
2014	50	\$1.4731	\$74
2015	50	\$1.5085	\$75
2016	50	\$1.5447	\$77
2017	50	\$1.5818	\$79
2018	50	\$1.6197	\$81
2019	50	\$1.6586	\$83
2020	50	\$1.6984	\$85
2021	50	\$1.7392	\$87
2022	50	\$1.7809	\$89
2023	50	\$1.8237	\$91
2024	50	\$1.8674	\$93

Table 2

Revenue - Customer Charge				
1	2	3	4	4*3
Year	Customer Charge/Mo	Annual Cust. Chg	Ratio of Therms Consumed To Total	Prorated Cust. Chg
2005	\$10.00	\$120.00	11.29%	\$14
2006	\$10.00	\$120.00	11.29%	\$14
2007	\$10.00	\$120.00	11.29%	\$14
2008	\$10.00	\$120.00	11.29%	\$14
2009	\$10.00	\$120.00	11.29%	\$14
2010	\$10.00	\$120.00	11.29%	\$14
2011	\$10.00	\$120.00	11.29%	\$14
2012	\$10.00	\$120.00	11.29%	\$14
2013	\$10.00	\$120.00	11.29%	\$14
2014	\$10.00	\$120.00	11.29%	\$14
2015	\$10.00	\$120.00	11.29%	\$14
2016	\$10.00	\$120.00	11.29%	\$14
2017	\$10.00	\$120.00	11.29%	\$14
2018	\$10.00	\$120.00	11.29%	\$14
2019	\$10.00	\$120.00	11.29%	\$14
2020	\$10.00	\$120.00	11.29%	\$14
2021	\$10.00	\$120.00	11.29%	\$14
2022	\$10.00	\$120.00	11.29%	\$14
2023	\$10.00	\$120.00	11.29%	\$14
2024	\$10.00	\$120.00	11.29%	\$14

Table 3

Investment Carrying Costs								
1	2	3	4	5	6	7	8	6*7*8
Year	Supply Main	Development Main	Service Line	Meter	Customer Cost	Avg Cost of Debt	Ratio of Therms Consumed To Total	Carrying Chg Mains & Svc
2005	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2006	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2007	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2008	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2009	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2010	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2011	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2012	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2013	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2014	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2015	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2016	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2017	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2018	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2019	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2020	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2021	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2022	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2023	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0
2024	\$0	\$0	\$0	\$0	\$0	8.83%	11.29%	\$0

Table 4

Incremental Customer Costs								
1	2	3	4	5=3*4	6	7	8=6*7	5+8
Year	Adm. Cost	Annual Adm. Cost	Ratio Therms To Total Consumed	Customer Costs	O & M Cost	Ratio Therms To Total Consumed	Main Cost	New Customer Adm. & Main O&M
2005	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2006	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2007	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2008	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2009	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2010	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2011	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2012	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2013	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2014	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2015	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2016	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2017	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2018	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2019	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2020	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2021	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2022	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2023	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0
2024	\$0.00	\$0	11.29%	\$ -	\$ -	11.29%	\$0	\$0

Table 5

Gas Costs			
1	2	3	2*3
Year	Therms	Per Therm Supply Cost	Gas Supply Cost
2005	50	\$1.1900	\$60
2006	50	\$1.2186	\$61
2007	50	\$1.2478	\$62
2008	50	\$1.2778	\$64
2009	50	\$1.3084	\$65
2010	50	\$1.3398	\$67
2011	50	\$1.3720	\$69
2012	50	\$1.4049	\$70
2013	50	\$1.4386	\$72
2014	50	\$1.4731	\$74
2015	50	\$1.5085	\$75
2016	50	\$1.5447	\$77
2017	50	\$1.5818	\$79
2018	50	\$1.6197	\$81
2019	50	\$1.6586	\$83
2020	50	\$1.6984	\$85
2021	50	\$1.7392	\$87
2022	50	\$1.7809	\$89
2023	50	\$1.8237	\$91
2024	50	\$1.8674	\$93

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
Participants Test - Cost Effective Results**

Appliance Type
Clothes Drying

Year	Year Number	Benefits				Costs							
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment & Installation Cost	Gas Installation Cost	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS
		Table 1								Table 2	Table 3	Table 4	
		3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13
2005	1	\$164	\$100	\$36	\$300	\$379	(\$454)	\$150	\$36	\$65	\$21	\$15	\$212
2006	2	\$167	0	\$37	\$203	0	0	0	\$37	\$67	\$21	\$15	\$140
2007	3	\$169	0	\$38	\$207	0	0	0	\$38	\$69	\$21	\$15	\$142
2008	4	\$171	0	\$39	\$210	0	0	0	\$39	\$70	\$21	\$15	\$145
2009	5	\$173	0	\$40	\$213	0	0	0	\$40	\$72	\$21	\$15	\$147
2010	6	\$175	0	\$41	\$216	0	0	0	\$41	\$74	\$21	\$15	\$150
2011	7	\$177	0	\$42	\$219	0	0	0	\$42	\$75	\$21	\$15	\$153
2012	8	\$180	0	\$43	\$222	0	0	0	\$43	\$77	\$21	\$15	\$155
2013	9	\$182	0	\$44	\$225	0	0	0	\$44	\$79	\$21	\$15	\$158
2014	10	\$184	0	\$45	\$229	0	0	0	\$45	\$81	\$21	\$15	\$161
2015	11	\$186	0	\$46	\$232	0	0	0	\$46	\$83	\$21	\$15	\$164
2016	12	\$188	0	\$47	\$235	0	0	0	\$47	\$85	\$21	\$15	\$167
2017	13	\$191	0	\$48	\$238	0	0	0	\$48	\$87	\$21	\$15	\$170
2018	14	\$193	100	\$49	\$342	528	(633)	209	\$49	\$89	\$21	\$15	\$278
2019	15	\$195	0	\$50	\$245	0	0	0	\$50	\$91	\$21	\$15	\$177
2020	16	\$197	0	\$51	\$248	0	0	0	\$51	\$93	\$21	\$15	\$180
2021	17	\$199	0	\$53	\$252	0	0	0	\$53	\$96	\$21	\$15	\$184
2022	18	\$201	0	\$54	\$255	0	0	0	\$54	\$98	\$21	\$15	\$187
2023	19	\$204	0	\$55	\$259	0	0	0	\$55	\$100	\$21	\$15	\$191
2024	20	\$206	0	\$56	\$262	0	0	0	\$56	\$103	\$21	\$15	\$195

Present Value of Benefits \$2,312

Present Value of Costs \$1,642

Benefit/Cost Ratio	1.41
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**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
Participants Test - Data**

Appliance Type
Clothes Drying

O&M expense	2%	PGA Gas Rates	2%	Electric rates (tu)	0%
Customer Cf	0%				

Electric KWH Cost - Table 1					
Year	Unit KWH Annual KWH used	Cost	Tax & Fees	Electric Cost	
A	B	C	D	B-C*(1+D)	
2005	\$0 1020	1,465	10.00%	\$164	
2006	\$0 1034	1,465	10.00%	\$167	
2007	\$0 1047	1,465	10.00%	\$169	
2008	\$0 1061	1,465	10.00%	\$171	
2009	\$0 1074	1,465	10.00%	\$173	
2010	\$0 1088	1,465	10.00%	\$175	
2011	\$0 1101	1,465	10.00%	\$177	
2012	\$0 1115	1,465	10.00%	\$180	
2013	\$0 1128	1,465	10.00%	\$182	
2014	\$0 1142	1,465	10.00%	\$184	
2015	\$0 1155	1,465	10.00%	\$186	
2016	\$0 1169	1,465	10.00%	\$188	
2017	\$0 1182	1,465	10.00%	\$191	
2018	\$0 1196	1,465	10.00%	\$193	
2019	\$0 1209	1,465	10.00%	\$195	
2020	\$0 1223	1,465	10.00%	\$197	
2021	\$0 1236	1,465	10.00%	\$199	
2022	\$0 1250	1,465	10.00%	\$201	
2023	\$0 1253	1,465	10.00%	\$204	
2024	\$0 1277	1,465	10.00%	\$206	

Gas Supply Cost - Table 2					
Year	Therm Cost	Annual Therm used	Tax & Fees	Gas Cost	
A	B	C	D	B-C*(1+D)	
2005	\$1 1900	50	10.00%	\$65	
2006	\$1 2186	50	10.00%	\$67	
2007	\$1 2478	50	10.00%	\$69	
2008	\$1 2778	50	10.00%	\$70	
2009	\$1 3084	50	10.00%	\$72	
2010	\$1 3396	50	10.00%	\$74	
2011	\$1 3720	50	10.00%	\$75	
2012	\$1 4049	50	10.00%	\$77	
2013	\$1 4386	50	10.00%	\$79	
2014	\$1 4731	50	10.00%	\$81	
2015	\$1 5065	50	10.00%	\$83	
2016	\$1 5447	50	10.00%	\$85	
2017	\$1 5818	50	10.00%	\$87	
2018	\$1 6197	50	10.00%	\$89	
2019	\$1 6586	50	10.00%	\$91	
2020	\$1 6984	50	10.00%	\$93	
2021	\$1 7392	50	10.00%	\$96	
2022	\$1 7809	50	10.00%	\$98	
2023	\$1 8237	50	10.00%	\$100	
2024	\$1 8674	50	10.00%	\$103	

Gas Energy Charge - Table 3					
Year	Rate Per Therm Annual	Therm used	Tax & Fees	Gas Cost	
A	B	C	D	B-C*(1+D)	
2005	\$0 3767	50	10.00%	\$21	
2006	\$0 3767	50	10.00%	\$21	
2007	\$0 3767	50	10.00%	\$21	
2008	\$0 3767	50	10.00%	\$21	
2009	\$0 3767	50	10.00%	\$21	
2010	\$0 3767	50	10.00%	\$21	
2011	\$0 3767	50	10.00%	\$21	
2012	\$0 3767	50	10.00%	\$21	
2013	\$0 3767	50	10.00%	\$21	
2014	\$0 3767	50	10.00%	\$21	
2015	\$0 3767	50	10.00%	\$21	
2016	\$0 3767	50	10.00%	\$21	
2017	\$0 3767	50	10.00%	\$21	
2018	\$0 3767	50	10.00%	\$21	
2019	\$0 3767	50	10.00%	\$21	
2020	\$0 3767	50	10.00%	\$21	
2021	\$0 3767	50	10.00%	\$21	
2022	\$0 3767	50	10.00%	\$21	
2023	\$0 3767	50	10.00%	\$21	
2024	\$0 3767	50	10.00%	\$21	

Gas Customer Charge - Table 3						
Year	Monthly Cust. Annual Charge	Annual Cust. Annual Charge	Appliance Annual Therm	Total Annual Appliance Therm	Ratio - Appliance to Total	D/E
A	B	C	D	E	F	G
2005	\$10	\$120.00	50	443	11.29%	10.00%
2006	\$10.00	\$120.00	50	443	11.29%	10.00%
2007	\$10.00	\$120.00	50	443	11.29%	10.00%
2008	\$10.00	\$120.00	50	443	11.29%	10.00%
2009	\$10.00	\$120.00	50	443	11.29%	10.00%
2010	\$10.00	\$120.00	50	443	11.29%	10.00%
2011	\$10.00	\$120.00	50	443	11.29%	10.00%
2012	\$10.00	\$120.00	50	443	11.29%	10.00%
2013	\$10.00	\$120.00	50	443	11.29%	10.00%
2014	\$10.00	\$120.00	50	443	11.29%	10.00%
2015	\$10.00	\$120.00	50	443	11.29%	10.00%
2016	\$10.00	\$120.00	50	443	11.29%	10.00%
2017	\$10.00	\$120.00	50	443	11.29%	10.00%
2018	\$10.00	\$120.00	50	443	11.29%	10.00%
2019	\$10.00	\$120.00	50	443	11.29%	10.00%
2020	\$10.00	\$120.00	50	443	11.29%	10.00%
2021	\$10.00	\$120.00	50	443	11.29%	10.00%
2022	\$10.00	\$120.00	50	443	11.29%	10.00%
2023	\$10.00	\$120.00	50	443	11.29%	10.00%
2024	\$10.00	\$120.00	50	443	11.29%	10.00%

C*(D/E)*(1+2)

Exhibit A

**Peoples Gas System
Energy Conservation Program
June 21, 2006**

**Residential Appliance Retention Program
RIM Test and Participants Test Results**

For

Cooking Appliances

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
RIM Test - Results**

Appliance Type
Cooking

	Incremental Revenue Energy charge	Incremental Revenue Cost of Gas	Incremental Customer Charge	Total Revenue	Gas Supply Cost	Investment Carrying Costs	Incremental Customer Costs	Program Cost	Total Costs
	Table 1	Table 1A	Table 2	2 thru 4	Table 5	Table 3	Table 4	9	6 thru 9
	1	2	3	4	6	7	8	9	6 thru 9
2002	\$17	\$54	\$12	\$83	\$54	\$0	\$0	\$100	\$154
2003	\$17	\$55	\$12	\$84	\$55	\$0	\$0	\$0	\$55
2004	\$17	\$56	\$12	\$85	\$56	\$0	\$0	\$0	\$56
2005	\$17	\$57	\$12	\$87	\$57	\$0	\$0	\$0	\$57
2006	\$17	\$59	\$12	\$88	\$59	\$0	\$0	\$0	\$59
2007	\$17	\$60	\$12	\$89	\$60	\$0	\$0	\$0	\$60
2008	\$17	\$62	\$12	\$91	\$62	\$0	\$0	\$0	\$62
2009	\$17	\$63	\$12	\$92	\$63	\$0	\$0	\$0	\$63
2010	\$17	\$65	\$12	\$94	\$65	\$0	\$0	\$0	\$65
2011	\$17	\$66	\$12	\$95	\$66	\$0	\$0	\$0	\$66
2012	\$17	\$68	\$12	\$97	\$68	\$0	\$0	\$0	\$68
2013	\$17	\$70	\$12	\$99	\$70	\$0	\$0	\$0	\$70
2014	\$17	\$71	\$12	\$100	\$71	\$0	\$0	\$0	\$71
2015	\$17	\$73	\$12	\$102	\$73	\$0	\$0	\$0	\$73
2016	\$17	\$75	\$12	\$104	\$75	\$0	\$0	\$0	\$75
2017	\$17	\$76	\$12	\$106	\$76	\$0	\$0	\$0	\$76
2018	\$17	\$78	\$12	\$107	\$78	\$0	\$0	\$0	\$78
2019	\$17	\$80	\$12	\$109	\$80	\$0	\$0	\$0	\$80
2020	\$17	\$82	\$12	\$111	\$82	\$0	\$0	\$0	\$82
2021	\$17	\$84	\$12	\$113	\$84	\$0	\$0	\$0	\$84

Present Value
of Benefits

\$913

Present Value
of Costs

\$719

Benefit/Cost
Ratio

1.27

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
RIM Test - Calculated Data**

Appliance Type	
Cooking	

PGA Rate Escalator 2%
Base Rate Escalator 0%
Electric Rate escalator 2%

Depreciation Rate - Supply Main 2.80%
Depreciation Rate - Development Main 2.80%
Depreciation Rate - Service Line 4.40%
Depreciation Rate - Meter 5.40%

Customer Charge - Gas 0%
Customer Charge - Electric 0%
Inflation factor 2%

Table 1

Revenue - Energy Charge				
1	2	3	2*3	
Year	Therms	Base Rate	Total Rate	
2005	45	\$0.3767	\$17	\$17
2006	45	\$0.3767	\$17	\$17
2007	45	\$0.3767	\$17	\$17
2008	45	\$0.3767	\$17	\$17
2009	45	\$0.3767	\$17	\$17
2010	45	\$0.3767	\$17	\$17
2011	45	\$0.3767	\$17	\$17
2012	45	\$0.3767	\$17	\$17
2013	45	\$0.3767	\$17	\$17
2014	45	\$0.3767	\$17	\$17
2015	45	\$0.3767	\$17	\$17
2016	45	\$0.3767	\$17	\$17
2017	45	\$0.3767	\$17	\$17
2018	45	\$0.3767	\$17	\$17
2019	45	\$0.3767	\$17	\$17
2020	45	\$0.3767	\$17	\$17
2021	45	\$0.3767	\$17	\$17
2022	45	\$0.3767	\$17	\$17
2023	45	\$0.3767	\$17	\$17
2024	45	\$0.3767	\$17	\$17

Table 1a

Revenue - Cost of Gas				
1	2	4	2*3	
Year	Therms	PGA Rate	Total Rate	
2005	45	\$1.1900	\$54	\$54
2006	45	\$1.2186	\$55	\$55
2007	45	\$1.2478	\$56	\$56
2008	45	\$1.2778	\$57	\$57
2009	45	\$1.3084	\$59	\$59
2010	45	\$1.3398	\$60	\$60
2011	45	\$1.3720	\$62	\$62
2012	45	\$1.4049	\$63	\$63
2013	45	\$1.4386	\$65	\$65
2014	45	\$1.4731	\$66	\$66
2015	45	\$1.5085	\$68	\$68
2016	45	\$1.5447	\$70	\$70
2017	45	\$1.5818	\$71	\$71
2018	45	\$1.6197	\$73	\$73
2019	45	\$1.6586	\$75	\$75
2020	45	\$1.6984	\$76	\$76
2021	45	\$1.7392	\$78	\$78
2022	45	\$1.7809	\$80	\$80
2023	45	\$1.8237	\$82	\$82
2024	45	\$1.8674	\$84	\$84

Table 2

Revenue - Customer Charge				
1	2	3	4	4*3
Year	Customer Charge/Mo	Annual Cust. Chg	Ratio of Therms Consumed To Total	Prorated Cust. Chg
2005	\$10.00	\$120.00	10.16%	\$12
2006	\$10.00	\$120.00	10.16%	\$12
2007	\$10.00	\$120.00	10.16%	\$12
2008	\$10.00	\$120.00	10.16%	\$12
2009	\$10.00	\$120.00	10.16%	\$12
2010	\$10.00	\$120.00	10.16%	\$12
2011	\$10.00	\$120.00	10.16%	\$12
2012	\$10.00	\$120.00	10.16%	\$12
2013	\$10.00	\$120.00	10.16%	\$12
2014	\$10.00	\$120.00	10.16%	\$12
2015	\$10.00	\$120.00	10.16%	\$12
2016	\$10.00	\$120.00	10.16%	\$12
2017	\$10.00	\$120.00	10.16%	\$12
2018	\$10.00	\$120.00	10.16%	\$12
2019	\$10.00	\$120.00	10.16%	\$12
2020	\$10.00	\$120.00	10.16%	\$12
2021	\$10.00	\$120.00	10.16%	\$12
2022	\$10.00	\$120.00	10.16%	\$12
2023	\$10.00	\$120.00	10.16%	\$12
2024	\$10.00	\$120.00	10.16%	\$12

Table 3

Investment Carrying Costs							
1	2	3	4	5	6	7	8
Year	Supply Main	Development Main	Service Line	Meter	Customer Cost	Avg Cost of Debt	Ratio of Therms Consumed To Total
2005	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2006	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2007	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2008	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2009	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2010	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2011	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2012	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2013	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2014	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2015	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2016	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2017	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2018	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2019	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2020	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2021	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2022	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2023	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%
2024	\$0	\$0	\$0	\$0	\$0	8.83%	10.16%

Table 4

Incremental Customer Costs							
1	2	3	4	5=3*4	6	7	8=6*7
Year	Adm. Cost	Annual Adm. Cost	Ratio Therms To Total Consumed	Customer Costs	O & M Cost	Ratio Therms To Total Consumed	Main Cost
2005	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2006	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2007	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2008	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2009	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2010	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2011	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2012	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2013	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2014	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2015	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2016	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2017	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2018	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2019	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2020	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2021	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2022	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2023	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0
2024	\$0.00	\$0	10.16%	\$ -	\$ -	10.16%	\$0

Table 5

Gas Costs				
1	2	3	2*3	
Year	Therms	Commodity Gas Supply Cost	Gas Supply Cost	
2005	45	1.1900	\$54	\$54
2006	45	\$1.2186	\$55	\$55
2007	45	\$1.2478	\$56	\$56
2008	45	\$1.2778	\$57	\$57
2009	45	\$1.3084	\$59	\$59
2010	45	\$1.3398	\$60	\$60
2011	45	\$1.3720	\$62	\$62
2012	45	\$1.4049	\$63	\$63
2013	45	\$1.4386	\$65	\$65
2014	45	\$1.4731	\$66	\$66
2015	45	\$1.5085	\$68	\$68
2016	45	\$1.5447	\$70	\$70
2017	45	\$1.5818	\$71	\$71
2018	45	\$1.6197	\$73	\$73
2019	45	\$1.6586	\$75	\$75
2020	45	\$1.6984	\$76	\$76
2021	45	\$1.7392	\$78	\$78
2022	45	\$1.7809	\$80	\$80
2023	45	\$1.8237	\$82	\$82
2024	45	\$1.8674	\$84	\$84

**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
Participants Test - Cost Effective Results**

Appliance Type
Cooking

Year	Year Number	Benefits				Costs							
		Avoided Electric Cost	Gas Rebate	Avoided Electric O&M	TOTAL BENEFITS	Gas Equipment Cost	Electric Equipment & Installation Cost	Gas Installation Cost	Gas Appliance O & M	Incremental Gas PGA Cost	Incremental Gas Energy Cost	Gas Customer Charge	TOTAL COSTS
		Table 1				Table 2		Table 3	Table 4				
1	2	3	4	5	3 thru 6	7	8	9	10	11	12	13	7 thru 13
2005	1	\$147	\$100	\$36	\$283	\$449	(\$574)	\$200	\$36	\$59	\$19	\$13	\$202
2006	2	\$149	0	\$37	\$186	0	0	0	\$37	\$60	\$19	\$13	\$129
2007	3	\$151	0	\$38	\$189	0	0	0	\$38	\$62	\$19	\$13	\$132
2008	4	\$153	0	\$39	\$191	0	0	0	\$39	\$63	\$19	\$13	\$134
2009	5	\$155	0	\$40	\$194	0	0	0	\$40	\$65	\$19	\$13	\$136
2010	6	\$157	0	\$41	\$197	0	0	0	\$41	\$66	\$19	\$13	\$139
2011	7	\$159	0	\$42	\$200	0	0	0	\$42	\$68	\$19	\$13	\$141
2012	8	\$161	0	\$43	\$203	0	0	0	\$43	\$70	\$19	\$13	\$144
2013	9	\$163	0	\$44	\$206	0	0	0	\$44	\$71	\$19	\$13	\$147
2014	10	\$165	0	\$45	\$209	0	0	0	\$45	\$73	\$19	\$13	\$150
2015	11	\$166	0	\$46	\$212	0	0	0	\$46	\$75	\$19	\$13	\$152
2016	12	\$168	0	\$47	\$215	0	0	0	\$47	\$76	\$19	\$13	\$155
2017	13	\$170	0	\$48	\$218	0	0	0	\$48	\$78	\$19	\$13	\$158
2018	14	\$172	100	\$49	\$321	626	(800)	279	\$49	\$80	\$19	\$13	\$266
2019	15	\$174	0	\$50	\$224	0	0	0	\$50	\$82	\$19	\$13	\$164
2020	16	\$176	0	\$51	\$228	0	0	0	\$51	\$84	\$19	\$13	\$168
2021	17	\$178	0	\$53	\$231	0	0	0	\$53	\$86	\$19	\$13	\$171
2022	18	\$180	0	\$54	\$234	0	0	0	\$54	\$88	\$19	\$13	\$174
2023	19	\$182	0	\$55	\$237	0	0	0	\$55	\$90	\$19	\$13	\$177
2024	20	\$184	0	\$56	\$240	0	0	0	\$56	\$92	\$19	\$13	\$181

Present Value of Benefits \$2,126

Present Value of Costs \$1,530

Benefit/Cost Ratio	1.39
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**Peoples Gas System - Energy Conservation Filing 2006
Residential Appliance Retention Program
Participants Test - Data**

Appliance Type	
Cooking	

O&M expense	2%	PGA Gas Ra	2%	Customer Ct	0%
Electric rates (fu	2%	PGA Base R.	0%		

Electric KWH Cost - Table 1				
Year	Unit KWH Cost	Annual KWH used	Tax & Fees	Electric Cost
A	B	C	D	B*C*(1+D)
2005	\$0.1020	1,310	10.00%	\$147
2006	\$0.1034	1,310	10.00%	\$149
2007	\$0.1047	1,310	10.00%	\$151
2008	\$0.1061	1,310	10.00%	\$153
2009	\$0.1074	1,310	10.00%	\$155
2010	\$0.1088	1,310	10.00%	\$157
2011	\$0.1101	1,310	10.00%	\$159
2012	\$0.1115	1,310	10.00%	\$161
2013	\$0.1128	1,310	10.00%	\$163
2014	\$0.1142	1,310	10.00%	\$165
2015	\$0.1155	1,310	10.00%	\$166
2016	\$0.1169	1,310	10.00%	\$168
2017	\$0.1182	1,310	10.00%	\$170
2018	\$0.1196	1,310	10.00%	\$172
2019	\$0.1209	1,310	10.00%	\$174
2020	\$0.1223	1,310	10.00%	\$176
2021	\$0.1236	1,310	10.00%	\$178
2022	\$0.1250	1,310	10.00%	\$180
2023	\$0.1263	1,310	10.00%	\$182
2024	\$0.1277	1,310	10.00%	\$184

Gas Supply Cost - Table 2				
Year	Therm Cost	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$1.1900	45	10.00%	\$59
2006	\$1.2186	45	10.00%	\$60
2007	\$1.2478	45	10.00%	\$62
2008	\$1.2778	45	10.00%	\$63
2009	\$1.3084	45	10.00%	\$65
2010	\$1.3398	45	10.00%	\$66
2011	\$1.3720	45	10.00%	\$68
2012	\$1.4049	45	10.00%	\$70
2013	\$1.4386	45	10.00%	\$71
2014	\$1.4731	45	10.00%	\$73
2015	\$1.5085	45	10.00%	\$75
2016	\$1.5447	45	10.00%	\$76
2017	\$1.5818	45	10.00%	\$78
2018	\$1.6197	45	10.00%	\$80
2019	\$1.6586	45	10.00%	\$82
2020	\$1.6984	45	10.00%	\$84
2021	\$1.7392	45	10.00%	\$86
2022	\$1.7909	45	10.00%	\$88
2023	\$1.8237	45	10.00%	\$90
2024	\$1.8674	45	10.00%	\$92

Gas Energy Charge - Table 3				
Year	Rate Per Therm	Annual Therms used	Tax & Fees	Gas Cost
A	B	C	D	B*C*(1+D)
2005	\$0.3767	45	10.00%	\$19
2006	\$0.3767	45	10.00%	\$19
2007	\$0.3767	45	10.00%	\$19
2008	\$0.3767	45	10.00%	\$19
2009	\$0.3767	45	10.00%	\$19
2010	\$0.3767	45	10.00%	\$19
2011	\$0.3767	45	10.00%	\$19
2012	\$0.3767	45	10.00%	\$19
2013	\$0.3767	45	10.00%	\$19
2014	\$0.3767	45	10.00%	\$19
2015	\$0.3767	45	10.00%	\$19
2016	\$0.3767	45	10.00%	\$19
2017	\$0.3767	45	10.00%	\$19
2018	\$0.3767	45	10.00%	\$19
2019	\$0.3767	45	10.00%	\$19
2020	\$0.3767	45	10.00%	\$19
2021	\$0.3767	45	10.00%	\$19
2022	\$0.3767	45	10.00%	\$19
2023	\$0.3767	45	10.00%	\$19
2024	\$0.3767	45	10.00%	\$19

Gas Customer Charge - Table 3							
Year	Monthly Cust. Charge	Annual Cust. Charge	Appliance Annual Therms	Total Annual Therms	Ratio - Appliance to Total	Tax & Fees	Pro-Rated Cust Charge
A	B	C	D	E	D/E	G	C*(D/E)*(1+Z)
2005	\$10	\$120.00	45	443	10.16%	10.00%	\$13
2006	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2007	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2008	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2009	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2010	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2011	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2012	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2013	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2014	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2015	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2016	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2017	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2018	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2019	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2020	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2021	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2022	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2023	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13
2024	\$10.00	\$120.00	45	443	10.16%	10.00%	\$13

Program 1 RESIDENTIAL HOME BUILDER PROGRAM

I. Program Description

The objective of this program is to reduce the growth rates of electric consumption, increase the conservation of energy resources and minimize ratepayers' total energy cost. This program is designed to expand the overall energy efficiency in the new home construction market through the installation of efficient gas appliances. The incentives offered to builders under this program are designed to assist in defraying the added cost of gas piping and venting. Participation in this program is open to any builder or developer of homes who installs the following energy efficient appliances: whole house gas heating, and/or water heating. Allowances are available for the installation of a range or cook top and clothes dryer if either the water heating or whole house gas heating appliances are installed.

II. Program Participation Standards

Any builder of a new single family residential dwelling, or multi-family dwelling who installs energy efficient gas fired heating and/or water heating can participate in this program. Builders participating in the program will receive an incentive in the form of a cash allowance to assist in defraying the added cost of construction associated with piping and venting required for the installation of gas equipment. For multi-family residential installations with central heating and/or water heating systems, Peoples would pay allowances based on the number of residential dwelling units served by the central system.

III. Program Allowances

The allowances under this program are as follows:

	Water Heater	Heating	Range	Dryer
Tank	\$350	\$350	\$100	\$100
Tankless	\$450			

If a residence installs multiple appliances of the same type, i.e. two water heaters or furnaces, the additional units may be paid an additional allowance. This does not apply to a range or dryer.

Request for allowances must be submitted within one year of installation.

Program 2 GAS LOAD RETENTION PROGRAM

I. Program Description

This program is designed to promote the continued use of gas for water heating, heating, cooking and clothes drying thereby reducing gas to electric conversions. The tendency, often under emergency situations (leaking or inoperative equipment), is to make a quick fix by replacing an existing gas water heater with electric because of lower first cost and easier installation. When this occurs, other efforts designed to reduce consumption and KW demand are negated. This program is designed to promote the efficiencies of gas and continue the conservation of petroleum fuels, KWH consumption and KW demand.

The program will emphasize gas water heater installations because they are generally the greatest energy user in the home or business on a year around basis. By providing incentives to keep this appliance in place, the program retains gas service to the customer and encourages additional potential utilization of gas in replacement of other electric resistance appliances.

II. Program Participation Standards

Any current customer using gas for water heating, heating, cooking or clothes drying can participate in the program when they replace an existing natural gas appliance with an energy efficient appliance. The allowance is designed to defray the higher purchase cost associated with gas appliances and generally higher installation cost over similar sized electric appliances.

III. Program Allowances

Allowances under the program are as follows:

Tankless Water Heater	\$450
Tank Water Heater	\$350
Furnace	\$350
Cooktop / Range	\$100
Clothes Dryer	\$100

Request for allowances must be submitted within one year of installation.

**Program 3 RESIDENTIAL ELECTRIC RESISTANCE APPLIANCE
 REPLACEMENT PROGRAM**

I. Program Description

The objective of this program is to reduce the growth rates of electric consumption and to optimize the use of existing gas facilities. This program is designed to reactivate existing service lines, convert seasonal gas heating customers to year round usage and convert non-customers from electric to gas. Participation in the program is open to current customers or potential customers who, by virtue of their location, have gas service available to them.

II. Program Participation Standards

Any current or potential residential customer using electricity for water heating, strip central heating, cooking, clothes drying or space heating is eligible to participate in the program by replacing an electric appliance with a gas appliance. Electric resistance appliances must be replaced with energy efficient gas appliances. Participating customers will receive an incentive allowance to assist in defraying the additional cost of gas piping and appliance venting required for conversion from electric energy to gas including the cost of an energy efficient gas water heater if replacing electric.

III. Program Allowances

The eligible appliances and allowances under the program are:

Tank Water Heater	\$525
Tankless Water Heating	\$525
Heating	\$625
Cooking	\$100
Clothes Dryer	\$100
Space Heating	\$65

Request for allowances must be submitted within one year of installation.

Program 4 COMMERCIAL ELECTRIC APPLIANCE RESISTANCE APPLIANCE REPLACEMENT PROGRAM

I. Program Description

This program is designed to convert on-main, non-residential customers from electric resistance appliances to every efficient gas appliances, effectively reducing kW and kWh within our service area to reduce the growth rates of electric consumption.

II. Program Participation Standards

Offer non-residential customers an incentive allowance of \$40 per kW deferred to assist in defraying the additional cost of gas piping and venting required for conversion from electric to gas and the cost of an energy efficient gas appliance. Program is available to non-residential customers replacing electric equipment with an input of 6,000 watts or more with an energy efficient gas appliance.

III. Program Allowances

Allowance: \$40/kw deferred
Maximum: \$4,000 per project

Request for allowances must be submitted within one year of installation.

Program 5 GAS SPACE CONDITIONING ALLOWANCE PROGRAM

I. Program Description

This program is designed to convert on-main customers from electric space conditioning equipment to energy efficient gas space conditioning equipment. The program offers an allowance to reduce generally higher first costs of gas space conditioning equipment over equivalent electric equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH consumption. The Gas Space Conditioning Program is intended to include participation by residential and commercial firm gas customers and is intended to apply to total space conditioning which includes not only heating and cooling but also humidity control.

II. Program Participation Standards

Any current gas customer or potential customer using electricity for space conditioning would be offered an incentive allowance of \$150 per ton to assist in defraying the additional cost of conversion to gas and the cost of energy efficient gas equipment. The program is available to customers replacing electric space conditioning with gas equipment having a COP of .8 or above.

III. Program Allowances

\$150 per ton up to a maximum of 100 tons

Request for allowances must be submitted within one year of installation

**Program 6 SMALL PACKAGE COGENERATION AND FEASIBILITY
STUDY PROGRAM**

I. Program Description

This program will promote the direct use of natural gas to generate 'on-site power with options to utilize the waste heat for heating, cooling and water heating. This program would also help off-set the cost of feasibility studies for customers interested in obtaining information necessary to make a decision to proceed with cogeneration installations.

This program is designed to support the goals of the overall conservation program effort and addresses specifically reducing kilowatt hour (KWH) consumption increasing the conservation of petroleum fuels, and promoting the increase of the efficient use of natural gas. Electrical power production generated from a cogeneration facility defers KWH on a one to one basis. The use of the rejected heat raises the thermal efficiency of the facility and further reduces KWH consumption.

II. Program Participation Standards

This program would allow eligible customers to receive incentive dollars to assist in defraying the cost of engineering feasibility studies. The customer would also be eligible for an incentive allowance to assist in defraying the cost of cogeneration equipment, and installation. Any current or potential non-residential customer would be eligible for the program. Eligibility is, however, conditioned on the results of a preliminary cost effectiveness analysis based on fuel, maintenance and capital expenses of the proposed project.

III. Program Allowances

Feasibility study: Maximum of \$5,000 per project.

Equipment/Installation: \$150 per KWD deferred up to 150 KWD maximum per project

Request for allowances must be submitted within one year of installation.

Program 7 Program Monitoring, Evaluation, and Research Demonstration

I. Program Description

The projected costs and benefits of the Company's Energy Conservation Programs are affected by the number of participating customers, the extent of their participation, as well as the assumptions used in estimating costs and savings to be derived from the programs. Continual monitoring and evaluation of other conservation programs, and existing and new technologies, will enable the Company and the Commission to more accurately assess the costs incurred and benefits derived from energy conservation programs.

II. Program Standards

Program monitoring, evaluation and research demonstration includes but is not limited to:

- Evaluation of KW demand and Kwh consumption attributable to electric appliances replaced by energy efficient gas appliances

- Gas consumption of gas appliances based on varying conditions, i.e. climate, lifestyle, etc.

- Evaluation and demonstration of technologies such as desiccant cooling, self-generation, fuel cells, or other technologies which may hold promise for improving energy conservation and reduction of alternative fuel sources.

When a technology or program is under evaluation, accurate records will be maintained by the Company to document gas consumption as well as the associated alternative fuel savings as it relates to demand and consumption. The program monitoring and evaluation and research demonstration will be carried out at an annual estimated cost of \$80,000.