

1 Q. Please state your name and business address.

2

3 A. My name is W. Edward Elliott. My business address is 702
4 N. Franklin Street, P. O. Box 2562, Tampa, Florida 33601-
5 2562.

6

7 Q. By whom are you employed and in what capacity?

8

9 A. I am Manager of Gas Accounting for Peoples Gas System
10 ("Peoples" or "Company"), a division of Tampa Electric
11 Company.

12

13 Q. Please summarize your educational background and
14 professional qualifications.

15

16 A. I graduated from the University of South Florida in 1972
17 with the degree of Bachelor of Arts in Accounting. I
18 have over 18 years of experience in the utility field.

19

20 Q. What are your primary responsibilities in your present
21 position with Peoples?

22

23 A. As Manager of Gas Accounting, I am responsible for
24 recording the Company's costs for natural gas and
25 upstream pipeline capacity and preparing filings.

08475 SEP 15 8

FPSC-COMMISSION CLERK

1 associated with the recovery of these costs through the
2 Purchased Gas Adjustment ("PGA").
3

4 **Q.** Have you previously testified in regulatory proceedings
5 before this Commission?
6

7 **A.** Yes. I have submitted testimony on several occasions
8 supporting Peoples' Purchased Gas Adjustment.
9

10 **Q.** What is the purpose of your testimony in this docket?
11

12 **A.** The purpose of my testimony is to describe generally the
13 components of Peoples' cost of purchased gas and upstream
14 pipeline capacity. In my testimony, I also explain how
15 Peoples' projected weighted average cost of gas ("WACOG")
16 for the January 2007 through December 2007 period was
17 determined and the resulting requested maximum PGA
18 ("Cap").
19

20 **Q.** Please summarize your testimony.
21

22 **A.** I will address the following areas:
23

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

- 1 2. Estimates and adjustments used to determine the
- 2 amount of gas to be purchased from Peoples'
- 3 various available sources of supply during the
- 4 projected period.
- 5 3. Projections and assumptions used to estimate the
- 6 purchase price to be paid by Peoples for such gas
- 7 supplies.
- 8 4. The components and assumptions used to develop
- 9 Peoples' projected WACOG.

10

11 **Q.** What is the appropriate final purchased gas adjustment
12 true-up amount for the period January 2005 through
13 December 2005?

14

15 **A.** The final PGA true-up amount for the year 2005 is an
16 underrecovery of \$10,786,747.

17

18 **Q.** What is the estimated purchased gas adjustment true-up
19 amount for the period January 2006 through December 2006?

20

21 **A.** The estimated PGA true-up amount for 2006 is an
22 overrecovery of \$15,611,711.

23

24 **Q.** What is the total purchased gas adjustment true-up amount
25 to be collected during the period January 2007 through

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

December 2007?

A. The total PGA true-up amount to be refunded in 2007 is an overrecovery of \$4,824,964.

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

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

Q. Please describe how Peoples will obtain its gas supplies during the projected period of January 2007 through December 2007.

A. All natural gas delivered through Peoples' distribution system is received through three interstate pipelines. Gas is delivered through Florida Gas Transmission Company ("FGT"), through Southern Natural Gas Company ("Southern") in Peoples' Jacksonville Division, and through Gulfstream Natural Gas System ("Gulfstream") in Peoples' Highlands, Tampa, and Orlando Divisions. Receiving gas supply through multiple interstate pipelines provides valuable flexibility and reliability to serve customers.

1 Q. In general, how does Peoples determine its sources of
2 supply?

3
4 A. Peoples evaluates, selects and utilizes sources of natural
5 gas supply on the basis of its "best value" gas
6 acquisition strategy. For a source of supply to be
7 identified as a "best value," it must offer the best
8 combination of price, reliability of supply, and
9 flexibility, consistent with Peoples' obligation as a
10 public utility to provide safe, adequate and efficient
11 service to the general public. Through a competitive
12 bidding process, Peoples has a portfolio of supply sources
13 from numerous third-party suppliers that reflect balance
14 between cost, reliability and operational flexibility.

15
16 Q. Could Peoples purchase all third party supplies in
17 advance for a long term at the lowest available fixed
18 price in order to provide increased stability to its
19 cost of gas?

20
21 A. No. Peoples' quantity requirements for system supply gas
22 vary significantly from year to year, season to season,
23 month to month and, in particular, from day to day. The
24 demand for gas on the Peoples system can often vary
25 dramatically within a month from the lowest to the highest

1 requirement of its customers. In addition, Peoples'
2 transportation throughput will continue to increase during
3 the projected period as approximately 125 customers per
4 month are continuing to transfer from sales service to
5 transportation service under the NaturalChoice program.
6 The actual takes of gas out of the Peoples system by those
7 same transporting customers varies significantly from day
8 to day. Since significant portions of the total
9 transportation volumes are received by Peoples at a
10 uniform daily rate, Peoples is forced to increase or
11 decrease the volumes purchased for its own system supply
12 by significant increments in order to maintain a balance
13 between receipts and deliveries of gas each day. As a
14 consequence, Peoples must buy a portion of its total
15 system requirements under swing contract arrangements, and
16 meet extreme variations in delivered volumes by relying on
17 swing gas, peaking gas, pipeline balancing charge volumes
18 and pipeline no notice service at the prevailing rates for
19 such services.

20
21 **Q.** How did Peoples estimate the amount of gas to be
22 purchased from various sources during the projected
23 period of January 2007 through December 2007?

24
25 **A.** Peoples' projected gas purchases are based on the

1 Company's preliminary total throughput of therms
2 delivered to customers projected for 2007, including both
3 sales of Peoples' system supply and transportation
4 deliveries of third party gas purchased by end-users of
5 Peoples. The throughput was then adjusted for the
6 anticipated level of transportation service, including
7 the anticipated conversions under the Company's
8 NaturalChoice program.

9
10 **Q.** How are revenues derived from Peoples' Swing Service
11 Charge accounted for through the PGA?

12
13 **A.** Customers who participate in the NaturalChoice program
14 pay a Swing Service Charge. The Swing Service Charge
15 covers costs included in the PGA for balancing the
16 difference between marketer-supplied gas and the
17 customers' actual consumption. The revenues from the
18 Swing Service Charge are credited to the PGA to offset
19 this expense.

20
21 **Q.** Is Peoples seeking a change in the Swing Service Charge?

22
23 **A.** Not at this time. However, to the extent a portion of
24 the swing costs are assigned to the PGA, Peoples may seek
25 to readdress its Swing Service Charge expenses and the

1 allocation thereof in a subsequent docket before the
2 Commission. This is because on November 1, 2006, Peoples
3 will begin its seventh year of making transportation
4 service available to all non-residential customers
5 pursuant to Commission Order No. PSC-00-1814-TRF-GU,
6 issued October 4, 2000. Over the past six years, both
7 the number of transportation customers and the volumes of
8 natural gas tendered to Peoples for transportation have
9 increased dramatically. This continued migration has
10 increased the amount of natural gas the Company purchases
11 on a swing basis to cover all customers' seasonal,
12 weekly, and daily peaks. In addition to the increase in
13 the quantity of natural gas supply purchased for Swing
14 Service, the cost of natural gas supply has increased
15 significantly since the inception of Peoples'
16 NaturalChoice Program. Therefore, the increased expenses
17 associated with the provision of Swing Service may need
18 to be recalculated and allocated based on current costs
19 and transportation service levels.

20
21 **Q.** How did you estimate the purchase price to be paid by
22 Peoples for each of its available sources of gas supply?

23
24 **A.** The price to be paid for natural gas is estimated based
25 on an evaluation of published prices for the last several

1 years for spot gas delivered to the FGT and Southern
2 systems, futures contracts as reported on the New York
3 Mercantile Exchange and industry forecasts of market
4 prices for the projection period of January 2007 through
5 December 2007. These prices are then adjusted to reflect
6 the potential for implied volatility and unexpected
7 increases particularly in the monthly and daily markets
8 for natural gas prices in the projection period.

9
10 **Q.** Referring to Schedules E-3 (A) through (G) of Composite
11 Exhibit EE-2, please explain the components of these
12 schedules and the assumptions that were made in
13 developing the Company's projections.

14
15 **A.** Schedule E-3 (G) is a compilation of the monthly data
16 that appears on Schedules E-3 (A) through (F) for the
17 corresponding months of January 2007 through December
18 2007. In Schedules E-3 (A) through (F), Column (A)
19 indicates the applicable month for all data on the page.

20 In Column (B), "FGT" indicates that the volumes
21 are to be purchased from third party suppliers for
22 delivery via FGT interstate pipeline transportation.
23 "SOUTHERN" indicates that the volumes are to be
24 purchased from a third party supplier for delivery via
25 Southern interstate pipeline transportation.

1 "GULFSTREAM" indicates that the volumes are to be
2 purchased from a third party supplier for delivery via
3 Gulfstream interstate pipeline transportation. "THIRD
4 PARTY" indicates that the volumes are to be purchased
5 directly from various third party suppliers for
6 delivery into FGT, Southern, or Gulfstream.

7 In Column (C), "PGS" means the purchase will be for
8 Peoples' system supply and will become part of Peoples'
9 total WACOG. None of the costs of gas or transportation
10 for end-use purchases made by end-use customers of
11 Peoples are included in Peoples' WACOG. In Column (D),
12 purchases of pipeline transportation services from FGT
13 under Rate Schedules FTS-1 and FTS-2 are split into two
14 components, commodity (or "usage") and demand (or
15 "reservation"). Both Peoples and end-users pay the usage
16 charge based on the actual amount of gas transported.
17 The FTS-1 and FTS-2 commodity costs shown include all
18 related transportation charges including usage, fuel and
19 ACA charges. The FTS-1 and FTS-2 demand component is a
20 fixed charge based on the maximum daily quantity of FTS-1
21 and FTS-2 firm transportation capacity reserved.
22 Similarly, the transportation rates of Southern and
23 Gulfstream also consist of two components, a usage charge
24 and a reservation charge. Individual Transportation
25 Service customers reimburse Peoples or directly pay FGT

1 for all pipeline reservation charges associated with the
2 transportation capacity that Peoples reserves and uses on
3 their behalf.

4 Also in Column (D), "NO NOTICE TRANSPORTATION
5 SERVICE" (or "NNTS") means FGT's no notice service
6 provided to Peoples on a fixed charge basis for use when
7 Peoples' actual use exceeds scheduled quantities. "SWING
8 SERVICE" means the demand and commodity component of the
9 cost of third party supplies purchased to meet Peoples
10 "swing" requirements for supply that fluctuate on a day-
11 to-day basis. "COMMODITY" means third party purchases of
12 gas transported on FGT, Southern or Gulfstream and does
13 not include any purchases of sales volumes from FGT.

14 Column (E) shows the monthly quantity in therms of
15 gas purchased by Peoples for each category of system
16 supply.

17 Column (F) shows the gas purchased by end-users for
18 transportation.

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

21 Columns (H), (I), (J) and (K) show the corresponding
22 third party supplier commodity costs, pipeline
23 transportation commodity costs, pipeline transportation
24 reservation costs, and other charges (e.g., balancing
25 charges), respectively. These costs are determined using

1 the actual amounts paid by Peoples. In the case of end-
2 user transportation, these costs are reimbursed to
3 Peoples or paid directly to FGT. All ACA and fuel
4 charges are included in the commodity costs in Column (I)
5 and, therefore, are not shown in Column (K).

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

8
9 **Q.** Please explain the components of these schedules and the
10 assumptions that were made in developing the Company's
11 projections.

12
13 **A.** Schedule E-1 is shown in three versions. Page 1 relates
14 to Cost of Gas Purchased, Therms Purchased, and Cents Per
15 Therm for Combined Rate Classes, Page 2 relates to
16 Residential Customers, and Page 3 relates to Commercial
17 Customers.

18 The costs associated with various categories or
19 items are shown on lines 1 through 14. Line 6 on Schedule
20 E-1 includes legal expenses associated with various
21 interstate pipeline dockets such as seasonal fuel filings
22 and certification proceedings. These expenses have been
23 included for recovery through the Purchased Gas
24 Adjustment Clause because they are non-recurring fuel
25 related expenses. The volumes consumed for similar

1 categories or items are shown on lines 15 through 27, and
2 the resulting effective cost per therm rate for each
3 similar category or item is contained on lines 28 through
4 45.

5 The data shown on Schedule E-1 are taken directly
6 from Schedules E-3 (A) through (F) for the months of
7 January 2007 through December 2007.

8
9 **Q.** What information is presented on Schedule E-1/R of
10 Composite Exhibit EE-2?

11
12 **A.** Schedule E-1/R of Composite Exhibit EE-2 shows eight
13 months actual and four months estimated data for the
14 current period from January 2006 through December 2006
15 for all combined customer classes.

16
17 **Q.** What information is presented on Schedule E-2 of
18 Composite Exhibit EE-2?

19
20 **A.** Schedule E-2 of Composite Exhibit EE-2 shows the amount
21 of the prior period over/under recoveries of gas costs
22 that are included in the current PGA calculation.

23
24 **Q.** What is the purpose of Schedule E-4 of Composite Exhibit
25 EE-2?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A. Schedule E-4 of Composite Exhibit EE-2 simply shows the calculation of the estimated true-up amount for the January 2006 through December 2006 period. It is based on actual data for eight months and projected data for four months.

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

A. Schedule E-5 of Composite Exhibit EE-2 is statistical data that includes the projected therm sales and numbers of customers by customer class for the period from January 2007 through December 2007.

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

A. On April 5, 1998, the Commission issued Order No. PSC-99-0634-FOF-GU as a Proposed Agency Action in Docket No. 981698-GU. This Order approved Peoples Gas' request for approval of a methodology for charging separate Purchased Gas Adjustment factors for different customer classes. Under the approved methodology, separate PGA factors are

1 derived by assigning the fixed, interstate pipeline
2 reservation costs to each customer class according to the
3 class' contribution to the company's peak month demand
4 for the winter season and the summer season. Exhibit EE-
5 2, Page 23 of 23, labeled Attachment, contains the
6 seasonal peak allocation factors based on the most recent
7 peak month data available, January 2006 and April 2006.
8 These allocation factors are then applied to Schedule E-1
9 to derive the Residential, Commercial and Combined for
10 All Rate Classes. The WACOG for which Peoples seeks
11 approval as the annual cap is the Residential factor of
12 \$1.34867 per therm as shown in Schedule E-1. This annual
13 cap will be applicable to all rate classes.

14
15 **Q.** Does this conclude your testimony?

16
17 **A.** Yes, it does.
18
19

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '07 through DECEMBER '07

Combined For All Rate Classes

	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
COST OF GAS PURCHASED	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD	
1 COMMODITY Pipeline	\$80,675	\$66,219	\$73,750	\$51,299	\$64,019	\$57,136	\$57,785	\$55,524	\$57,027	\$66,882	\$70,537	\$75,894	\$776,748	
2 NO NOTICE SERVICE	\$51,406	\$46,431	\$36,061	\$31,928	\$32,992	\$31,928	\$32,992	\$32,992	\$31,928	\$32,992	\$34,898	\$51,406	\$447,950	
3 SWING SERVICE	\$942,849	\$293,726	\$230,470	\$599,323	\$991,405	\$2,154,951	\$1,284,446	\$2,844,833	\$2,778,023	\$2,912,841	\$3,120,733	\$3,488,193	\$21,641,793	
4 COMMODITY Other	\$25,224,364	\$24,048,119	\$17,824,772	\$10,991,831	\$8,888,368	\$6,140,577	\$6,281,634	\$4,198,911	\$4,562,577	\$4,716,908	\$7,164,119	\$13,664,542	\$133,706,722	
5 DEMAND	\$5,367,802	\$4,886,443	\$5,365,448	\$4,809,732	\$3,744,303	\$3,636,601	\$3,744,389	\$3,743,494	\$3,639,555	\$4,730,280	\$5,206,779	\$5,367,802	\$54,242,629	
6 OTHER	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$3,420,000	
LESS END-USE CONTRACT:														
7 COMMODITY Pipeline	\$15,110	\$13,648	\$15,110	\$14,623	\$15,110	\$14,623	\$15,110	\$15,110	\$14,623	\$15,110	\$14,623	\$15,110	\$177,909	
8 DEMAND	\$950,351	\$858,381	\$950,351	\$919,694	\$950,351	\$919,694	\$950,351	\$950,351	\$919,694	\$950,351	\$919,694	\$950,351	\$11,189,611	
9 SWING SERVICE REVENUE	\$203,848	\$184,121	\$203,848	\$197,272	\$203,848	\$197,272	\$203,848	\$203,848	\$197,272	\$203,848	\$197,272	\$203,848	\$2,400,145	
10														
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$30,782,788	\$28,569,788	\$22,646,192	\$15,637,523	\$12,836,779	\$11,174,604	\$10,516,937	\$9,991,445	\$10,222,521	\$11,575,595	\$14,750,477	\$21,763,528	\$200,468,178	
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
13 COMPANY USE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14 TOTAL THERM SALES	\$30,782,788	\$28,569,788	\$22,646,192	\$15,637,523	\$12,836,779	\$11,174,604	\$10,516,937	\$9,991,445	\$10,222,521	\$11,575,595	\$14,750,477	\$21,763,528	\$200,468,178	
THERMS PURCHASED														
15 COMMODITY Pipeline	46,171,704	42,466,629	39,726,234	35,154,421	34,249,335	32,016,391	31,931,931	31,726,237	31,112,637	32,036,698	32,603,374	38,228,960	427,424,551	
16 NO NOTICE SERVICE	10,385,000	9,380,000	7,285,000	6,450,000	6,665,000	6,450,000	6,665,000	6,665,000	6,450,000	6,665,000	7,050,000	10,385,000	90,495,000	
17 SWING SERVICE	800,000	250,000	200,000	612,700	1,023,780	2,228,360	1,294,140	2,842,640	2,750,942	2,842,640	2,750,942	2,842,640	20,438,784	
18 COMMODITY Other	21,762,224	20,891,937	15,916,754	11,693,837	9,616,075	6,940,147	7,028,311	5,274,117	5,513,811	5,584,578	7,004,548	11,776,840	129,003,179	
19 DEMAND	109,106,360	98,547,680	109,046,840	98,366,400	69,330,570	67,103,700	69,332,740	69,310,110	67,178,400	94,260,460	105,572,400	109,106,360	1,066,262,020	
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	
LESS END-USE CONTRACT:														
21 COMMODITY Pipeline	23,609,480	21,324,692	23,609,480	22,847,884	23,609,480	22,847,884	23,609,480	23,609,480	22,847,884	23,609,480	22,847,884	23,609,480	277,982,588	
22 DEMAND	24,029,090	21,703,694	24,029,090	23,253,958	24,029,090	23,253,958	24,029,090	24,029,090	23,253,958	24,029,090	23,253,958	24,029,090	282,923,156	
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 TOTAL PURCHASES (17+18)	22,562,224	21,141,937	16,116,754	12,306,537	10,639,855	9,168,507	8,322,451	8,116,757	8,264,753	8,427,218	9,755,490	14,619,480	149,441,963	
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0	
27 TOTAL THERM SALES (24-26)	22,562,224	21,141,937	16,116,754	12,306,537	10,639,855	9,168,507	8,322,451	8,116,757	8,264,753	8,427,218	9,755,490	14,619,480	149,441,963	
CENTS PER THERM														
28 COMMODITY Pipeline (1/15)	0.00175	0.00156	0.00186	0.00146	0.00187	0.00178	0.00181	0.00175	0.00183	0.00209	0.00216	0.00199	0.00182	
29 NO NOTICE SERVICE (2/16)	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	
30 SWING SERVICE (3/17)	1.17856	1.17490	1.15235	0.97817	0.96838	0.96706	0.99251	1.00077	1.00984	1.02470	1.13442	1.22710	1.05886	
31 COMMODITY Other (4/18)	1.15909	1.15107	1.11987	0.93997	0.92432	0.88479	0.89376	0.79614	0.82748	0.84463	1.02278	1.16029	1.03646	
32 DEMAND (5/19)	0.04920	0.04958	0.04920	0.04890	0.05401	0.05419	0.05401	0.05401	0.05418	0.05018	0.04932	0.04920	0.05087	
33 OTHER (6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
LESS END-USE CONTRACT:														
34 COMMODITY Pipeline (7/21)	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	
35 DEMAND (8/22)	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	
36 OTHER (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
37 TOTAL COST OF PURCHASES (11/24)	1.36435	1.35133	1.40513	1.27067	1.20648	1.21880	1.26368	1.23097	1.23688	1.37360	1.51202	1.48867	1.34145	
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
39 COMPANY USE (13/26)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
40 TOTAL COST OF THERMS SOLD (11/27)	1.36435	1.35133	1.40513	1.27067	1.20648	1.21880	1.26368	1.23097	1.23688	1.37360	1.51202	1.48867	1.34145	
41 TRUE-UP (E-4)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	
42 TOTAL COST OF GAS (40+41)	1.33206	1.31905	1.37285	1.17419	1.18652	1.23140	1.19868	1.20460	1.19868	1.34131	1.47973	1.45638	1.30916	
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.33876	1.32568	1.37975	1.24461	1.18010	1.19248	1.23759	1.20471	1.21065	1.34806	1.48717	1.46371	1.31574	
45 PGA FACTOR ROUNDED TO NEAREST .001	133.876	132.568	137.975	124.461	118.010	119.248	123.759	120.471	121.065	134.806	148.717	146.371	131.574	

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '07 through DECEMBER '07

For Residential Customers

	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
COST OF GAS PURCHASED	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD	
1 COMMODITY Pipeline	\$49,405	\$40,109	\$39,663	\$23,459	\$28,053	\$24,351	\$23,293	\$22,948	\$23,775	\$31,107	\$34,246	\$42,637	\$383,046	
2 NO NOTICE SERVICE	\$29,790	\$26,907	\$20,897	\$15,683	\$16,206	\$15,683	\$16,206	\$16,206	\$15,683	\$19,119	\$20,223	\$29,790	\$242,390	
3 SWING SERVICE	\$577,401	\$177,910	\$123,947	\$274,070	\$434,434	\$918,440	\$517,760	\$1,175,769	\$1,158,158	\$1,354,762	\$1,515,116	\$1,959,667	\$10,187,434	
4 COMMODITY Other	\$15,447,401	\$14,565,946	\$9,586,162	\$5,026,564	\$3,894,883	\$2,617,114	\$2,532,127	\$1,735,410	\$1,902,138	\$2,193,834	\$3,478,180	\$7,676,740	\$70,656,498	
5 DEMAND	\$3,110,641	\$2,831,693	\$3,109,277	\$2,362,540	\$1,839,202	\$1,786,298	\$1,839,244	\$1,838,804	\$1,787,749	\$2,741,197	\$3,017,329	\$3,110,641	\$29,374,618	
6 OTHER	\$174,534	\$172,625	\$153,273	\$130,331	\$124,887	\$121,467	\$114,884	\$117,791	\$118,817	\$132,554	\$138,368	\$160,113	\$1,659,641	
LESS END-USE CONTRACT:														
7 COMMODITY Pipeline	\$9,253	\$8,266	\$8,126	\$6,687	\$6,621	\$6,232	\$6,091	\$6,245	\$6,096	\$7,028	\$7,099	\$8,489	\$86,234	
8 DEMAND	\$550,728	\$497,432	\$550,728	\$451,754	\$466,812	\$451,754	\$466,812	\$466,812	\$451,754	\$550,728	\$532,963	\$550,728	\$5,989,005	
9 SWING SERVICE REVENUE	\$118,130	\$106,698	\$118,130	\$96,900	\$100,130	\$96,900	\$100,130	\$100,130	\$96,900	\$118,130	\$114,319	\$118,130	\$1,284,627	
10														
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$18,711,061	\$17,202,793	\$12,356,235	\$7,277,307	\$5,764,101	\$4,928,468	\$4,470,480	\$4,333,741	\$4,451,569	\$5,796,687	\$7,549,079	\$12,302,241	\$105,143,761	
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
13 COMPANY USE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14 TOTAL THERM SALES	\$18,711,061	\$17,202,793	\$12,356,235	\$7,277,307	\$5,764,101	\$4,928,468	\$4,470,480	\$4,333,741	\$4,451,569	\$5,796,687	\$7,549,079	\$12,302,241	\$105,143,761	
THERMS PURCHASED														
15 COMMODITY Pipeline	28,275,552	25,722,037	21,364,769	16,076,117	15,008,059	13,645,386	12,871,761	13,112,454	12,970,858	14,900,268	15,828,938	21,477,030	211,253,228	
16 NO NOTICE SERVICE	6,018,108	5,435,710	4,221,658	3,168,240	3,273,848	3,168,240	3,273,848	3,273,848	3,168,240	3,862,368	4,085,475	6,018,108	48,967,689	
17 SWING SERVICE	489,920	151,425	107,560	280,188	448,620	949,727	521,668	1,174,863	1,146,868	1,322,112	1,335,582	1,596,995	9,525,528	
18 COMMODITY Other	13,326,147	12,653,654	8,559,484	5,347,963	4,214,069	2,958,235	2,833,251	2,179,870	2,298,491	2,597,737	3,401,084	6,616,633	66,986,618	
19 DEMAND	63,227,136	57,108,381	63,192,644	48,317,576	34,055,176	32,961,337	34,056,242	34,045,126	32,998,030	54,623,937	61,179,206	63,227,136	578,991,925	
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	
LESS END-USE CONTRACT:														
21 COMMODITY Pipeline	14,458,446	12,916,366	12,697,178	10,448,337	10,345,674	9,737,768	9,516,981	9,757,798	9,525,283	10,980,769	11,092,648	13,263,806	134,741,054	
22 DEMAND	13,924,858	12,577,291	13,924,858	11,422,344	11,803,089	11,422,344	11,803,089	11,803,089	11,422,344	13,924,858	13,475,669	13,924,858	151,428,689	
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 TOTAL PURCHASES (17+18)	13,816,067	12,805,079	8,667,044	5,628,151	4,662,689	3,907,962	3,354,919	3,354,733	3,445,359	3,919,849	4,736,666	8,213,628	76,512,146	
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0	
27 TOTAL THERM SALES (24-26)	13,816,067	12,805,079	8,667,044	5,628,151	4,662,689	3,907,962	3,354,919	3,354,733	3,445,359	3,919,849	4,736,666	8,213,628	76,512,146	
CENTS PER THERM														
28 COMMODITY Pipeline (1/15)	0.00175	0.00156	0.00186	0.00146	0.00187	0.00178	0.00181	0.00175	0.00183	0.00209	0.00216	0.00199	0.00181	
29 NO NOTICE SERVICE (2/16)	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	
30 SWING SERVICE (3/17)	1.17856	1.17490	1.15235	0.97817	0.96838	0.96706	0.99251	1.00077	1.00984	1.02470	1.13442	1.22710	1.06949	
31 COMMODITY Other (4/18)	1.15918	1.15113	1.11995	0.93990	0.92426	0.88469	0.89372	0.79611	0.82756	0.84452	1.02267	1.16022	1.05479	
32 DEMAND (5/19)	0.04920	0.04958	0.04920	0.04890	0.05401	0.05419	0.05401	0.05401	0.05418	0.05018	0.04932	0.04920	0.05073	
33 OTHER (6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
LESS END-USE CONTRACT:														
34 COMMODITY Pipeline (7/21)	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	
35 DEMAND (8/22)	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	
36 OTHER (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
37 TOTAL COST OF PURCHASES (11/24)	1.35430	1.34344	1.42566	1.29302	1.23622	1.26114	1.33251	1.29183	1.29205	1.47880	1.59375	1.49778	1.37421	
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
39 COMPANY USE (13/28)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
40 TOTAL COST OF THERMS SOLD (11/27)	1.35430	1.34344	1.42566	1.29302	1.23622	1.26114	1.33251	1.29183	1.29205	1.47880	1.59375	1.49778	1.37421	
41 TRUE-UP (E-4)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	
42 TOTAL COST OF GAS (40+41)	1.32201	1.31115	1.39337	1.26073	1.20393	1.22885	1.30023	1.25954	1.44652	1.56147	1.46550	1.34192	1.34192	
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.32866	1.31774	1.40038	1.26707	1.20999	1.23503	1.30677	1.26588	1.26610	1.45379	1.56932	1.47287	1.34867	
45 PGA FACTOR ROUNDED TO NEAREST .001	132.866	131.774	140.038	126.707	120.999	123.503	130.677	126.588	126.610	145.379	156.932	147.287	134.867	

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '07 through DECEMBER '07

For Commercial Customers

	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD	
COST OF GAS PURCHASED														
1 COMMODITY Pipeline	\$31,270	\$26,110	\$34,087	\$27,840	\$35,966	\$32,785	\$34,492	\$32,576	\$33,252	\$35,775	\$36,291	\$33,257	\$393,701	
2 NO NOTICE SERVICE	\$21,616	\$19,524	\$15,164	\$16,245	\$16,786	\$16,245	\$16,786	\$16,786	\$16,245	\$13,873	\$14,674	\$21,616	\$205,560	
3 SWING SERVICE	\$365,448	\$115,816	\$106,523	\$325,253	\$556,971	\$1,236,511	\$766,686	\$1,669,064	\$1,619,865	\$1,558,079	\$1,605,617	\$1,528,526	\$11,454,359	
4 COMMODITY Other	\$9,776,964	\$9,482,173	\$8,238,610	\$5,965,266	\$4,993,485	\$3,523,463	\$3,749,507	\$2,463,501	\$2,660,439	\$2,523,074	\$3,685,939	\$5,987,802	\$63,050,224	
5 DEMAND	\$2,257,161	\$2,054,749	\$2,256,171	\$2,447,192	\$1,905,101	\$1,850,302	\$1,905,145	\$1,904,690	\$1,851,806	\$1,989,083	\$2,189,451	\$2,257,161	\$24,868,012	
6 OTHER	\$110,466	\$112,376	\$131,727	\$154,670	\$160,113	\$163,533	\$170,117	\$167,210	\$166,184	\$152,447	\$146,633	\$124,887	\$1,760,360	
LESS END-USE CONTRACT:														
7 COMMODITY Pipeline	\$5,857	\$5,381	\$6,984	\$7,936	\$8,489	\$8,390	\$9,019	\$8,865	\$8,526	\$8,082	\$7,523	\$6,621	\$91,675	
8 DEMAND	\$399,622	\$360,949	\$399,622	\$467,940	\$483,538	\$467,940	\$483,538	\$483,538	\$467,940	\$399,622	\$386,731	\$399,622	\$5,200,606	
9 SWING SERVICE REVENUE	\$85,718	\$77,423	\$85,718	\$100,372	\$103,718	\$100,372	\$103,718	\$103,718	\$100,372	\$85,718	\$82,953	\$85,718	\$1,115,518	
10														
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$12,071,727	\$11,366,995	\$10,289,957	\$8,360,217	\$7,072,678	\$6,246,136	\$6,046,457	\$5,657,705	\$5,770,951	\$5,778,908	\$7,201,398	\$9,461,287	\$95,324,417	
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
13 COMPANY USE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
14 TOTAL THERM SALES	\$12,071,727	\$11,366,995	\$10,289,957	\$8,360,217	\$7,072,678	\$6,246,136	\$6,046,457	\$5,657,705	\$5,770,951	\$5,778,908	\$7,201,398	\$9,461,287	\$95,324,417	
THERMS PURCHASED														
15 COMMODITY Pipeline	17,896,152	16,744,592	18,361,465	19,078,304	19,241,276	18,371,005	19,060,170	18,613,783	18,141,779	17,136,430	16,774,436	16,751,930	216,171,323	
16 NO NOTICE SERVICE	4,366,893	3,944,290	3,063,343	3,281,760	3,391,152	3,281,760	3,391,152	3,391,152	3,281,760	2,802,633	2,964,525	4,366,893	41,527,311	
17 SWING SERVICE	310,080	98,575	92,440	332,512	575,160	1,278,633	772,472	1,667,777	1,604,074	1,520,528	1,415,360	1,245,645	10,913,256	
18 COMMODITY Other	8,436,077	8,238,283	7,357,270	6,345,874	5,402,006	3,981,912	4,195,060	3,094,247	3,215,320	2,986,841	3,603,464	5,160,207	62,016,561	
19 DEMAND	45,879,224	41,439,299	45,854,196	50,048,824	35,275,394	34,142,363	35,276,498	35,264,984	34,180,370	39,636,523	44,393,194	45,879,224	487,270,095	
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	
LESS END-USE CONTRACT:														
21 COMMODITY Pipeline	9,151,034	8,408,326	10,912,302	12,399,547	13,263,806	13,110,116	14,092,499	13,851,682	13,322,601	12,628,711	11,755,236	10,345,674	143,241,534	
22 DEMAND	10,104,232	9,126,403	10,104,232	11,831,614	12,226,001	11,831,614	12,226,001	12,226,001	11,831,614	10,104,232	9,778,289	10,104,232	131,494,467	
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 TOTAL PURCHASES (17+18)	8,746,157	8,336,858	7,449,710	6,678,386	5,977,166	5,260,545	4,967,532	4,762,024	4,819,394	4,507,369	5,018,824	6,405,852	72,929,817	
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0	
27 TOTAL THERM SALES (24-26)	8,746,157	8,336,858	7,449,710	6,678,386	5,977,166	5,260,545	4,967,532	4,762,024	4,819,394	4,507,369	5,018,824	6,405,852	72,929,817	
CENTS PER THERM														
28 COMMODITY Pipeline (1/15)	0.00175	0.00156	0.00186	0.00146	0.00187	0.00178	0.00181	0.00175	0.00183	0.00209	0.00216	0.00199	0.00182	
29 NO NOTICE SERVICE (2/16)	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	
30 SWING SERVICE (3/17)	1.17856	1.17490	1.15235	0.97817	0.96838	0.96706	0.99251	1.00077	1.00984	1.02470	1.13442	1.22710	1.04958	
31 COMMODITY Other (4/18)	1.15895	1.15099	1.11979	0.94002	0.92438	0.88487	0.89379	0.79616	0.82743	0.84473	1.02289	1.16038	1.01667	
32 DEMAND (5/19)	0.04920	0.04958	0.04920	0.04890	0.05401	0.05419	0.05401	0.05418	0.05418	0.05018	0.04932	0.04920	0.05104	
33 OTHER (6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
LESS END-USE CONTRACT:														
34 COMMODITY Pipeline (7/21)	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	
35 DEMAND (8/22)	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	0.03955	
36 OTHER (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
37 TOTAL COST OF PURCHASES (11/24)	1.38023	1.36346	1.38126	1.25183	1.18328	1.18736	1.21720	1.18809	1.19744	1.28210	1.43488	1.47698	1.30707	
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
39 COMPANY USE (13/26)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
40 TOTAL COST OF THERMS SOLD (11/27)	1.38023	1.36346	1.38126	1.25183	1.18328	1.18736	1.21720	1.18809	1.19744	1.28210	1.43488	1.47698	1.30707	
41 TRUE-UP (E-4)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	(0.03229)	
42 TOTAL COST OF GAS (40+41)	1.34795	1.33118	1.34897	1.21955	1.15100	1.15507	1.18491	1.15580	1.16516	1.24982	1.40259	1.44469	1.27478	
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.35473	1.33787	1.35575	1.22568	1.15679	1.16088	1.19087	1.16162	1.17102	1.25610	1.40965	1.45196	1.28120	
45 PGA FACTOR ROUNDED TO NEAREST .001	135.473	133.787	135.575	122.568	115.679	116.088	119.087	116.162	117.102	125.610	140.965	145.196	128.120	

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT

Docket No. 060003-GU

SCHEDULE E-1/R

COST RECOVERY CLAUSE CALCULATION

PGA CAP 2007

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '06 Through DECEMBER '06

Exhibit EE-2, Page 1 of 3

Combined For All Rate Classes

COST OF GAS PURCHASED	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1 COMM. P/L (FGT)(Incls. Southern/Gulfstream Jan-Aug)	\$126,272	\$165,837	\$113,633	\$81,360	\$102,873	\$80,158	\$75,825	-\$162,933	\$2,823	\$3,101	\$2,823	\$3,101	\$594,873
1a COMMODITY P/L (SOUTHERN)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,907	\$53,637	\$51,907	\$53,637	\$211,088
1b COMMODITY P/L	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1c COMMODITY P/L (GULFSTREAM)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,840	\$9,134	\$8,840	\$9,134	\$35,948
2 NO NOTICE SERVICE	\$51,406	\$46,431	\$36,061	\$31,928	\$32,992	\$31,928	\$32,992	\$32,992	\$31,928	\$32,992	\$34,898	\$51,406	\$447,953
3 SWING SERVICE	\$765,163	\$195,700	\$139,125	\$465,453	\$644,917	\$1,461,198	\$834,818	\$2,214,011	\$2,142,591	\$2,214,011	\$2,142,591	\$2,214,011	\$15,433,592
4 COMMODITY Other (THIRD PARTY)	\$29,131,719	\$28,852,335	\$31,030,404	\$28,108,675	\$21,805,370	\$16,088,600	\$23,381,347	\$24,540,069	\$3,497,282	\$3,507,400	\$5,742,027	\$9,652,559	\$225,337,785
5 DEMAND (FGT)(Incls. Southern/Gulfstream Jan-Aug)	\$4,724,920	\$4,411,615	\$5,143,416	\$4,744,366	\$3,846,697	\$3,755,461	\$4,045,779	\$4,064,792	\$2,852,591	\$3,929,543	\$4,419,815	\$4,567,064	\$50,506,059
5a DEMAND (SOUTHERN)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$289,822	\$339,052	\$393,752	\$393,752	\$1,416,378
5b DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5c DEMAND (GULFSTREAM)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$585,060	\$604,562	\$585,060	\$604,562	\$2,379,244
6 OTHER	\$441,578	\$137,815	\$395,436	\$278,189	\$222,120	\$257,964	\$93,204	\$457,672	\$285,000	\$285,000	\$285,000	\$285,000	\$3,423,977
LESS END-USE CONTRACT													
7 COMMODITY Pipeline (FGT)	\$15,545	\$13,789	\$13,004	\$12,584	\$11,844	\$12,323	\$13,602	\$15,110	\$14,901	\$15,397	\$14,901	\$15,397	\$168,397
8 DEMAND (FGT)	\$569,886	\$505,621	\$426,000	\$723,812	\$739,939	\$769,436	\$851,344	\$946,321	\$920,816	\$832,018	\$805,179	\$951,510	\$9,041,882
9 SWING SERVICE REVENUE	\$282,239	\$274,667	\$257,677	\$247,515	\$225,150	\$214,763	\$217,438	\$203,848	\$210,424	\$217,438	\$210,424	\$217,438	\$2,779,021
10													
11 TOTAL COST	\$34,373,388	\$33,015,656	\$36,161,393	\$32,726,059	\$25,678,035	\$20,678,786	\$27,381,581	\$29,981,324	\$8,601,703	\$9,913,579	\$12,636,209	\$16,649,880	\$287,797,592
12 NET UNBILLED	\$3,840,630	(\$1,701,220)	(\$2,638,075)	(\$2,191,524)	(\$1,398,442)	(\$810,757)	(\$355,055)	(\$887,650)	\$0	\$0	\$0	\$0	(\$6,142,093)
13 COMPANY USE	\$28,855	\$32,374	\$207,240	\$32,094	-\$24,945	\$113,077	\$12,329	\$42,206	\$0	\$0	\$0	\$0	\$443,230
14 TOTAL THERM SALES	\$46,587,984	\$38,030,510	\$35,827,313	\$34,991,263	\$26,387,295	\$23,737,555	\$31,241,198	\$29,266,683	\$6,859,876	\$6,324,110	\$7,536,570	\$12,434,348	\$299,224,705

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT

Docket No. 060003-GU

SCHEDULE E-1/R

COST RECOVERY CLAUSE CALCULATION

PGA CAP 2007

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '06 Through DECEMBER '06

Exhibit EE-2, Page 2 of 3

Combined For All Rate Classes

THERMS PURCHASED	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
15 COMM. P/L (FGT)(Incls. Southern/Gulfstream Jan-Aug)	47,308,880	43,225,080	49,559,570	55,879,820	48,141,450	42,789,130	51,447,270	53,630,030	41,429,535	43,097,693	41,429,535	43,097,693	561,035,686
15a COMMODITY P/L (SOUTHERN)	0	0	0	0	0	0	0	0	8,248,050	5,734,760	6,479,970	6,645,630	27,108,410
15b COMMODITY P/L	0	0	0	0	0	0	0	0	0	0	0	0	0
15c COMMODITY P/L (GULFSTREAM)	0	0	0	0	0	0	0	0	4,054,897	4,190,060	4,054,897	4,190,060	16,489,914
16 NO NOTICE SERVICE	10,385,000	9,380,000	7,285,000	6,450,000	6,665,000	6,450,000	6,665,000	6,665,000	6,450,000	6,665,000	7,050,000	10,385,000	90,495,000
17 SWING SERVICE	800,000	250,000	200,000	612,700	1,023,780	2,228,360	1,294,140	2,842,640	2,750,942	2,842,640	2,750,942	2,842,640	20,438,784
18 COMMODITY Other (THIRD PARTY)	30,445,677	33,785,226	41,622,601	37,805,569	31,095,470	22,287,532	30,456,565	34,470,319	5,434,283	5,528,276	6,950,027	11,515,899	291,397,444
19 DEMAND (FGT)(Incls. Southern/Gulfstream Jan-Aug)	106,495,565	96,180,545	117,342,970	106,301,825	82,044,150	79,846,895	85,948,380	86,631,745	58,129,810	84,910,250	96,523,810	99,756,150	1,100,112,095
19a DEMAND (SOUTHERN)	0	0	0	0	0	0	0	0	10,797,600	11,157,520	10,797,600	11,157,520	43,910,240
19b DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
19c DEMAND (GULFSTREAM)	0	0	0	0	0	0	0	0	10,500,000	10,850,000	10,500,000	10,850,000	42,700,000
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT													
21 COMMODITY Pipeline (FGT)	14,527,650	12,887,120	12,153,070	19,662,500	18,506,370	19,254,020	21,253,510	23,609,480	23,282,324	24,058,402	23,282,324	24,058,402	236,535,172
22 DEMAND (FGT)	14,944,430	13,261,760	12,567,850	20,069,040	18,915,890	19,655,020	21,732,690	24,029,090	23,282,324	24,058,402	23,282,324	24,058,402	239,857,222
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18)	31,245,677	34,035,226	41,822,601	38,418,269	32,119,250	24,515,892	31,750,705	37,312,959	8,185,225	8,370,916	9,700,969	14,358,539	311,836,228
25 NET UNBILLED	2,572,420	(547,217)	(1,369,230)	(1,234,870)	(1,116,480)	(585,616)	(187,088)	(334,082)	0	0	0	0	(2,802,163)
26 COMPANY USE	21,569	22,368	171,341	31,619	-34,560	122,585	16,970	42,238	0	0	0	0	394,130
27 TOTAL THERM SALES (24-26)	33,814,254	35,179,368	40,070,723	41,279,450	30,750,571	28,796,178	33,669,722	34,267,127	8,185,225	8,370,916	9,700,969	14,358,539	318,443,042

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT

Docket No. 060003-GU

SCHEDULE E-1/R

COST RECOVERY CLAUSE CALCULATION

PGA CAP 2007

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '06 Through DECEMBER '06

Exhibit EE-2, Page 3 of 3

Combined For All Rate Classes

CENTS PER THERM	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
28 COMM. P/L (FGT)(Incls. Southern/Gulfstream Jan-Aug (1/15)	0.00267	0.00384	0.00229	0.00146	0.00214	0.00187	0.00147	-0.00304	0.00007	0.00007	0.00007	0.00007	0.00007	0.00106
28a COMMODITY P/L (SOUTHERN) (1a/15a)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00629	0.00935	0.00801	0.00807	0.00779	0.00779
28b COMMODITY P/L (1b/15b)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	#DIV/0!	0.00000	0.00000	0.00000	0.00000	0.00000
28c COMM. P/L (GULFSTREAM) (1c/15c)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00218	0.00218	0.00218	0.00218	0.00218	0.00218
29 NO NOTICE SERVICE (2/16)	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495	0.00495
30 SWING SERVICE (3/17)	0.95645	0.78280	0.69563	0.75967	0.62994	0.65573	0.64508	0.77886	0.77886	0.77886	0.77886	0.77886	0.77886	0.75511
31 COMM. Other (THIRD PARTY) (4/18)	0.95684	0.85399	0.74552	0.74351	0.70124	0.72187	0.76769	0.71192	0.64356	0.63445	0.82619	0.83819	0.77330	0.77330
32 DEMAND (FGT)(Incls. Southern/Gulfstream Jan-Aug) (5/19)	0.04437	0.04587	0.04383	0.04463	0.04689	0.04703	0.04707	0.04692	0.04907	0.04628	0.04579	0.04578	0.04591	0.04591
32a DEMAND (SOUTHERN) (5a/19a)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02684	0.03039	0.03647	0.03529	0.03226	0.03226
32b DEMAND (5b/19b)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	#DIV/0!	0.00000	0.00000	0.00000	0.00000	0.00000
32c DEMAND (GULFSTREAM) (5c/19c)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.05572	0.05572	0.05572	0.05572	0.05572	0.05572
33 OTHER (6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LESS END-USE CONTRACT														
34 COMMODITY Pipeline (FGT) (7/21)	0.00107	0.00107	0.00107	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00064	0.00071
35 DEMAND (FGT) (8/22)	0.03813	0.03813	0.03390	0.03607	0.03912	0.03915	0.03917	0.03938	0.03955	0.03458	0.03458	0.03955	0.03770	0.03770
36 OTHER (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37 TOTAL COST OF PURCHASES (11/24)	1.10010	0.97004	0.86464	0.85184	0.79946	0.84348	0.86239	0.80351	1.05088	1.18429	1.30257	1.15958	0.92291	0.92291
38 NET UNBILLED (12/25)	1.49300	3.10886	1.92669	1.77470	1.25255	1.38445	1.89780	2.65698	0.00000	0.00000	0.00000	0.00000	2.19191	2.19191
39 COMPANY USE (13/26)	1.33782	1.44733	1.20952	1.01502	0.72178	0.92244	0.72652	0.99924	0.00000	0.00000	0.00000	0.00000	1.12458	1.12458
40 TOTAL COST OF THERMS SOLD (11/27)	1.01654	0.93849	0.90244	0.79279	0.83504	0.71811	0.81324	0.87493	1.05088	1.18429	1.30257	1.15958	0.90376	0.90376
41 TRUE-UP (E-4)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)	(0.02151)
42 TOTAL COST OF GAS (40+41)	0.99503	0.91698	0.88093	0.77128	0.81353	0.69660	0.79173	0.85342	1.02937	1.16278	1.28106	1.13807	0.88225	0.88225
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.00003	0.92160	0.88536	0.77516	0.81762	0.70010	0.79571	0.85771	1.03455	1.16863	1.28751	1.14379	0.88669	0.88669
45 PGA FACTOR ROUNDED TO NEAREST .001	100.003	92.160	88.536	77.516	81.762	70.010	79.571	85.771	103.455	116.863	128.751	114.379	88.669	88.669

CALCULATION OF TRUE-UP AMOUNT

FOR THE CURRENT PERIOD:

JANUARY '06 Through DECEMBER '06

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV. PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	\$29,868,027	\$29,015,661	\$30,962,289	\$28,542,034	\$22,475,232	\$17,436,720	\$24,203,836	\$26,711,874	\$5,639,873	\$5,721,411	\$7,884,618	\$11,866,570	\$240,328,145
2 TRANSPORTATION COST	4,476,506	3,967,621	4,991,864	4,151,931	3,227,748	3,128,989	3,165,416	3,227,244	2,961,830	4,192,168	4,751,591	4,783,310	47,026,218
3 TOTAL	34,344,533	32,983,282	35,954,153	32,693,965	25,702,979	20,565,709	27,369,252	29,939,119	8,601,703	9,913,579	12,636,209	16,649,880	287,354,363
4 FUEL REVENUES (NET OF REVENUE TAX)	46,587,984	38,030,510	35,827,313	34,991,263	26,387,295	23,737,555	31,241,198	29,266,683	6,859,876	6,324,110	7,536,570	12,434,348	299,224,705
5 TRUE-UP REFUNDED/(COLLECTED)	260,949	260,949	260,949	260,949	260,949	260,949	260,949	260,949	260,949	260,949	260,949	260,953	3,131,392
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 + LINE 5)	46,848,933	38,291,459	36,088,262	35,252,212	26,648,244	23,998,504	31,502,147	29,527,632	7,120,825	6,585,059	7,797,519	12,695,301	302,356,097
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	12,504,400	5,308,178	134,109	2,558,247	945,265	3,432,794	4,132,896	(411,486)	(1,480,878)	(3,328,520)	(4,838,690)	(3,954,579)	15,001,736
8 INTEREST PROVISION-THIS PERIOD (21)	(5,630)	26,766	37,213	43,487	50,887	61,065	79,039	86,327	80,673	69,321	50,546	30,313	610,008
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(7,655,354)	4,582,467	9,656,462	9,566,836	11,907,588	12,642,791	15,875,702	19,826,688	19,240,579	17,579,425	14,059,277	9,010,184	(7,655,354)
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(260,949)	(260,949)	(260,949)	(260,949)	(260,949)	(260,949)	(260,949)	(260,949)	(260,949)	(260,949)	(260,949)	(260,953)	(3,131,392)
10a TRANSITION COST RECOVERY REFUND	0	0	0	(33)	0	0	0	0	0	0	0	0	(33)
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	4,582,467	9,656,462	9,566,836	11,907,588	12,642,791	15,875,702	19,826,688	19,240,579	17,579,425	14,059,277	9,010,184	4,824,964	4,824,964
11a FPSC AUDIT ENTRY/REFUNDS&ADJS-PIPELINES	0	0	0	0	0	0	0	0	0	0	0	0	0
12 ADJ TOTAL EST/ACT TRUE-UP(11+11a)	4,582,467	9,656,462	9,566,836	11,907,588	12,642,791	15,875,702	19,826,688	19,240,579	17,579,425	14,059,277	9,010,184	4,824,964	\$4,824,964
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(7,655,354)	4,582,467	9,656,462	9,566,836	11,907,588	12,642,791	15,875,702	19,826,688	19,240,579	17,579,425	14,059,277	9,010,184	
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5+10a)	4,588,097	9,629,696	9,529,623	11,864,101	12,591,904	15,814,637	19,747,648	19,154,252	17,498,752	13,989,956	8,959,638	4,794,652	
14 TOTAL (12+13)	(3,067,257)	14,212,163	19,186,085	21,430,937	24,499,492	28,457,428	35,623,350	38,980,940	36,739,329	31,569,380	23,018,915	13,804,835	
15 AVERAGE (50% OF 14)	(1,533,629)	7,106,082	9,593,042	10,715,468	12,249,746	14,228,714	17,811,675	19,490,470	18,369,665	15,784,690	11,509,457	6,902,417	
16 INTEREST RATE - FIRST DAY OF MONTH	4.30	4.51	4.53	4.78	4.96	5.01	5.29	5.36	5.27	5.27	5.27	5.27	
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	4.51	4.53	4.78	4.96	5.01	5.29	5.36	5.27	5.27	5.27	5.27	5.27	
18 TOTAL (16+17)	8.810	9.040	9.310	9.740	9.970	10.300	10.650	10.630	10.540	10.540	10.540	10.540	
19 AVERAGE (50% OF 18)	4.405	4.520	4.655	4.870	4.985	5.150	5.325	5.315	5.270	5.270	5.270	5.270	
20 MONTHLY AVERAGE (19/12 Months)	0.36708	0.37667	0.38792	0.40583	0.41542	0.42917	0.44375	0.44292	0.43917	0.43917	0.43917	0.43917	
21 INTEREST PROVISION (15x20)	(\$5,630)	\$26,766	\$37,213	\$43,487	\$50,887	\$61,065	\$79,039	86,327	80,673	69,321	50,546	\$30,313	

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 1 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 JAN 2007	FGT			
2	FGT	PGS	FTS-1 COMM		23,609,480	23,609,480		\$15,110		\$0.064	
3	FGT	PGS	FTS-2 COMM	3,578,530		3,578,530		-\$7,551		-\$0.211	
4	FGT	PGS	FTS-1 DEMAND	85,312,620		85,312,620			\$3,374,114	\$3.955	
5	FGT	PGS	FTS-1 DEMAND		24,029,090	24,029,090			\$950,351	\$3.955	
6	FGT	PGS	FTS-2 DEMAND	12,943,740		12,943,740			\$995,374	\$7.690	
7	FGT	PGS	NO NOTICE	10,385,000		10,385,000			\$51,406	\$0.495	
8	THIRD PARTY	PGS	SWING SERVICE	800,000		800,000	\$942,049		\$800	\$0.000	
9	SOUTHERN	PGS	SONAT TRANS COMM	6,849,623		6,849,623		\$54,797		\$0.800	
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0		\$0.000	
11	SOUTHERN	PGS	SONAT DEMAND	11,157,520		11,157,520			\$393,752	\$3.529	
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0	\$0.000	
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,733		\$0.218	
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562	\$5.572	
15	THIRD PARTY	PGS	COMMODITY	21,762,224		21,762,224	\$25,224,364			\$115.909	
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	
17	FGT	PGS	SWING SERVICE REV.		0	0				\$203,848	
18 JANUARY TOTAL				206,232,431	47,638,570	253,871,001	\$26,166,414	\$95,785	\$6,370,358	\$488,848	\$13.047

1
00
1

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 2 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) & (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 FEB 2007	FGT			
2	FGT	PGS	FTS-1 COMM		21,324,692	21,324,692		\$13,648		\$0.064	
3	FGT	PGS	FTS-2 COMM	5,480,060		5,480,060		-\$11,563		-\$0.211	
4	FGT	PGS	FTS-1 DEMAND	77,056,560		77,056,560			\$3,047,587	\$3.955	
5	FGT	PGS	FTS-1 DEMAND		21,703,694	21,703,694			\$858,381	\$3.955	
6	FGT	PGS	FTS-2 DEMAND	11,691,120		11,691,120			\$899,047	\$7.690	
7	FGT	PGS	NO NOTICE	9,380,000		9,380,000			\$46,431	\$0.495	
8	THIRD PARTY	PGS	SWING SERVICE	250,000		250,000	\$293,476		\$250	\$0.000	
9	SOUTHERN	PGS	SONAT TRANS COMM	6,067,339		6,067,339		\$48,539		\$0.800	
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0		\$0.000	
11	SOUTHERN	PGS	SONAT DEMAND	10,077,760		10,077,760			\$393,752	\$3.907	
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0	\$0.000	
13	GULFSTREAM	PGS	GULFSTREAM COMM	3,618,324		3,618,324		\$7,888		\$0.218	
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	9,800,000		9,800,000			\$546,056	\$5.572	
15	THIRD PARTY	PGS	COMMODITY	20,891,937		20,891,937	\$24,048,119			\$115.107	
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	
17	FGT	PGS	SWING SERVICE REV.		0	0				\$184,121	
18 FEBRUARY TOTAL				187,681,345	43,028,386	230,709,731	\$24,341,595	\$79,867	\$5,791,505	\$469,121	\$13.299

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 3 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) & (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 MAR 2007	FGT			
2	FGT	PGS	FTS-1 COMM		23,609,480	23,609,480		\$15,110		\$0.064	
3	FGT	PGS	FTS-2 COMM	5,604,290		5,604,290		-\$11,825		-\$0.211	
4	FGT	PGS	FTS-1 DEMAND	85,253,100		85,253,100			\$3,371,760	\$3.955	
5	FGT	PGS	FTS-1 DEMAND		24,029,090	24,029,090			\$950,351	\$3.955	
6	FGT	PGS	FTS-2 DEMAND	12,943,740		12,943,740			\$995,374	\$7.690	
7	FGT	PGS	NO NOTICE	7,285,000		7,285,000			\$36,061	\$0.495	
8	THIRD PARTY	PGS	SWING SERVICE	200,000		200,000	\$230,270		\$200	\$0.000	
9	SOUTHERN	PGS	SONAT TRANS COMM	7,195,989		7,195,989		\$57,568		\$0.800	
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0		\$0.000	
11	SOUTHERN	PGS	SONAT DEMAND	11,157,520		11,157,520			\$393,752	\$3.529	
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0	\$0.000	
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,733		\$0.218	
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562	\$5.572	
15	THIRD PARTY	PGS	COMMODITY	15,916,754		15,916,754	\$17,824,772			\$111.987	
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	
17	FGT	PGS	SWING SERVICE REV.		0	0				\$203,848	
18 MARCH TOTAL				190,528,337	47,638,570	238,166,907	\$18,055,042	\$88,860	\$6,352,059	\$488,848	\$10.490

COMPANY: PEOPLES GAS SYSTEM
 SCHEDULE E-3

TRANSPORTATION PURCHASES
 SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
 PGA CAP 2007
 Exhibit EE-2, Page 4 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) & (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 APR 2007	FGT	PGS	FTS-1 COMM	22,072,506		22,072,506		\$14,126			\$0.064
2	FGT	PGS	FTS-1 COMM		22,847,884	22,847,884		\$14,623			\$0.064
3	FGT	PGS	FTS-2 COMM	9,205,140		9,205,140		-\$19,423			-\$0.211
4	FGT	PGS	FTS-1 DEMAND	78,340,200		78,340,200			\$3,098,355		\$3.955
5	FGT	PGS	FTS-1 DEMAND		23,253,958	23,253,958			\$919,694		\$3.955
6	FGT	PGS	FTS-2 DEMAND	9,526,200		9,526,200			\$732,565		\$7.690
7	FGT	PGS	NO NOTICE	6,450,000		6,450,000			\$31,928		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	612,700		612,700	\$598,710		\$613		\$0.000
9	SOUTHERN	PGS	SONAT TRANS COMM	6,017,980		6,017,980		\$48,144			\$0.800
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0			\$0.000
11	SOUTHERN	PGS	SONAT DEMAND	10,797,600		10,797,600			\$393,752		\$3.647
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0		\$0.000
13	GULFSTREAM	PGS	GULFSTREAM COMM	3,876,775		3,876,775		\$8,451			\$0.218
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,500,000		10,500,000			\$585,060		\$5.572
15	THIRD PARTY	PGS	COMMODITY	11,693,837		11,693,837	\$10,991,831				\$93.997
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.		0	0				\$197,272	\$0.000
18 APRIL TOTAL				169,092,938	46,101,842	215,194,780	\$11,590,541	\$65,921	\$5,761,967	\$482,272	\$8.318

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 5 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 MAY 2007	FGT	PGS	FTS-1 COMM	23,685,954		23,685,954		\$15,159			\$0.064
2	FGT	PGS	FTS-1 COMM		23,609,480	23,609,480		\$15,110			\$0.064
3	FGT	PGS	FTS-2 COMM	6,557,380		6,557,380		-\$13,836			-\$0.211
4	FGT	PGS	FTS-1 DEMAND	46,885,330		46,885,330			\$1,854,315		\$3.955
5	FGT	PGS	FTS-1 DEMAND		24,029,090	24,029,090			\$950,351		\$3.955
6	FGT	PGS	FTS-2 DEMAND	11,595,240		11,595,240			\$891,674		\$7.690
7	FGT	PGS	NO NOTICE	6,665,000		6,665,000			\$32,992		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	1,023,780		1,023,780	\$990,381		\$1,024		\$0.000
9	SOUTHERN	PGS	SONAT TRANS COMM	6,745,418		6,745,418		\$53,963			\$0.800
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0			\$0.000
11	SOUTHERN	PGS	SONAT DEMAND	11,157,520		11,157,520			\$393,752		\$3.529
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0		\$0.000
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,733			\$0.218
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562		\$5.572
15	THIRD PARTY	PGS	COMMODITY	9,616,075		9,616,075	\$8,888,368				\$92.432
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.		0	0				\$203,848	\$0.000
18 MAY TOTAL				138,787,698	47,638,570	186,426,268	\$9,878,749	\$79,129	\$4,728,669	\$488,848	\$8.140

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 6 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 JUN 2007	FGT			
2	FGT	PGS	FTS-1 COMM		22,847,884	22,847,884		\$14,623		\$0.064	
3	FGT	PGS	FTS-2 COMM	6,549,550		6,549,550		-\$13,820		-\$0.211	
4	FGT	PGS	FTS-1 DEMAND	45,382,500		45,382,500			\$1,794,878	\$3.955	
5	FGT	PGS	FTS-1 DEMAND		23,253,958	23,253,958			\$919,694	\$3.955	
6	FGT	PGS	FTS-2 DEMAND	11,221,200		11,221,200			\$862,910	\$7.690	
7	FGT	PGS	NO NOTICE	6,450,000		6,450,000			\$31,928	\$0.495	
8	THIRD PARTY	PGS	SWING SERVICE	2,228,360		2,228,360	\$2,152,723		\$2,228	\$0.000	
9	SOUTHERN	PGS	SONAT TRANS COMM	6,085,838		6,085,838		\$48,687		\$0.800	
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0		\$0.000	
11	SOUTHERN	PGS	SONAT DEMAND	10,797,600		10,797,600			\$393,752	\$3.647	
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0	\$0.000	
13	GULFSTREAM	PGS	GULFSTREAM COMM	3,876,775		3,876,775		\$8,451		\$0.218	
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,500,000		10,500,000			\$585,060	\$5.572	
15	THIRD PARTY	PGS	COMMODITY	6,940,147		6,940,147	\$6,140,577			\$88.479	
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	
17	FGT	PGS	SWING SERVICE REV.		0	0				\$197,272	
18 JUNE TOTAL				131,622,036	46,101,842	177,723,878	\$8,293,300	\$71,759	\$4,590,451	\$482,272	\$7.561

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 7 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 JUL 2007	FGT			
2	FGT	PGS	FTS-1 COMM		23,609,480	23,609,480		\$15,110		\$0.064	
3	FGT	PGS	FTS-2 COMM	8,128,120		8,128,120		-\$17,150		-\$0.211	
4	FGT	PGS	FTS-1 DEMAND	46,887,500		46,887,500			\$1,854,401	\$3.955	
5	FGT	PGS	FTS-1 DEMAND		24,029,090	24,029,090			\$950,351	\$3.955	
6	FGT	PGS	FTS-2 DEMAND	11,595,240		11,595,240			\$891,674	\$7.690	
7	FGT	PGS	NO NOTICE	6,665,000		6,665,000			\$32,992	\$0.495	
8	THIRD PARTY	PGS	SWING SERVICE	1,294,140		1,294,140	\$1,283,152		\$1,294	\$0.000	
9	SOUTHERN	PGS	SONAT TRANS COMM	6,691,438		6,691,438		\$53,532		\$0.800	
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0		\$0.000	
11	SOUTHERN	PGS	SONAT DEMAND	11,157,520		11,157,520			\$393,752	\$3.529	
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0	\$0.000	
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,733		\$0.218	
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562	\$5.572	
15	THIRD PARTY	PGS	COMMODITY	7,028,311		7,028,311	\$6,281,634			\$89.376	
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	
17	FGT	PGS	SWING SERVICE REV.		0	0				\$203,848	
18 JULY TOTAL				134,101,080	47,638,570	181,739,650	\$7,564,785	\$72,895	\$4,729,026	\$488,848	\$7.074

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 8 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) Through (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 AUG 2007	FGT			
2	FGT	PGS	FTS-1 COMM		23,609,480	23,609,480		\$15,110		\$0.064	
3	FGT	PGS	FTS-2 COMM	8,902,360		8,902,360		-\$18,784		-\$0.211	
4	FGT	PGS	FTS-1 DEMAND	46,864,870		46,864,870			\$1,853,506	\$3.955	
5	FGT	PGS	FTS-1 DEMAND		24,029,090	24,029,090			\$950,351	\$3.955	
6	FGT	PGS	FTS-2 DEMAND	11,595,240		11,595,240			\$891,674	\$7.690	
7	FGT	PGS	NO NOTICE	6,665,000		6,665,000			\$32,992	\$0.495	
8	THIRD PARTY	PGS	SWING SERVICE	2,842,640		2,842,640	\$2,841,990		\$2,843	\$0.000	
9	SOUTHERN	PGS	SONAT TRANS COMM	6,691,438		6,691,438		\$53,532		\$0.800	
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0		\$0.000	
11	SOUTHERN	PGS	SONAT DEMAND	11,157,520		11,157,520			\$393,752	\$3.529	
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0	\$0.000	
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,733		\$0.218	
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562	\$5.572	
15	THIRD PARTY	PGS	COMMODITY	5,274,117		5,274,117	\$4,198,911			\$79.614	
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	
17	FGT	PGS	SWING SERVICE REV.		0	0				\$203,848	
18	AUGUST TOTAL			133,667,062	47,638,570	181,305,632	\$7,040,901	\$70,634	\$4,729,679	\$488,848	\$6.801

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 9 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 SEP 2007	FGT	PGS	FTS-1 COMM	19,723,122		19,723,122		\$12,623			\$0.064
2	FGT	PGS	FTS-1 COMM		22,847,884	22,847,884		\$14,623			\$0.064
3	FGT	PGS	FTS-2 COMM	7,512,740		7,512,740		-\$15,852			-\$0.211
4	FGT	PGS	FTS-1 DEMAND	45,457,200		45,457,200			\$1,797,832		\$3.955
5	FGT	PGS	FTS-1 DEMAND		23,253,958	23,253,958			\$919,694		\$3.955
6	FGT	PGS	FTS-2 DEMAND	11,221,200		11,221,200			\$862,910		\$7.690
7	FGT	PGS	NO NOTICE	6,450,000		6,450,000			\$31,928		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,750,942		2,750,942	\$2,775,272		\$2,751		\$0.000
9	SOUTHERN	PGS	SONAT TRANS COMM	6,475,585		6,475,585		\$51,805			\$0.800
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0			\$0.000
11	SOUTHERN	PGS	SONAT DEMAND	10,797,600		10,797,600			\$393,752		\$3.647
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0		\$0.000
13	GULFSTREAM	PGS	GULFSTREAM COMM	3,876,775		3,876,775		\$8,451			\$0.218
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,500,000		10,500,000			\$585,060		\$5.572
15	THIRD PARTY	PGS	COMMODITY	5,513,811		5,513,811	\$4,562,577				\$82.748
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.		0	0				\$197,272	\$0.000
18 SEPTEMBER TOTAL				130,278,975	46,101,842	176,380,817	\$7,337,849	\$71,650	\$4,593,927	\$482,272	\$7.079

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 10 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) & (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 OCT 2007	FGT	PGS	FTS-1 COMM	23,186,247		23,186,247		\$14,839			\$0.064
2	FGT	PGS	FTS-1 COMM		23,609,480	23,609,480		\$15,110			\$0.064
3	FGT	PGS	FTS-2 COMM	4,844,450		4,844,450		-\$10,222			-\$0.211
4	FGT	PGS	FTS-1 DEMAND	71,815,220		71,815,220			\$2,840,292		\$3.955
5	FGT	PGS	FTS-1 DEMAND		24,029,090	24,029,090			\$950,351		\$3.955
6	FGT	PGS	FTS-2 DEMAND	11,595,240		11,595,240			\$891,674		\$7.690
7	FGT	PGS	NO NOTICE	6,665,000		6,665,000			\$32,992		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,842,640		2,842,640	\$2,909,998		\$2,843		\$0.000
9	SOUTHERN	PGS	SONAT TRANS COMM	6,691,438		6,691,438		\$53,532			\$0.800
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0			\$0.000
11	SOUTHERN	PGS	SONAT DEMAND	11,157,520		11,157,520			\$393,752		\$3.529
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0		\$0.000
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,733			\$0.218
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562		\$5.572
15	THIRD PARTY	PGS	COMMODITY	5,584,578		5,584,578	\$4,716,908				\$84.463
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.		0	0				\$203,848	\$0.000
18 OCTOBER TOTAL				159,238,334	47,638,570	206,876,904	\$7,626,907	\$81,992	\$5,716,465	\$488,848	\$6.726

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 11 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) & (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 NOV 2007	FGT			
2	FGT	PGS	FTS-1 COMM		22,847,884	22,847,884		\$14,623		\$0.064	
3	FGT	PGS	FTS-2 COMM	2,946,970		2,946,970		-\$6,218		-\$0.211	
4	FGT	PGS	FTS-1 DEMAND	82,546,200		82,546,200			\$3,264,702	\$3.955	
5	FGT	PGS	FTS-1 DEMAND		23,253,958	23,253,958			\$919,694	\$3.955	
6	FGT	PGS	FTS-2 DEMAND	12,526,200		12,526,200			\$963,265	\$7.690	
7	FGT	PGS	NO NOTICE	7,050,000		7,050,000			\$34,898	\$0.495	
8	THIRD PARTY	PGS	SWING SERVICE	2,750,942		2,750,942	\$3,117,982		\$2,751	\$0.000	
9	SOUTHERN	PGS	SONAT TRANS COMM	6,475,585		6,475,585		\$51,805		\$0.800	
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0		\$0.000	
11	SOUTHERN	PGS	SONAT DEMAND	10,797,600		10,797,600			\$393,752	\$3.647	
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0	\$0.000	
13	GULFSTREAM	PGS	GULFSTREAM COMM	3,876,775		3,876,775		\$8,451		\$0.218	
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,500,000		10,500,000			\$585,060	\$5.572	
15	THIRD PARTY	PGS	COMMODITY	7,004,548		7,004,548	\$7,164,119			\$102.278	
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	
17	FGT	PGS	SWING SERVICE REV.		0	0				\$197,272	
18 NOVEMBER TOTAL				172,254,449	46,101,842	218,356,291	\$10,282,101	\$85,160	\$6,164,122	\$482,272	\$7.792

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-3

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 12 of 12

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '07 Through DECEMBER '07

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) & (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 DEC 2007	FGT	PGS	FTS-1 COMM	31,214,469		31,214,469		\$19,977			\$0.064
2	FGT	PGS	FTS-1 COMM		23,609,480	23,609,480		\$15,110			\$0.064
3	FGT	PGS	FTS-2 COMM	3,008,490		3,008,490		-\$6,348			-\$0.211
4	FGT	PGS	FTS-1 DEMAND	85,312,620		85,312,620			\$3,374,114		\$3.955
5	FGT	PGS	FTS-1 DEMAND		24,029,090	24,029,090			\$950,351		\$3.955
6	FGT	PGS	FTS-2 DEMAND	12,943,740		12,943,740			\$995,374		\$7.690
7	FGT	PGS	NO NOTICE	10,385,000		10,385,000			\$51,406		\$0.495
8	THIRD PARTY	PGS	SWING SERVICE	2,842,640		2,842,640	\$3,485,351		\$2,842		\$0.000
9	SOUTHERN	PGS	SONAT TRANS COMM	6,691,438		6,691,438		\$53,532			\$0.800
10	SOUTHERN	PGS	SO GA TRANS COMM	0		0		\$0			\$0.000
11	SOUTHERN	PGS	SONAT DEMAND	11,157,520		11,157,520			\$393,752		\$3.529
12	SOUTHERN	PGS	SO GA DEMAND	0		0			\$0		\$0.000
13	GULFSTREAM	PGS	GULFSTREAM COMM	4,006,001		4,006,001		\$8,733			\$0.218
14	GULFSTREAM	PGS	GULFSTREAM DEMAND	10,850,000		10,850,000			\$604,562		\$5.572
15	THIRD PARTY	PGS	COMMODITY	11,776,840		11,776,840	\$13,664,542				\$116.029
16	FGT	PGS	BAL. CHGS./OTHER	0		0				\$285,000	\$0.000
17	FGT	PGS	SWING SERVICE REV.		0	0				\$203,848	\$0.000
18 DECEMBER TOTAL				190,188,758	47,638,570	237,827,328	\$17,149,892	\$91,004	\$6,372,401	\$488,848	\$10.134

COMPANY: PEOPLES GAS SYSTEM
SCHEDULE E-4

CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 1 of 1

ESTIMATED FOR THE PROJECTED PERIOD: JANUARY '07 through DECEMBER '07

	PRIOR PERIOD: JAN '05 - DEC '05			CURRENT PERIOD: JAN '06 - DEC '06	
	(1) 8 MOS. ACT. 4 MOS. REVISED EST.	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) 8 MOS. ACT. 4 MOS. REVISED EST.	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$	\$265,209,066	\$342,535,037	\$77,325,971	\$302,356,097	\$379,682,068
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	\$15,809,231	\$5,070,701	(\$10,738,530)	\$15,001,736	\$4,263,206
2a MISCELLANEOUS ADJUSTMENTS	\$71	\$71	\$0	(\$33)	(\$33)
3 INTEREST PROVISION FOR THIS PERIOD	(\$100,088)	(\$148,305)	(\$48,217)	\$610,008	\$561,791
3a TRUE-UP (COLLECTED) OR REFUNDED	\$0	\$0	\$0	\$0	\$0
4 END OF PERIOD TOTAL NET TRUE-UP	\$15,709,214	\$4,922,467	(\$10,786,747)	\$15,611,711	\$4,824,964

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

COL.(1)SAME AS COL. (4 Less Line 3a) PRIOR PER. SCH.(E-4)
COL.(2)DATA OBTAINED FROM DEC'05 SCHEDULE (A-2)
LINE 4 COLUMN (2) SAME AS LINE 7 SCHEDULE (A-7), Dec'05
LINE 4 COLUMN (3) SAME AS LINE 9 SCHEDULE (A-7),Dec'05
LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)
LINE 2a COLUMN (4) SAME AS LINES 10a SCHEDULE (E-2)
LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

<u>TOTAL TRUE-UP \$</u>	equals	CENTS PER THERM TRUE-UP
PROJ. TH. SALES		
<u>\$4,824,964</u>	equals	0.03229
149,441,963		

ESTIMATED FOR THE PROJECTED PERIOD:

JANUARY '07 Through DECEMBER '07

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
THERM SALES (FIRM)													
1 RESIDENTIAL	13,816,067	12,805,079	8,667,044	5,628,151	4,662,689	3,907,962	3,354,919	3,354,733	3,445,359	3,919,849	4,736,666	8,213,628	76,512,146
2 SMALL GENERAL SERVICE	339,763	320,440	248,885	209,842	190,059	172,445	157,585	155,546	159,166	158,899	174,172	209,373	2,496,175
3 GENERAL SERVICE-1	5,294,983	5,088,055	4,484,166	4,062,145	3,648,715	3,232,267	2,936,058	2,884,845	2,854,643	2,792,345	3,142,804	4,039,386	44,460,412
4 GENERAL SERVICE-2	1,630,008	1,535,376	1,390,525	1,230,252	1,094,519	950,282	891,290	872,907	846,701	803,268	909,366	1,190,497	13,344,991
5 GENERAL SERVICE-3	785,916	847,487	816,715	724,548	689,227	578,185	518,234	554,834	584,785	527,975	540,823	674,872	7,843,601
6 GENERAL SERVICE-4	173,652	193,313	210,077	179,671	179,584	179,364	171,740	140,230	135,751	119,622	153,881	157,223	1,994,108
7 GENERAL SERVICE-5	402,836	231,893	196,762	169,822	78,663	55,235	199,660	63,093	148,252	14,918	7,542	40,158	1,608,834
8 NATURAL GAS VEHICALS	4,036	4,036	4,036	4,036	4,036	4,036	4,036	4,036	3,736	3,736	3,736	3,736	47,232
9 COMMERCIAL STREET LIGHTING	18,834	19,025	18,523	18,523	18,523	18,523	18,523	18,523	18,523	18,523	18,523	18,523	223,089
10 WHOLESALE	96,129	97,233	80,021	79,547	73,840	70,208	70,406	68,010	67,837	68,083	67,977	72,084	911,375
11 TOTAL FIRM SALES	22,562,224	21,141,937	16,116,754	12,306,537	10,639,855	9,168,507	8,322,451	8,116,757	8,264,753	8,427,218	9,755,490	14,619,480	149,441,963
THERM SALES (INTERRUPTIBLE)													
12 SMALL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
13 INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
14 LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
15 TOTAL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
16 TOTAL SALES	22,562,224	21,141,937	16,116,754	12,306,537	10,639,855	9,168,507	8,322,451	8,116,757	8,264,753	8,427,218	9,755,490	14,619,480	149,441,963
THERM SALES (TRANSPORTATION)													
17 CONDOMINIUM	492,996	519,140	514,937	442,652	364,701	267,874	196,419	153,649	142,558	145,858	223,304	386,694	3,850,782
18 WHOLESALE	274,278	274,278	274,278	274,278	274,278	274,278	274,278	274,278	274,278	274,278	274,278	274,278	3,291,336
19 COMMERCIAL STREET LIGHTING	64,403	64,403	67,071	63,974	63,974	60,877	60,877	57,779	57,779	57,779	57,779	57,779	734,474
20 NATURAL GAS VEHICALS	36,809	34,559	35,568	30,325	30,776	27,653	26,637	26,401	25,198	25,732	25,350	28,755	353,763
21 SMALL GENERAL SERVICE	47,897	41,796	39,991	36,593	31,908	28,616	25,930	26,160	26,286	26,652	31,572	41,409	404,810
22 GENERAL SERVICE-1	7,233,311	6,713,185	6,353,857	5,988,305	5,600,533	5,187,160	4,923,666	5,027,390	5,034,773	5,089,796	5,568,127	6,746,853	69,466,956
23 GENERAL SERVICE-2	6,607,596	6,400,314	5,997,450	5,725,279	5,277,046	4,729,596	4,497,370	4,448,077	4,416,013	4,339,660	4,787,476	5,928,147	63,154,024
24 GENERAL SERVICE-3	6,382,808	6,664,423	6,270,671	5,955,688	5,471,306	4,890,652	4,751,716	4,709,977	4,567,838	4,674,438	5,047,081	6,146,104	65,532,702
25 GENERAL SERVICE-4	4,169,952	4,388,047	4,042,318	4,070,837	3,836,920	3,464,430	3,496,572	3,498,498	3,356,433	3,388,418	3,674,974	3,980,410	45,367,809
26 GENERAL SERVICE-5	5,931,668	6,028,214	5,628,017	6,018,747	5,527,537	5,375,165	5,041,696	4,796,320	4,605,851	4,569,131	4,880,307	4,978,178	63,380,831
27 SMALL INTERRUPTIBLE	4,900,639	4,871,521	4,294,702	4,519,485	4,776,089	3,560,767	3,496,505	3,593,506	3,574,582	3,719,950	4,505,716	4,845,105	50,658,567
28 INTERRUPTIBLE	16,772,795	17,695,662	16,059,221	17,550,500	18,001,105	17,698,468	16,105,028	14,796,065	15,043,876	14,900,921	15,064,339	16,093,060	195,781,040
29 LARGE INTERRUPTIBLE	21,271,645	17,133,606	27,586,909	22,605,803	20,024,581	21,362,818	34,442,201	29,006,008	42,709,975	25,300,655	29,833,057	24,909,869	316,187,127
30 TOTAL TRANSPORTATION SALES	74,186,797	70,829,148	77,164,990	73,282,466	69,280,754	66,928,354	77,338,895	70,414,108	83,835,440	66,513,268	73,973,360	74,416,641	878,164,221
31 TOTAL THROUGHPUT	96,749,021	91,971,085	93,281,744	85,589,003	79,920,609	76,096,861	85,661,346	78,530,865	92,100,193	74,940,486	83,728,850	89,036,121	1,027,606,184

ESTIMATED FOR THE PROJECTED PERIOD:

JANUARY '07 Through DECEMBER '07

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
NUMBER OF CUSTOMERS (FIRM)													
32 RESIDENTIAL	307,365	307,928	308,423	308,680	309,857	311,315	312,263	313,078	314,104	315,663	317,239	318,438	312,029
33 SMALL GENERAL SERVICE	5,659	5,633	5,612	5,606	5,601	5,586	5,572	5,559	5,541	5,522	5,508	5,532	5,578
34 GENERAL SERVICE-1	10,453	10,405	10,361	10,324	10,284	10,245	10,206	10,170	10,150	10,135	10,120	10,115	10,247
35 GENERAL SERVICE-2	610	608	604	602	602	597	594	593	592	590	586	582	597
36 GENERAL SERVICE-3	109	108	108	107	106	104	104	104	104	103	103	101	105
37 GENERAL SERVICE-4	9	9	9	9	9	9	9	9	9	9	9	9	9
38 GENERAL SERVICE-5	4	4	4	4	4	4	4	4	4	4	4	4	4
39 NATURAL GAS VEHICALS	7	7	7	7	7	7	7	7	7	7	7	7	7
40 COMMERCIAL STREET LIGHTING	41	42	38	38	38	38	38	38	38	38	38	38	39
41 WHOLESALE	10	8	8	8	8	8	8	8	8	8	8	8	8
42 TOTAL FIRM	324,267	324,752	325,174	325,385	326,516	327,913	328,805	329,570	330,557	332,079	333,622	334,834	328,623
NUMBER OF CUSTOMERS (INT.)													
43 SMALL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
44 INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
45 LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
46 TOTAL INTERRUPTIBLE CUSTOMERS	0	0	0	0	0	0	0	0	0	0	0	0	0
47 TOTAL SALES CUSTOMERS	324,267	324,752	325,174	325,385	326,516	327,913	328,805	329,570	330,557	332,079	333,622	334,834	328,623
NUMBER OF CUSTOMERS (TRANS.)													
48 CONDOMINIUM	293	293	293	293	293	293	293	293	293	293	293	293	293
49 WHOLESALE	2	2	2	2	2	2	2	2	2	2	2	2	2
50 COMMERCIAL STREET LIGHTING	36	36	37	36	36	35	35	34	34	34	34	34	35
51 NATURAL GAS VEHICALS	11	11	12	10	10	10	10	10	10	10	10	10	10
52 SMALL GENERAL SERVICE	441	441	441	441	441	441	441	441	441	441	441	441	441
53 GENERAL SERVICE-1	8,669	8,757	8,865	8,976	9,080	9,185	9,282	9,388	9,495	9,602	9,711	9,809	9,235
54 GENERAL SERVICE-2	2,392	2,398	2,405	2,415	2,426	2,434	2,441	2,448	2,456	2,464	2,472	2,478	2,436
55 GENERAL SERVICE-3	666	666	666	666	665	665	665	665	666	666	667	667	666
56 GENERAL SERVICE-4	135	135	135	135	135	135	135	135	135	135	135	135	135
57 GENERAL SERVICE-5	93	93	93	93	93	93	93	93	93	93	93	93	93
58 SMALL INTERRUPTIBLE	27	27	27	27	27	27	27	27	27	27	27	27	27
59 INTERRUPTIBLE	14	14	14	14	14	14	14	14	14	14	14	14	14
60 LARGE INTERRUPTIBLE	5	5	5	5	5	5	5	5	5	5	5	5	5
61 TOTAL TRANSPORTATION CUSTOMERS	12,784	12,878	12,995	13,113	13,227	13,339	13,443	13,555	13,671	13,786	13,904	14,008	13,392
62 TOTAL CUSTOMERS	337,051	337,630	338,169	338,498	339,743	341,252	342,248	343,125	344,228	345,865	347,526	348,842	342,015
THERM USE PER CUSTOMER													
63 RESIDENTIAL	45	42	28	18	15	13	11	11	11	12	15	26	20
64 SMALL GENERAL SERVICE	60	57	44	37	34	31	28	28	29	29	32	38	37
65 GENERAL SERVICE-1	507	489	433	393	355	315	288	284	281	276	311	399	362
66 GENERAL SERVICE-2	2,672	2,525	2,302	2,044	1,818	1,592	1,500	1,472	1,430	1,361	1,552	2,046	1,864
67 GENERAL SERVICE-3	7,210	7,847	7,562	6,771	6,502	5,559	4,983	5,335	5,623	5,126	5,251	6,682	6,220
68 GENERAL SERVICE-4	19,295	21,479	23,342	19,963	19,954	19,929	19,082	15,581	15,083	13,291	17,098	17,469	18,464
69 GENERAL SERVICE-5	100,709	57,973	49,191	42,456	19,666	13,809	49,915	15,773	37,063	3,730	1,886	10,040	33,517
70 NATURAL GAS VEHICALS	577	577	577	577	577	577	577	577	534	534	534	534	562
71 COMMERCIAL STREET LIGHTING	459	453	487	487	487	487	487	487	487	487	487	487	482
72 WHOLESALE	9,613	12,154	10,003	9,943	9,230	8,776	8,801	8,501	8,480	8,510	8,497	9,011	9,300
73 SMALL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
74 INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
75 LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
76 CONDOMINIUM (TRANS.)	1,683	1,772	1,757	1,511	1,245	914	670	524	487	498	762	1,320	1,095
77 WHOLESALE (TRANS.)	137,139	137,139	137,139	137,139	137,139	137,139	137,139	137,139	137,139	137,139	137,139	137,139	137,139
78 COMMERCIAL STREET LIGHTING (TRANS.)	1,789	1,789	1,813	1,777	1,777	1,739	1,739	1,699	1,699	1,699	1,699	1,699	1,745
79 NATURAL GAS VEHICALS (TRANS.)	3,346	3,142	2,964	3,033	3,078	2,765	2,664	2,640	2,520	2,573	2,535	2,876	2,853
80 SMALL GENERAL SERVICE (TRANS.)	109	95	91	83	72	65	59	59	60	60	72	94	76
81 GENERAL SERVICE-1 (TRANS.)	834	767	717	667	617	565	530	536	530	530	573	688	627
82 GENERAL SERVICE-2 (TRANS.)	2,762	2,669	2,494	2,371	2,175	1,943	1,842	1,817	1,798	1,761	1,937	2,392	2,161
83 GENERAL SERVICE-3 (TRANS.)	9,584	10,007	9,415	8,942	8,228	7,354	7,145	7,083	6,859	7,019	7,567	9,215	8,202
84 GENERAL SERVICE-4 (TRANS.)	30,889	32,504	29,943	30,154	28,422	25,662	25,901	25,915	24,862	25,099	27,222	29,485	28,005
85 GENERAL SERVICE-5 (TRANS.)	63,781	64,820	60,516	64,718	59,436	57,797	54,212	51,573	49,525	49,130	52,476	53,529	56,793
86 SMALL INTERRUPTIBLE (TRANS.)	181,505	180,427	159,063	167,388	176,892	131,880	129,500	133,093	132,392	137,776	166,878	179,448	156,354
87 INTERRUPTIBLE (TRANS.)	1,198,057	1,263,976	1,147,087	1,253,607	1,285,793	1,264,176	1,150,359	1,056,862	1,074,563	1,064,352	1,076,024	1,149,504	1,165,363
88 LARGE INTERRUPTIBLE (TRANS.)	4,254,329	3,426,721	5,517,382	4,521,161	4,004,916	4,272,564	6,888,440	5,801,202	8,541,995	5,060,131	5,966,611	4,981,974	5,269,785

PEOPLES GAS SYSTEM
PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

Docket No. 060003-GU
PGA CAP 2007
Exhibit EE-2, Page 1 of 1

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '07 through DECEMBER '07

Attachment

	Demand Allocation Factors-Winter Season		Demand Allocation Factors-Summer Season	
	Peak Month	Percent of Total	Current Month	Percent of Total
	January 2006 <u>Actual Sales</u>		April 2006 <u>Actual Sales</u>	
<u>Residential</u>	11,038,315.1		6,137,724.4	
Residential PGA Factor	11,038,315.1	57.95%	6,137,724.4	49.12%
Small General Service	325,932.5		221,307.0	
General Service-1	4,678,663.7		3,846,758.0	
General Service-2	1,584,743.5		1,248,762.1	
General Service-3	776,201.8		630,767.0	
General Service-4	276,681.2		187,523.6	
General Service-5	315,039.6		177,696.1	
Natural Gas Vehicles	3,851.6		3,469.5	
Commercial Street Lighting	(1,784.8)		13,633.0	
Wholesale	48,732.0		28,396.3	
Small Interruptible	0.0		0.0	
Interruptible	0.0		0.0	
Large Interruptible	0.0		0.0	
Commercial PGA Factor	8,008,061.1	42.05%	6,358,312.6	50.88%
Total System	19,046,376.2	100.00%	12,496,037.0	100.00%