

VOTE SHEET

January 23, 2007

Docket No. 060496-GU – Application for approval of new depreciation rates effective January 1, 2007, by Peoples Gas System.

Issue 1: Should currently prescribed depreciation rates of Peoples Gas System be changed?

Recommendation: Yes. A comprehensive review of Peoples' planning and activity since its prior depreciation filing indicates a need for a revision to the currently prescribed depreciation rates.

APPROVED

Issue 2: How should the Commission change the depreciation rates?

Recommendation: The Commission should approve the change in the lives, net salvages, reserves, and resulting depreciation rates as shown on Attachment A of staff's January 10, 2007, memorandum. These rates result in an increase in annual depreciation expense of approximately \$1.9 million based on a January 1, 2007, investment date.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures: Matt G. (J) P, Lon Edy, Katrina J. Jew]

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

00609 JAN 23 07

FPSC-COMMISSION CI FRK

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Issue 3: Should any corrective reserve allocations between accounts be made?

Recommendation: Yes. Staff recommends the reserve allocations as shown below. These allocations bring each account more in line with its theoretically correct reserve level.

APPROVED

Issue 4: What should be the implementation date for the new depreciation rates?

Recommendation: January 1, 2007, should be the implementation date for Peoples' new depreciation rates as shown on Attachments A and B of staff's memorandum.

APPROVED

Issue 5: Should the current amortization of investment tax credits and the flowback of excess deferred income taxes be revised to reflect the approved depreciation rates and recovery schedules?

Recommendation: Yes. The current amortization of investment tax credits (ITC) and the flowback of excess deferred income taxes (EDIT) should be revised to match the actual recovery periods for the related property. The utility should file detailed calculations of the revised ITC amortization and flowback of EDIT at the same time it files its surveillance report covering the period ending December 31, 2006.

APPROVED

Issue 6: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

APPROVED