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In Reply Refer to:
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June 8, 2020

VIA E-PORTAL FILING
Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: NEW FILING - In re: Petition for approval of 2020 Depreciation Study by Peoples Gas System

Dear Mr. Teitzman:

Attached for electronic filing with the Commission on behalf of Peoples Gas System, please find Peoples' Petition for Approval of Its 2020 Depreciation Study, along with the Direct Testimony of Dane A. Watson.

We appreciate your usual assistance.

Sincerely,

Andrew M. Brown

AB/plb
Attachment
cc: Ms. Paula K. Brown
Ms. Kandi M. Floyd
Mr. Luke Buzard

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of 2020 Depreciation Study by Peoples Gas System.	)	Docket No. _____-GU
	)	Submitted for Filing: June 8, 2020

PEOPLES GAS SYSTEM'S PETITION
FOR APPROVAL OF ITS 2020 DEPRECIATION STUDY

Peoples Gas System ("Peoples" or the "Company"), pursuant to Rule 25-7.045, *Florida Administrative Code*, files this its petition for approval of the Company's 2020 Depreciation Study, and in support thereof states:

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

Peoples Gas System
P. O. Box 111
Tampa, Florida 33601-0111
(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:

Andrew M. Brown
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3. Peoples has prepared and submits herewith the Company's 2020 Depreciation Study consisting of the information required by Rule 25-7.045, *Florida Administrative Code*.

4. The data submitted herewith is based on the Company's plant in service and depreciation reserves at December 31, 2020.

5. Peoples requests that the proposed depreciation rates reflected in the study be approved for implementation effective January 1, 2021. *See* Rule 25-7.045(4)(b), *Florida Administrative Code*.

6. Peoples is unaware of any disputed issue of material fact relative to the matters set forth in this petition.

WHEREFORE, Peoples submits the accompanying 2020 Depreciation Study for approval by the Commission and requests that the Company's proposed depreciation rates, reserves and reserve adjustments be approved as proposed in the accompanying study, to become effective January 1, 2021.

Dated this 8th day of June 2020.

Respectfully submitted,

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Attorneys for Peoples Gas System

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. _____-GU

IN RE: PEOPLES GAS SYSTEM'S PETITION FOR APPROVAL OF ITS 2020 DEPRECIATION STUDY

PREPARED DIRECT TESTIMONY AND EXHIBIT OF DANE A. WATSON

ON BEHALF OF PEOPLES GAS SYSTEM

FILED: 06/08/2020

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

DANE A. WATSON

ON BEHALF OF PEOPLES GAS SYSTEM

I. POSITION, QUALIFICATION, AND PURPOSE

Q. Please state your name, address, occupation and employer.

A. My name is Dane Watson. My business address is 101 E. Park Blvd, Suite 220, Plano, Texas 75074. I am employed by Alliance Consulting Group.

Q. Please describe your duties and responsibilities in that position.

A. I am the Managing Partner in Alliance Consulting Group ("Alliance"). As the Managing Partner of Alliance, I am responsible for performing and defending depreciation studies across the United States in a variety of regulatory proceedings. My duties include the assembly and analysis of historical and simulated data, conducting field reviews, estimating service life and net salvage estimates, calculating annual depreciation, presenting recommended depreciation rates to utility management, and supporting such

rates before regulatory bodies. I have performed more than 250 depreciation studies in my career, appeared in more than 200 cases, and testified before 35 regulatory bodies as an expert witness on the subject of depreciation.

Q. Please provide a brief outline of your business experience.

A. Since graduating from college in 1985, I have worked in the areas of depreciation and valuation. I founded Alliance in 2004, and I am responsible for conducting, depreciation, valuation, and certain other accounting-related studies for utilities in various regulated industries. My prior employment from 1985 to 2004 was the Texas Utilities and successor companies ("TXU"). During my tenure with TXU, I was responsible for, among other things, conducting valuation and depreciation studies for the domestic TXU Companies. During that time, in addition to my depreciation responsibilities, I also served as Manager of Property Accounting Services and Records Management.

Q. What is your educational background?

A. I hold a Bachelor of Science degree in Engineering from the University of Arkansas at Fayetteville and a Master's Degree in Business Administration from Amberton University. I am a

registered Professional Engineer in the State of Texas.

Q. Do you hold any special certification as a depreciation expert?

A. Yes. The Society of Depreciation Professionals (the "Society") has established national standards for depreciation professionals. The Society administers an examination and has certain required qualifications to become certified in this field. I met all the requirements and have become a Certified Depreciation Professional ("CDP").

Q. Please describe your other professional activities.

A. I have twice served as Chair of the Edison Electric Institute ("EEI") Property Accounting and Valuation Committee and have been Chairman of EEI's Depreciation and Economic Issues Subcommittee. I am a Senior Member of the Institute of Electrical and Electronics Engineers ("IEEE") and have held numerous offices on the Executive Board of the Dallas Section of IEEE as well as National and Worldwide offices. I have also served twice as the President of the Society of Depreciation Professionals.

Q. Have you previously testified before state and/or regulatory

commissions?

A. Yes. I have testified before numerous state and federal agencies in my 35-year career in performing depreciation studies. I have conducted depreciation studies, filed written testimony, and/or testified before the Commissions identified in Exhibit No. (DAW-1).

Q. What is your responsibility and participation in the preparation of the Depreciation Rate Study ("the Study") for Peoples Gas System ("Peoples" or the "Company")?

A. I was personally responsible for, participated in, and directed all aspects of the work performed by Alliance resulting in the recommendations contained in Document No. 2 of my exhibit, the Study.

Q. What are the purposes of your prepared direct testimony in this proceeding?

A. The purpose of my prepared direct testimony is to (1) discuss the recent depreciation study conducted from Peoples' depreciable assets based on actual historical data as of December 31, 2018 and the forecasted plant and reserve balances as of December 31, 2020, and (2) support and justify

the recommended depreciation rates for the Company's assets.

Q. Did you prepare any exhibits in support of your prepared direct testimony?

A. Yes. I sponsor Exhibit No. (DAW-1) consisting of three Documents prepared under my direction and supervision, entitled:

Document No. 1	List of Proceedings in which I have performed depreciation studies
Document No. 2	Depreciation Study
Document No. 3	Functional Summary Comparison of Depreciation Expense

To the best of my knowledge, the information contained in my Exhibit is true and correct. .

II. TESTIMONY STRUCTURE, DEPRECIATION DEFINTION, AND STUDY PURPOSE

Q. How is your prepared direct testimony structured?

A. My prepared direct testimony has five sections. The first two are introductory in nature.

In Section III, I explain the property included in the Study; the four-phase approach I used to conduct the Study; and the depreciation system I used for the Study.

In Section IV, I explain how depreciation rates are determined, including identifying the formula for depreciation rates. This portion of my direct testimony also explains and fully discusses each portion of the depreciation rate formula that is supported by my Study. Section IV is broken into the following subparts, which align with the components of the depreciation rate formula that the Study supports: (A) Depreciation Rate Formula; B) Life Estimation; (C) Theoretical Reserve; (D) Net Salvage Amounts and Percentages; (E) Remaining Life Analysis; and (F) Depreciation Accrual and Rates.

In Section V, I discuss the change in depreciation expense as a result of the proposed depreciation rates. Specifically, I explain why Peoples depreciation expense is increasing.

Q. What definition of depreciation have you used for the purposes of conducting a depreciation study and preparing your direct testimony?

A. The term “depreciation,” as used herein, is considered in the

accounting sense–that is, a system of accounting that distributes the cost of assets, less net salvage (if any), over the estimated useful life of the assets in a systematic and rational manner. Depreciation is a process of allocation, not valuation. In other words, depreciation expense allocates the cost of the asset, including any estimated net salvage (the negative of this is also known as net removal) necessary to remove the asset, as an ongoing cost of operations over the economic life of the asset. However, the amount allocated to any one accounting period does not necessarily represent an actual loss or decrease in value that will occur during that particular period. The Company accrues depreciation on the basis of the original cost of all depreciable property included in each functional property group. On retirement, the full cost of depreciable property, less the net salvage value, is charged to the depreciation reserve.

Q. Please generally describe the purpose of the Study.

A. The key functions of the Study are to: (1) determine the average service lives for Distribution and General Plant; (2) determine the net salvage percentages for Distribution and General Plant; (3) calculate the theoretical reserve of each property group based on the remaining life of the group,

the total life of the group and the estimated net salvage; (4) develop depreciation rates, including an annual depreciation accrual; and (5) develop depreciation rates for plant that Peoples will add to its rate base that currently are not currently capitalized on its books.

Q. Based on the Study, what conclusions do you reach?

A. I conclude that the depreciation rates developed for Peoples' utility accounts as set forth in the Study, which is sponsored by me and included as Document No. 2 of my exhibit, encompass the best and most recent information for calculating Peoples' depreciation expense associated with these assets and are reasonable and appropriate for use in recovering the cost of Peoples' assets and net salvage.

Based on life and net salvage parameters developed and applied to forecast plant assets and depreciation reserve balances as of December 31, 2020, the depreciation rates in the Study will result in an increase in the annual depreciation expense of approximately $4.0 million per year (excluding plant with no currently approved depreciation rates). This amount was determined by comparing the depreciation expense difference between the current depreciation rates and the proposed depreciation rates as of December 31, 2020. A functional

summary comparison of depreciation expense is shown in Document No. 3 of my exhibit, Schedule 1, and a more detailed comparison is shown in Appendix B of Document No. 2 of my exhibit.

III. PEOPLES' DEPRECIATION RATE STUDY

Q. What is the purpose of this section of your prepared direct testimony?

A. In this section of my prepared direct testimony, I describe the property included in the Study; the four-phase approach I used to conduct the Study; and the depreciation system (straight-line method, Average Life Group procedure, remaining-life technique) used for the Study.

Q. Did the Company give you any specific information for conducting the Study?

A. Yes. The Company gave me the following information for the Study:

a. Historical data to analyze for life and net salvage to assist in making recommendations for Distribution and General Plant assets based on actual historical data as of December 31, 2018.

b. Plant and reserve balances to calculate the theoretical

reserves and the recommended whole life and remaining life depreciation rates, including the annual depreciation expense accrual, on forecast plant and reserve balances as of December 31, 2020.

c. Information related to the operations, conditions, plans and programs was communicated to me from Company Subject Matter Experts and recorded in my Interview Notes.

d. Information regarding the new assets projected to be added during the forecast period in the gathering plant, LNG plant function, and distribution compressor function, as well as the Company's planned use of those assets.

Q. What property is included in the the Study?

A. There are two general classes, or functional groups, of depreciable property that are analyzed in the study: (1) Distribution Plant and (2) General Plant property. The Distribution Plant functional group primarily consists of pipe, numerous general and city gate stations, meters and associated facilities used to distribute gas to customers of Peoples. General Plant property is plant (such as office buildings) used to support Peoples' overall operations.

Q. Please describe your approach to the Study.

A. With the assistance of my staff, I conducted the Study in four phases as described at pages 19-21 of Document No. 2 of my exhibit. The four phases are: Data Collection, Analysis, Evaluation, and Calculation. During the initial phase of the Study, I collected historical data through December 31, 2018 to be used in the analysis. After the data was assembled, I performed analyses to determine the life and net salvage percentage for the different property groups being studied. As part of this process, I conferred with field personnel, engineers, and managers responsible for the installation, operation, and removal of the assets to gain their input into the operation, maintenance, and salvage of the assets. The information obtained from field personnel, engineers and managerial personnel, combined with the Study results, was then evaluated to determine how the results of the historical asset activity analysis, in conjunction with the Company's expected future plans should be applied. The final phase is the calculation of depreciation rates and the theoretical reserve.

The authoritative treatise, Depreciation Systems, documents the following stages of a depreciation study: "statistical analysis, evaluation of statistical analysis, discussions with management, forecast assumptions, and document recommendations. My approach mirrors this process, and

following this approach ensures that Alliance comprehensively and thoroughly projects the future expectations for the Company's assets. Document No. 2 of my exhibit, page 22 shows Figure 2, which demonstrates the four phases of the Study conducted for Peoples.

Q. What depreciation system did you use for the Study?

A. The straight-line (method), the Average Life Group ("ALG") (procedure), remaining-life (technique) depreciation system was used for this Study. This is the same methodology used by Peoples and approved by this Commission for the existing depreciation rates established in Docket No. 20160159-GU.

Q. What is a survivor curve?

A. A survivor curve represents the percentage of property remaining in service at various age intervals. The Iowa Curves, the predominantly used survivor curve method in the utility industry, are the result of an extensive investigation of life characteristics of physical property made at Iowa State College Engineering Experiment Station in the first half of the prior century. Through common usage, revalidation and regulatory acceptance, the Iowa Curves have become a descriptive standard for the life characteristics of

industrial property. For more detail on survivor curves see pages 13-16 of Document 2 of my exhibit.

Q. How are survivor curves used in the Study?

A. Most property groups can be closely fitted to one Iowa Curve with a unique average service life. The blending of judgment concerning current conditions and future trends along with the matching of historical data permits a depreciation analyst to make an informed selection of an account's average service life and survivor curve. When selecting an average service life, a survivor curve is also selected. When recommending depreciation rates, a depreciation analyst selects the average service life and survivor curve that are used to compute remaining life and theoretical reserve.

IV. DETERMINATION OF THE DEPRECIATION RATES

Q. What is the purpose of this section of your prepared direct testimony?

A. In this section, I explain how depreciation rates are determined, including identifying the formula for depreciation rates. This portion of my prepared direct testimony also explains and fully discusses each portion of the depreciation rate formula that is supported by my Study.

Section IV is broken into the following subparts, which aligns with the components of the depreciation rate formula that the Study supports: (A) The Depreciation Rate Formula; (B) Life Estimation; (C) Theoretical Reserve; (D) Net Salvage Amounts or Percentages; and (E) Depreciation Accrual and Rates.

A. DEPRECIATION RATE FORMULA

Q. How are the depreciation rates determined?

A. The formula used to derive depreciation rates calculates annual depreciation accrual amounts for each group by dividing the original cost of the asset (gross plant), less book depreciation reserve, less estimated net salvage, by the group's respective remaining life. The resulting annual accrual amounts for all depreciable property within an account are accumulated, and the total is divided by the original cost (gross plant) of all depreciable property within the account to determine the depreciation rate.

Q. What portion of the formula used to derive depreciation rates is supported by the Study?

A. The Study determines several pieces of the overall formula used to derive depreciation rates. The portions of the formula derived by the Study are:

a. Plant and Depreciation Reserve Balance: The depreciation reserve was provided by the Company with the projected gross plant balance amounts and the projected depreciation reserve as of December 31, 2020. The Study depreciation reserve balance is subtracted from gross plant.

b. Life Estimation: The Study describes the analytical tools used to estimate the appropriate average service lives and retirement survivor curve for each depreciable account.

c. Theoretical reserve: The theoretical reserve represents the portion of a property group's cost that would have been accrued as depreciation reserve if current expectations were used throughout the life of the property group for future depreciation accruals. The theoretical reserve for the asset group serves as a point of comparison to the book reserve to determine if the unrecovered investment of the asset and its removal cost are over or under-accrued.

d. Net Salvage Amounts or Percentages: The Study supports the overall net salvage percentages. The Study calculates and recommends the net salvage percentages for Distribution and General Plant accounts. For these plant accounts, salvage and removal cost percentages are calculated by dividing the current cost of salvage or removal, as supported by the Study, by the original installed cost of the retired asset.

e. Remaining Life: The Study supports the remaining life calculation by determining the appropriate average service

lives and retirement survivor curve for each account.

f. Resulting Annual Depreciation Accrual and Depreciation Rates: As discussed above, the Study calculates the depreciation rates and the annual accrual amounts are then derived from these rates. The computation of the annual depreciation rates and annual accrual amounts is shown in Appendix A of the Study and are discussed in Document No. 2 of my exhibit.

B. LIFE ESTIMATION

Q. What method does the Study use to analyze historical data for Distribution and General plant to estimate life characteristics?

A. I anaylized all Distribution and General Plant accounts using the actuarial analysis (retirement rate method) to estimate the life of the property in each account. Depreciation analysts use models of property mortality characteristics that have been validated in research and empirical applications in much the same manner as human mortality is analyzed by actuaries .

Q. How did you determine the average service lives for Distribution and General Plant?

A. As noted above, I used actuarial analysis and judgment to determine the appropriate average service lives for each account in the Distribution and General functions. Graphs and tables supporting the analysis and the chosen Iowa Curves used to determine the average service lives for analyzed accounts are found in the Determination of the Lives and Net Salvage section of Document No. 2 of my exhibit, pages 27-92. A summary comparison of the approved and proposed depreciable lives is shown in Appendix C and in Schedule 3, discussed in Document Nos. 2 and 3 of my exhibit, respectively.

Q. Please describe some of the changes in the average service lives for the various Distribution and General accounts.

A. For Distribution and General Accounts, there are 18 accounts with increasing lives; four accounts with decreasing lives; 11 accounts where there is no change; and three accounts where no comparison is possible. Examples of some of the changes in average service lives for Distribution and General Plant are as follows:

a. The largest increases, 10 years and greater, in life were: Distribution Account 38400 House Regulators which increased by 20 years; Distribution Account 38300 House

Regulators by 14 years; and Distribution Account 37600 Steel Mains by 10 years.

Most of the accounts (15 out of 18) with increasing lives were 10 years or less. Further discussion of the increases is detailed for each account in the Study report.

b. The largest decreases in life were: General Account 390, Structures & Improvements, which decreased by 15 years; and Distribution Account 375, Structures and Improvements which decreased by seven years.

Distribution Account 381 Meters showed a two-year decrease in life, and General Account 393 Stores Equipment showed a one-year decrease in life.

Further discussion of the decreases is detailed for each account in the Study report.

Q. What method did you use in the Study to predict the life characteristics of assets that will be added during the forecast period which currently are not part of the Company's plant-in service assets?

A. Since no historical data was available for those assets, I reviewed information provided by Company personnel and reviewed the life parameters used by other natural gas utilities across the nation. The proposed lives for these accounts are shown in Appendix C of the Study and are

discussed in Document No. 2 of my exhibit, pages 93-98.

C. THEORETICAL RESERVE

Q. What purpose does the theoretical reserve serve in the Study?

A. The theoretical reserve represents the portion of a property group's cost that would have been accrued as depreciation reserve if current life and net salvage expectations were used and achieved throughout the life of the property group for depreciation accruals. The theoretical reserve for the asset group serves as a point of comparison to the book reserve to determine if the unrecovered investment of the asset and its removal cost are over or under-accrued.

Q. How did you determine the theoretical reserve reflected in the Study?

A. I computed the theoretical reserves in the Study based on projected plant balances as of December 31, 2020. The theoretical reserve was calculated using a reserve model that relies on a prospective concept relating future retirement and accrual patterns for property, given current life and salvage estimates. More specifically, the theoretical reserve of a property group was determined from the estimated remaining life of the group, the total life of the group, and

estimated net salvage. This computation for the straight-line, remaining-life theoretical reserve ratio, which I describe in more detail on page 19 of Document No. 2 of my exhibit, involved multiplying the vintage balances within the property group by the theoretical reserve ratio for each vintage.

Q. Is it desirable for the depreciation reserve to conform to the theoretical reserve?

A. Yes. It is desirable for the depreciation reserve to conform as closely as possible to the theoretical reserve. When remaining life rates are used, the theoretical reserve provides the basis for any over-accrual or under-accrual in setting the depreciation rates at the appropriate level based on current parameters and expectations.

Q. How do the book and theoretical reserve compare in this Study?

A. As shown in Document No. 2 of my exhibit, Appendix E, the theoretical reserve is lower than the book reserve, creating a surplus that is netted over the remaining life of the account and has the effect of decreasing the depreciation rate. Rates by account for Distribution and General are shown in Document No. 2 of my exhibit, Appendix B.

Overall, the Study found a surplus of $245.6 million at December 31, 2020 based on the recommended life and net salvage parameters. The depreciation rates are designed to eliminate that surplus over the remaining life of the distribution depreciable assets and the average remaining life for the accounts where the Company is proposing general plant amortization.

Q. How was the difference between the book and theoretical reserve handled in the Peoples' last depreciation study?

A. The Florida Public Service Commission ("FPSC" or "Commission") approved the use of remaining life to amortize that amount in Docket No. 20160159-GU. This Study proposed the same methodology.

D. NET SALVAGE AMOUNTS OR PERCENTAGES

Q. What is net salvage as determined for all the Company's plant assets?

A. While discussed more fully in the Study itself, net salvage is the difference between the gross salvage (what the asset was sold for) and the cost of removal (cost to remove and dispose of the asset) ("COR"). If the COR exceeds gross salvage, net salvage is negative. Some plant assets can

experience significant negative removal cost percentages due to the amount of removal cost and the timing of any capital additions versus the retirement.

Salvage and removal cost percentages are calculated by dividing the current cost of salvage or removal by the original installed cost of the assets retired.

Q. How did you determine the net salvage percentages for each asset group in Distribution and General plant?

A. I started by using an industry-standard method that divides the current cost of removal and salvage by the original installed cost of the assets retired. However, I also applied judgment also to select a net salvage percentage that represents the future expectations for each account. In applying this judgment, I compiled and considered historical salvage and removal data by account to determine values and trends in gross salvage and removal cost. The account data for retirements, gross salvage, and COR covered the period from 1983 - 2018 and is detailed in the Study. I calculated moving averages with this data, with the intent to remove timing differences between retirement and salvage and removal cost; I analyzed those moving averages over varying periods up to 10 years. These calculations are shown in Appendix D

of Document No. 2 of my exhibit.

Q. Is it sufficient to only analyze historical data to form your life and net salvage estimates?

A. No. Historic life and salvage data are the primary factors to consider in making life and net salvage recommendations but it is crucial to incorporate future trends, changes in equipment and Company-specific operational information before finally making life and net salvage recommendations. Once all the calculations and data are prepared, I applied professional judgment, considered Company expectations and trends, and evaluated the magnitude of the potential change to determine the appropriate net salvage percentages. A comparison of the approved and proposed net salvage percentages is shown in Document No. 3 of my exhibit, Schedule 2 and in Document No. 2 of my exhibit, Appendix C.

Q. Please describe the major changes in the net salvage percentages for the various accounts.

A. The detailed analysis of each account is described fully in Document No. 2 of my Exhibit, starting at pages 24-26. Net salvage is trending toward higher negative net salvage due to the increased costs of labor, safety, and environmental

associated with retiring utility assets and the longer lives being experienced for many assets. For Peoples, net salvage in 12 accounts decreased (became more negative) while three increased (became less negative or more positive) 18 accounts remained unchanged, while for the remaining three accounts, no comparison could be made. Examples of some of the changes in net salvage are:

a. The most significant changes of 20 percent or more (more negative) in net salvage percentages were in: Distribution Account 376.00, Steel Mains, which decreased from negative 40 to negative 60 percent; Distribution Account 380.00, Steel Mains, which decreased from negative 100 percent to negative 150 percent; and Distribution Account 380.2, Plastic Services, which decreased from negative 55 percent to negative 80 percent.

b. The most significant increase in net salvage percentage was for General Plant Account 396.00 which increased from a positive 5 percent to positive 10 percent net salvage.

In addition to the account specific detail, general factors impacting removal costs are discussed in the Study. See Document No. 2 of my exhibit, pages 24-26.

Q. How did you determine the net salvage percentages for accounts

where no history exists?

A. Currently, there is no authorized net salvage for Accounts 33600 Renewable Natural Gas ("RNG"), 36400 Liquefied Natural Gas ("LNG"), and 37700 Compressor Equipment. While it is reasonable to expect cost of removal to exceed salvage for these assets, there is no historical basis at this time for a recommendation. I recommend a negative five percent is recommended for each of these assets at this time and that this recommendation be evaluated as the Company gains actual experience with these assets

E. REMAINING LIFE

Q. Having determined the theoretical reserve, the book reserve, calculated net salvage, please describe how you used the remaining life for each account to calculate the depreciation rates and annual depreciation accrual expense.

A. I used a three-step process to determine the remaining life for each account. First, I used historic data through December 31, 2018 and applied judgment to estimate life and net salvage parameters. Then, I developed the vintage balances and reserves as of December 31, 2020.

Using those inputs, I estimated the remaining life for each

vintage in the group by applying the proposed average life and dispersion curve by vintage and computing the direct weighting remaining life for each plant account.

F. DEPRECIATION ACCRUAL RATES

Q. Please describe the final steps in calculating the depreciation rates and annual depreciation accrual expense.

A. I used a two step process to calculate the depreciation rates. In the first step, as discussed earlier, I used historical data through December 31, 2018, Company information and judgment to estimate life and net salvage parameters. I then used the vintage balances and reserves at December 31, 2020 to compute the proposed depreciation accrual expense and rates using the estimated life and net salvage parameters.

In the Study, I calculated the depreciation accrual rates using the same methodology as was used in developing the depreciation rates approved by the Commission in Docket No. 20160159-GU. More discussion on the computation of accrual rates is found in the Study and the calculation are shown in Appendix A of Document No. 2 of exhibit.

V. CHANGE IN DEPRECIATION EXPENSE AS A RESULT

Q. What is the purpose of this section of your prepared direct

testimony?

A. In this section of my prepared direct testimony, I discuss the change in depreciation expense as a result of the proposed depreciation rates. Specifically, I describe the changes in depreciation expense and explain why Peoples' depreciation expense is increasing.

Q. Please summarize the Study results with respect to changes in depreciation expense.

A. Based on the depreciation rates indicated in the Study, as applied to forecasted plant balances as of December 31, 2020, the overall change in annual depreciation expense is an increase of approximately $3.8 million for currently existing asset classes. Document No. 3 of my exibit, Schedule 1, shows this increase reflects an increase of $5.9 million in Distribution, a decrease of $2.1 million in General and a decrease of $49 thousand for intangible property.

There are two asset types Mains (376) and Services (380) in the Distribution function, that are driving the increase. Account 37600 Steel Mains and 38000 Steel Services both saw more negative net salvage with life increases as a partial offset. Account 37602 Plastic Mains and 38002 Plastic

Services both retained the same average service lives and dispersion, with more negative net salvage. Since these are the Company's largest accounts, the impact is an increase in depreciation expense compared to the existing rates.

Q. Have you proposed depreciation rates for certain expected plant additions?

A. Yes. In the Study we have included a proposed life, net salvage and resulting depreciation rate for the Company's pro-forma plant additions which include; 33600 RNG, 36400 LNG plant, and 37700 Distribution Compressors. We understand these assets are expected to go into service in 2021. However, from an accounting perspective, having a depreciation rate to apply to an asset class when the assets are placed in service is necessary. Peoples requests a rate to apply to those assets when they are closed to plant in service, which is expected to occur by the end of calendar year 2021. The depreciation expense on these assets added in 2021 is proposed to be $2.3 million annually.

VI. CONCLUSION

Q. Mr. Watson, do you have any concluding remarks?

A. Yes. The Study and analysis performed under my supervision

fully supports setting depreciation rates at the level I have indicated in my testimony. The Company should continue to periodically review the annual depreciation rates for its property. In this way, the Company's depreciation expense will more accurately reflect its cost of operations and the rates for all customers will include an appropriate share of the capital expended for their benefit.

The Study analysis for Peoples' depreciable property for actual plant assets as of December 31, 2018 describes the extensive analysis performed. The forecast plant balances and reserves at December 31, 2020 result in rates that are now appropriate for Company property.

Q. Does this conclude your prepared direct testimony?

A. Yes, it does.

DOCKET NO. _____-GU
FILED: 06/08/2020

EXHIBIT

OF

DANE A WATSON

ON BEHALF OF PEOPLES GAS SYSTEM

DOCKET NO. _____-GU
EXHIBIT NO. (DAW-1)
FILED: 06/08/2020

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EXHIBIT NO. (DAW-1)
DOCUMENT NO. 1
FILED: 06/08/2020

TESTIMONY EXPERIENCE

DANE A. WATSON

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Colorado	Colorado Public Utilities Commission	20AL-0049G	Public Service of Colorado	2020	Gas Depreciation Study
New York	Federal Energy Regulatory Commission	ER20-716-000	LS Power Grid New York, Corp.	2019	Electric Transmission Depreciation Study
Mississippi	Mississippi Public Service Commission	2019-UN-219	Mississippi Power Company	2019	Electric Depreciation Study
Texas	Public Utility Commission of Texas	50288	Kerrville Public Utility District	2019	Electric Depreciation Study
Texas	Railroad Commission of Texas	GUD 10920	CenterPoint Gas	2019	Gas Depreciation Study and Propane Air Study
Texas, New Mexico	Federal Energy Regulatory Commission	ER20-277-000	Southwestern Public Service Company	2019	Electric Production and General Plant Depreciation Study
Alaska	Regulatory Commission of Alaska	U-19-086	Alaska Electric Light and Power	2019	Electric Depreciation Study
Delaware	Delaware Public Service Commission	19-0615	Suez Water Delaware	2019	Water Depreciation Study
Texas	Public Utility Commission of Texas	49831	Southwestern Public Service Company	2019	Electric Depreciation Study
New Mexico	New Mexico Public Regulation Commission	19-00170-UT	Southwestern Public Service Company	2019	Electric Depreciation Study
Georgia	Georgia Public Service Commission	42516	Georgia Power Company	2019	Electric Depreciation Study
Georgia	Georgia Public Service Commission	42315	Atlanta Gas Light	2019	Gas Depreciation Study
Arizona	Arizona Corporation Commission	G-01551A-19-0055	Southwest Gas Corporation	2019	Gas Removal Cost Study
New Hampshire	New Hampshire Public Service Commission	DE 19-064	Liberty Utilities	2019	Electric Distribution and General
New Jersey	New Jersey Board of Public Utilities	GR19040486	Elizabethtown Natural Gas	2019	Gas Depreciation Study
Texas	Public Utility Commission of Texas	49421	CenterPoint Houston Electric LLC	2019	Electric Depreciation Study
North Carolina	North Carolina Utilities Commission	Docket No. G-9, Sub 743	Piedmont Natural Gas	2019	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-18-121	Municipal Power and Light City of Anchorage	2018	Electric Depreciation Study
Various	FERC	RP19-352-000	Sea Robin	2018	Gas Depreciation Study
Texas New Mexico	Federal Energy Regulatory Commission	ER19-404-000	Southwestern Public Service Company	2018	Electric Transmission Depreciation Study
California	Federal Energy Regulatory Commission	ER19-221-000	San Diego Gas and Electric	2018	Electric Transmission Depreciation Study
Kentucky	Kentucky Public Service Commission	2018-00281	Atmos Kentucky	2018	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-18-054	Matanuska Electric Coop	2018	Electric Generation Depreciation Study
California	California Public Utilities Commission	A17-10-007	San Diego Gas and Electric	2018	Electric and Gas Depreciation Study
Texas	Public Utility Commission of Texas	48401	Texas New Mexico Power	2018	Electric Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Nevada	Public Utility Commission of Nevada	18-05031	Southwest Gas	2018	Gas Depreciation Study
Texas	Public Utility Commission of Texas	48231	Oncor Electric Delivery	2018	Depreciation Rates
Texas	Public Utility Commission of Texas	48371	Entergy Texas	2018	Electric Depreciation Study
Kansas	Kansas Corporation Commission	18-KCPE-480-RTS	Kansas City Power and Light	2018	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	18-027-U	Liberty Pine Bluff Water	2018	Water Depreciation Study
Kentucky	Kentucky Public Service Commission	2017-00349	Atmos KY	2018	Gas Depreciation Rates
Tennessee	Tennessee Public Utility Commission	18-00017	Chattanooga Gas	2018	Gas Depreciation Study
Texas	Railroad Commission of Texas	10679	Si Energy	2018	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-17-104	Anchorage Water and Wastewater	2017	Water and Waste Water Depreciation Study
Michigan	Michigan Public Service Commission	U-18488	Michigan Gas Utilities Corporation	2017	Gas Depreciation Study
Texas	Railroad Commission of Texas	10669	CenterPoint South Texas	2017	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	17-061-U	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Kansas	Kansas Corporation Commission	18-EPDE-184-PRE	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Oklahoma	Oklahoma Corporation Commission	PUD 201700471	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Missouri	Missouri Public Service Commission	EO-2018-0092	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Michigan	Michigan Public Service Commission	U-18457	Upper Peninsula Power Company	2017	Electric Depreciation Study
Florida	Florida Public Service Commission	20170179-GU	Florida City Gas	2017	Gas Depreciation Study
Michigan	FERC	ER18-56-000	Consumers Energy	2017	Electric Depreciation Study
Missouri	Missouri Public Service Commission	GR-2018-0013	Liberty Utilities	2017	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-18452	SEMCO	2017	Gas Depreciation Study
Texas	Public Utility Commission of Texas	47527	Southwestern Public Service Company	2017	Electric Production Depreciation Study
MultiState	FERC	ER17-1664	American Transmission Company	2017	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-17-008	Municipal Power and Light City of Anchorage	2017	Generating Unit Depreciation Study
Mississippi	Mississippi Public Service Commission	2017-UN-041	Atmos Energy	2017	Gas Depreciation Study
Texas	Public Utility Commission of Texas	46957	Oncor Electric Delivery	2017	Electric Depreciation Study
Oklahoma	Oklahoma Corporation Commission	PUD 201700078	CenterPoint Oklahoma	2017	Gas Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
New York	FERC	ER17-1010-000	New York Power Authority	2017	Electric Depreciation Study
Texas	Railroad Commission of Texas	GUD 10580	Atmos Pipeline Texas	2017	Gas Depreciation Study
Texas	Railroad Commission of Texas	GUD 10567	CenterPoint Texas	2016	Gas Depreciation Study
MultiState	FERC	ER17-191-000	American Transmission Company	2016	Electric Depreciation Study
New Jersey	New Jersey Board of Public Utilities	GR16090826	Elizabethtown Natural Gas	2016	Gas Depreciation Study
North Carolina	North Carolina Utilities Commission	Docket G-9 Sub 77H	Piedmont Natural Gas	2016	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-18195	Consumers Energy/DTE Electric	2016	Ludington Pumped Storage Depreciation Study
Alabama	FERC	ER16-2313-000	SEGCO	2016	Electric Depreciation Study
Alabama	FERC	ER16-2312-000	Alabama Power Company	2016	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-18127	Consumers Energy	2016	Natural Gas Depreciation Study
Mississippi	Mississippi Public Service Commission	2016 UN 267	Willmut Natural Gas	2016	Natural Gas Depreciation Study
Iowa	Iowa Utilities Board	RPU-2016-0003	Liberty-Iowa	2016	Natural Gas Depreciation Study
Illinois	Illinois Commerce Commission	GRM #16-208	Liberty-Illinois	2016	Natural Gas Depreciation Study
Kentucky	FERC	RP16-097-000	KOT	2016	Natural Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-16-067	Alaska Electric Light and Power	2016	Generating Unit Depreciation Study
Florida	Florida Public Service Commission	160170-EI	Gulf Power	2016	Electric Depreciation Study
California	California Public Utilities Commission	A 16-07-002	California American Water	2016	Water and Waste Water Depreciation Study
Arizona	Arizona Corporation Commission	G-01551A-16-0107	Southwest Gas	2016	Gas Depreciation Study
Texas	Public Utility Commission of Texas	45414	Sharyland	2016	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	16A-0231E	Public Service Company of Colorado	2016	Electric Depreciation Study
Multi-State NE US	FERC	16-453-000	Northeast Transmission Development, LLC	2015	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	15-098-U	CenterPoint Arkansas	2015	Gas Depreciation Study and Cost of Removal Study
New Mexico	New Mexico Public Regulation Commission	15-00296-UT	Southwestern Public Service Company	2015	Electric Depreciation Study
Atmos Energy Corporation	Tennessee Regulatory Authority	14-00146	Atmos Tennessee	2015	Natural Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	15-00261-UT	Public Service Company of New Mexico	2015	Electric Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Hawaii	NA	NA	Hawaii American Water	2015	Water/Wastewater Depreciation Study
Kansas	Kansas Corporation Commission	16-ATMG-079-RTS	Atmos Kansas	2015	Gas Depreciation Study
Texas	Public Utility Commission of Texas	44704	Entergy Texas	2015	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-15-089	Fairbanks Water and Wastewater	2015	Water and Waste Water Depreciation Study
Arkansas	Arkansas Public Service Commission	15-031-U	Source Gas Arkansas	2015	Underground Storage Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	15-00139-UT	Southwestern Public Service Company	2015	Electric Depreciation Study
Texas	Public Utility Commission of Texas	44746	Wind Energy Transmission Texas	2015	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	15-AL-0299G	Atmos Colorado	2015	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	15-011-U	Source Gas Arkansas	2015	Gas Depreciation Study
Texas	Railroad Commission of Texas	GUD 10432	CenterPoint- Texas Coast Division	2015	Gas Depreciation Study
Kansas	Kansas Corporation Commission	15-KCPE-116-RTS	Kansas City Power and Light	2015	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-120	Alaska Electric Light and Power	2014-2015	Electric Depreciation Study
Texas	Public Utility Commission of Texas	43950	Cross Texas Transmission	2014	Electric Depreciation Study
New Mexico	New Mexico Public Regulation Commission	14-00332-UT	Public Service of New Mexico	2014	Electric Depreciation Study
Texas	Public Utility Commission of Texas	43695	Xcel Energy	2014	Electric Depreciation Study
Multi State – SE US	FERC	RP15-101	Florida Gas Transmission	2014	Gas Transmission Depreciation Study
California	California Public Utilities Commission	A.14-07-006	Golden State Water	2014	Water and Waste Water Depreciation Study
Michigan	Michigan Public Service Commission	U-17653	Consumers Energy Company	2014	Electric and Common Depreciation Study
Colorado	Public Utilities Commission of Colorado	14AL-0660E	Public Service of Colorado	2014	Electric Depreciation Study
Wisconsin	Wisconsin	05-DU-102	WE Energies	2014	Electric, Gas, Steam and Common Depreciation Studies
Texas	Public Utility Commission of Texas	42469	Lone Star Transmission	2014	Electric Depreciation Study
Nebraska	Nebraska Public Service Commission	NG-0079	Source Gas Nebraska	2014	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-055	TDX North Slope Generating	2014	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-054	Sand Point Generating LLC	2014	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-045	Matanuska Electric Coop	2014	Electric Generation Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Texas, New Mexico	Public Utility Commission of Texas	42004	Southwestern Public Service Company	2013-2014	Electric Production, Transmission, Distribution and General Plant Depreciation Study
New Jersey	New Jersey Board of Public Utilities	GR13111137	South Jersey Gas	2013	Gas Depreciation Study
Various	FERC	RP14-247-000	Sea Robin	2013	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	13-078-U	Arkansas Oklahoma Gas	2013	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	13-079-U	Source Gas Arkansas	2013	Gas Depreciation Study
California	California Public Utilities Commission	Proceeding No.: A.13-11-003	Southern California Edison	2013	Electric Depreciation Study
North Carolina/South Carolina	FERC	ER13-1313	Progress Energy Carolina	2013	Electric Depreciation Study
Wisconsin	Public Service Commission of Wisconsin	4220-DU-108	Northern States Power Company - Wisconsin	2013	Electric, Gas and Common Transmission, Distribution and General
Texas	Public Utility Commission of Texas	41474	Sharyland	2013	Electric Depreciation Study
Kentucky	Kentucky Public Service Commission	2013-00148	Atmos Energy Corporation	2013	Gas Depreciation Study
Minnesota	Minnesota Public Utilities Commission	13-252	Allete Minnesota Power	2013	Electric Depreciation Study
New Hampshire	New Hampshire Public Service Commission	DE 13-063	Liberty Utilities	2013	Electric Distribution and General
Texas	Railroad Commission of Texas	10235	West Texas Gas	2013	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-154	Alaska Telephone Company	2012	Telecommunications Utility
New Mexico	New Mexico Public Regulation Commission	12-00350-UT	Southwestern Public Service Company	2012	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	12AL-1269ST	Public Service Company of Colorado	2012	Gas and Steam Depreciation Study
Colorado	Colorado Public Utilities Commission	12AL-1268G	Public Service Company of Colorado	2012	Gas and Steam Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-149	Municipal Power and Light City of Anchorage	2012	Electric Depreciation Study
Texas	Texas Public Utility Commission	40824	Xcel Energy	2012	Electric Depreciation Study
South Carolina	Public Service Commission of South Carolina	Docket 2012-384-E	Progress Energy Carolina	2012	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-141	Interior Telephone Company	2012	Telecommunications Utility
Michigan	Michigan Public Service Commission	U-17104	Michigan Gas Utilities Corporation	2012	Gas Depreciation Study
North Carolina	North Carolina Utilities Commission	E-2 Sub 1025	Progress Energy Carolina	2012	Electric Depreciation Study
Texas	Texas Public Utility Commission	40606	Wind Energy Transmission Texas	2012	Electric Depreciation Study
Texas	Texas Public Utility Commission	40604	Cross Texas Transmission	2012	Electric Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Minnesota	Minnesota Public Utilities Commission	12-858	Northern States Power Company - Minnesota	2012	Electric, Gas and Common Transmission, Distribution and General
Texas	Railroad Commission of Texas	10170	Atmos Mid-Tex	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10174	Atmos West Texas	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10182	CenterPoint Beaumont/ East Texas	2012	Gas Depreciation Study
Kansas	Kansas Corporation Commission	12-KCPE-764-RTS	Kansas City Power and Light	2012	Electric Depreciation Study
Nevada	Public Utility Commission of Nevada	12-04005	Southwest Gas	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10147, 10170	Atmos Mid-Tex	2012	Gas Depreciation Study
Kansas	Kansas Corporation Commission	12-ATMG-564-RTS	Atmos Kansas	2012	Gas Depreciation Study
Texas	Texas Public Utility Commission	40020	Lone Star Transmission	2012	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-16938	Consumers Energy Company	2011	Gas Depreciation Study
Colorado	Public Utilities Commission of Colorado	11AL-947E	Public Service of Colorado	2011	Electric Depreciation Study
Texas	Texas Public Utility Commission	39896	Entergy Texas	2011	Electric Depreciation Study
MultiState	FERC	ER12-212	American Transmission Company	2011	Electric Depreciation Study
California	California Public Utilities Commission	A1011015	Southern California Edison	2011	Electric Depreciation Study
Mississippi	Mississippi Public Service Commission	2011-UN-184	Atmos Energy	2011	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-16536	Consumers Energy Company	2011	Wind Depreciation Rate Study
Texas	Public Utility Commission of Texas	38929	Oncor	2011	Electric Depreciation Study
Texas	Railroad Commission of Texas	10038	CenterPoint South TX	2010	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-10-070	Inside Passage Electric Cooperative	2010	Electric Depreciation Study
Texas	Public Utility Commission of Texas	36633	City Public Service of San Antonio	2010	Electric Depreciation Study
Texas	Texas Railroad Commission	10000	Atmos Pipeline Texas	2010	Gas Depreciation Study
Multi State – SE US	FERC	RP10-21-000	Florida Gas Transmission	2010	Gas Depreciation Study
Maine/ New Hampshire	FERC	10-896	Granite State Gas Transmission	2010	Gas Depreciation Study
Texas	Public Utility Commission of Texas	38480	Texas New Mexico Power	2010	Electric Depreciation Study
Texas	Public Utility Commission of Texas	38339	CenterPoint Electric	2010	Electric Depreciation Study
Texas	Texas Railroad Commission	10041	Atmos Amarillo	2010	Gas Depreciation Study
Georgia	Georgia Public Service Commission	31647	Atlanta Gas Light	2010	Gas Depreciation Study
Texas	Public Utility Commission of Texas	38147	Southwestern Public Service	2010	Electric Technical Update

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Alaska	Regulatory Commission of Alaska	U-09-015	Alaska Electric Light and Power	2009-2010	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-10-043	Utility Services of Alaska	2009-2010	Water Depreciation Study
Michigan	Michigan Public Service Commission	U-16055	Consumers Energy/DTE Energy	2009-2010	Ludington Pumped Storage Depreciation Study
Michigan	Michigan Public Service Commission	U-16054	Consumers Energy	2009-2010	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-15963	Michigan Gas Utilities Corporation	2009	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-15989	Upper Peninsula Power Company	2009	Electric Depreciation Study
Texas	Railroad Commission of Texas	9869	Atmos Energy	2009	Shared Services Depreciation Study
Mississippi	Mississippi Public Service Commission	09-UN-334	CenterPoint Energy Mississippi	2009	Gas Depreciation Study
Texas	Railroad Commission of Texas	9902	CenterPoint Energy Houston	2009	Gas Depreciation Study
Colorado	Colorado Public Utilities Commission	09AL-299E	Public Service Company of Colorado	2009	Electric Depreciation Study
Tennessee	Tennessee Regulatory Authority	11-00144	Piedmont Natural Gas	2009	Gas Depreciation Study
Louisiana	Louisiana Public Service Commission	U-30689	Cleco	2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	35763	Southwestern Public Service Company	2008	Electric Production, Transmission, Distribution and General Plant Depreciation Study
Wisconsin	Wisconsin	05-DU-101	WE Energies	2008	Electric, Gas, Steam and Common Depreciation Studies
North Dakota	North Dakota Public Service Commission	PU-07-776	Northern States Power Company - Minnesota	2008	Net Salvage
New Mexico	New Mexico Public Regulation Commission	07-00319-UT	Southwestern Public Service Company	2008	Testimony – Depreciation
Multiple States	Railroad Commission of Texas	9762	Atmos Energy	2007-2008	Shared Services Depreciation Study
Minnesota	Minnesota Public Utilities Commission	E015/D-08-422	Minnesota Power	2007-2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	35717	Oncor	2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	34040	Oncor	2007	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-15629	Consumers Energy	2006-2009	Gas Depreciation Study
Colorado	Colorado Public Utilities Commission	06-234-EG	Public Service Company of Colorado	2006	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	06-161-U	CenterPoint Energy – Arkla Gas	2006	Gas Distribution Depreciation Study and Removal Cost Study
Texas, New Mexico	Public Utility Commission of Texas	32766	Southwestern Public Service Company	2005-2006	Electric Production, Transmission, Distribution and General Plant Depreciation Study

Dane Watson Testimony Appearances

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Texas	Railroad Commission of Texas	9670/9676	Atmos Energy Corp	2005-2006	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9400	TXU Gas	2003-2004	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9313	TXU Gas	2002	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9225	TXU Gas	2002	Gas Distribution Depreciation Study
Texas	Public Utility Commission of Texas	24060	TXU	2001	Line Losses
Texas	Public Utility Commission of Texas	23640	TXU	2001	Line Losses
Texas	Railroad Commission of Texas	9145-9148	TXU Gas	2000-2001	Gas Distribution Depreciation Study
Texas	Public Utility Commission of Texas	22350	TXU	2000-2001	Electric Depreciation Study, Unbundling
Texas	Railroad Commission of Texas	8976	TXU Pipeline	1999	Pipeline Depreciation Study
Texas	Public Utility Commission of Texas	20285	TXU	1999	Fuel Company Depreciation Study
Texas	Public Utility Commission of Texas	18490	TXU	1998	Transition to Competition
Texas	Public Utility Commission of Texas	16650	TXU	1997	Customer Complaint
Texas	Public Utility Commission of Texas	15195	TXU	1996	Mining Company Depreciation Study
Texas	Public Utility Commission of Texas	12160	TXU	1993	Fuel Company Depreciation Study
Texas	Public Utility Commission of Texas	11735	TXU	1993	Electric Depreciation Study

DOCKET NO. _____-GU
EXHIBIT NO. (DAW-1)
DOCUMENT NO. 2
FILED: 06/08/2020

PEOPLES' DEPRECIATION STUDY

PEOPLES GAS SYSTEM

GAS UTILITY PLANT

DEPRECIATION RATE STUDY

AT DECEMBER 31, 2020

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PEOPLES GAS SYSTEM

GAS UTILITY PLANT

DEPRECIATION RATE STUDY

EXECUTIVE SUMMARY

Peoples Gas System ("PGS" or "Company") engaged Alliance Consulting Group ("Alliance") to conduct a depreciation study of the Company's Gas utility plant depreciable assets using actual plant asset balances as of December 31, 2018 and projected plant and depreciation reserve balances as of December 31, 2020 ("Study"). To determine depreciation rates for the projected time period of December 31, 2020, Alliance used the following process: 1) historical data through December 31, 2018 and judgment were used to estimate life and net salvage parameters; 2) the Company provided Alliance a walk-forward of projected plant and depreciation reserve activity from January 1, 2019 to December 31, 2020; 3) additions were projected assuming the transaction year and vintage year were the same; 4) retirements were based on a first-in, first-out approach, in which the oldest vintages were retired; and 5) the projected vintage balances and reserves at December 31, 2020 were used to compute the proposed depreciation accrual. The total proposed increase in depreciation expense in this Study is $3.7 million based on plant balances as of December 31, 2020. That amount does not include the investment added in 2021 in the forecast test year.

This Study uses the straight-line, broad (average) life group, remaining life depreciation system. The net salvage analysis in this Study parallels the approach previously used in developing the depreciation rates adopted by the Florida Public Service Commission ("Commission" or "FPSC") in PGS's gas rate case in Docket No. 160159-GU.

For Distribution and General Accounts, the lives of the accounts and net salvage parameters are reviewed in this Study. This Study recommends the following changes in depreciation in accounts for each function based on the estimated account balances as of December 31, 2020: an increase of $5.9 million

for Distribution and a decrease of $2.1 million for General, which includes a reserve excess of ($342,201). The total proposed change in depreciation expense for Distribution and General is an increase of $3.7 million based on projected account balances as of December 31, 2020. Appendix B demonstrates the change in depreciation expense for the various accounts based on projected plant balances as of December 31, 2020.

For Distribution and General accounts there are 18 accounts that have increasing lives, four accounts that have decreasing lives, 11 accounts that have no change, and three accounts where no comparison is possible. There is a trend toward slightly higher negative net salvage (where the projected cost of removal exceeds projected salvage value), with 12 accounts increasing their negative net salvage (i.e., more negative or simply decrease in net salvage). For the remaining accounts, there are three accounts with increasing positive net salvage, 18 accounts with no change, and three where no comparison is possible.

PEOPLES GAS SYSTEM
GAS UTILITY PLANT
DEPRECIATION RATE STUDY
AT DECEMBER 31, 2020
Table of Contents

I. REPORT ORGANIZATION

The Proposed Rates shown in Table 1 summarize the annual depreciation accrual rates recommended by this Study. (Florida Administrative Code 25-6.0436(6)(a)).

The Proforma Expense Comparison shown in Appendix B computes depreciation expense on December 31, 2020 projected investment, using both the current and proposed accrual rates. This analysis compares the current and proposed rates, and also shows the change in expense as a result of adopting the proposed rates. (Florida Administrative Code 25-6.0436(6)(a) & (b)).

The Analysis Results shown in Section VI Determination of Lives and Net Salvage contains summary pages for each of the following three major functions: 1) Intangible Plant, 2) Distribution Plant and 3) General Plant. Each summary page presents a narrative of pertinent information related to the analysis. Each summary page is followed by analysis of each account (subaccount) life and net salvage, similarly arranged, that comprise that function. (Florida Administrative Code 25-6.0436(6)(a), (b), (d), (f), (g); (7)(a)).

The Parameter Schedules shown in Appendix C (Intangible, Distribution, and General Plant) summarize the parameters used in the calculation of depreciation rates for each account (subaccount) within the three major functions of PGS's depreciable investment. The schedules present the estimates of average service life, net salvage, and average remaining life for each account (subaccount) within the major study groupings. (Florida Administrative Code 25-6.0436(6)(d) & (g)).

The Net Salvage Schedules shown in Appendix D provide the historical account analysis. Appendix C also contains a summary comparison of net salvage factors between approved and proposed. Section VI Determination of Lives and Net Salvage contains a net salvage narrative by account (Florida Administrative Code 25-6.0436(6)(h)).

Appendix E presents a comparison between the total book reserve and the theoretical depreciation reserve based on the whole life and remaining life basis.

The Summary of Plant-in-Service and Accumulated Depreciation (Appendix F-1 and Appendix F-2) presents annual activity by function and account. (Florida Administrative Code 25-6.0436(6)(c) & (g)).

II. PURPOSE OF THE STUDY

The purpose of this Study is to develop depreciation rates for the depreciable property of PGS based on projected plant balances at December 31, 2020. Historical data through December 31, 2018 and judgment are used to estimate life and net salvage. This Study includes the Company's depreciable gas plant assets. Non-depreciable property and property that is amortized, such as intangible software, are excluded from the analysis of this Study.

The Study includes investment and reserves for the projected plant balances at December 31, 2020 for all intangible, distribution, and general plant assets. The depreciation rates were designed to recover the total remaining undepreciated investment, adjusted for net salvage, over the remaining life of PGS's property on a straight-line basis.

PGS' natural gas delivery system consists of approximately 12,000 miles of gas mains and serves nearly 406,000 customers in Florida.

The fundamental principle of any natural gas delivery system is that gas flows from higher to lower pressure. Compressor stations may be located every 50-60 miles along the pipelines to boost pressure that is lost through friction. Also along the route, the natural gas may be stored underground in depleted oil and gas wells or other natural geological formations for use during seasonal periods of high demand to ensure that adequate natural gas supplies are always available.

Interstate pipelines interconnect with other pipelines and other utility systems, offering system operators flexibility in moving the gas from point to point. Natural gas eventually reaches PGS through a gate station, where it is measured and injected with an odorant for safety, then distributed to customers through the Company's local distribution system of pipelines, mains, and service lines.

PGS has made significant investments each year since its last depreciation study in 2016 to keep its natural gas system safe and reliable for its customers and the communities they serve throughout Florida. This includes the Cast Iron Bare Steel Replacement program that began in 2013 to replace 100 miles of cast iron and

354 miles of bare steel mains. At that time, the older pipe comprised about 3.8 percent of PGS's 12,000 miles of distribution mains – all buried underground. Since January 2013, the Company has replaced over 300 miles of pipe.

Cast iron and bare steel pipes were widely installed throughout the country for distribution of natural gas until the 1970s. Current standards call for pipe made of polyethylene or coated steel, which resists corrosion.

PGS has been proactively replacing older pipes as well as problematic plastic (Aldyl A) pipe for more than a decade. Most of the work on the system will be done in the public rights-of-way and in front of residential properties. Construction methods have a low impact on the roads by using trenchless technology like directional drilling. Upon completion, disturbed areas will be restored to pre-project condition or better. All work is done at no expense to homeowners or local government.

A map of the Company's service area is shown in Figure 1.

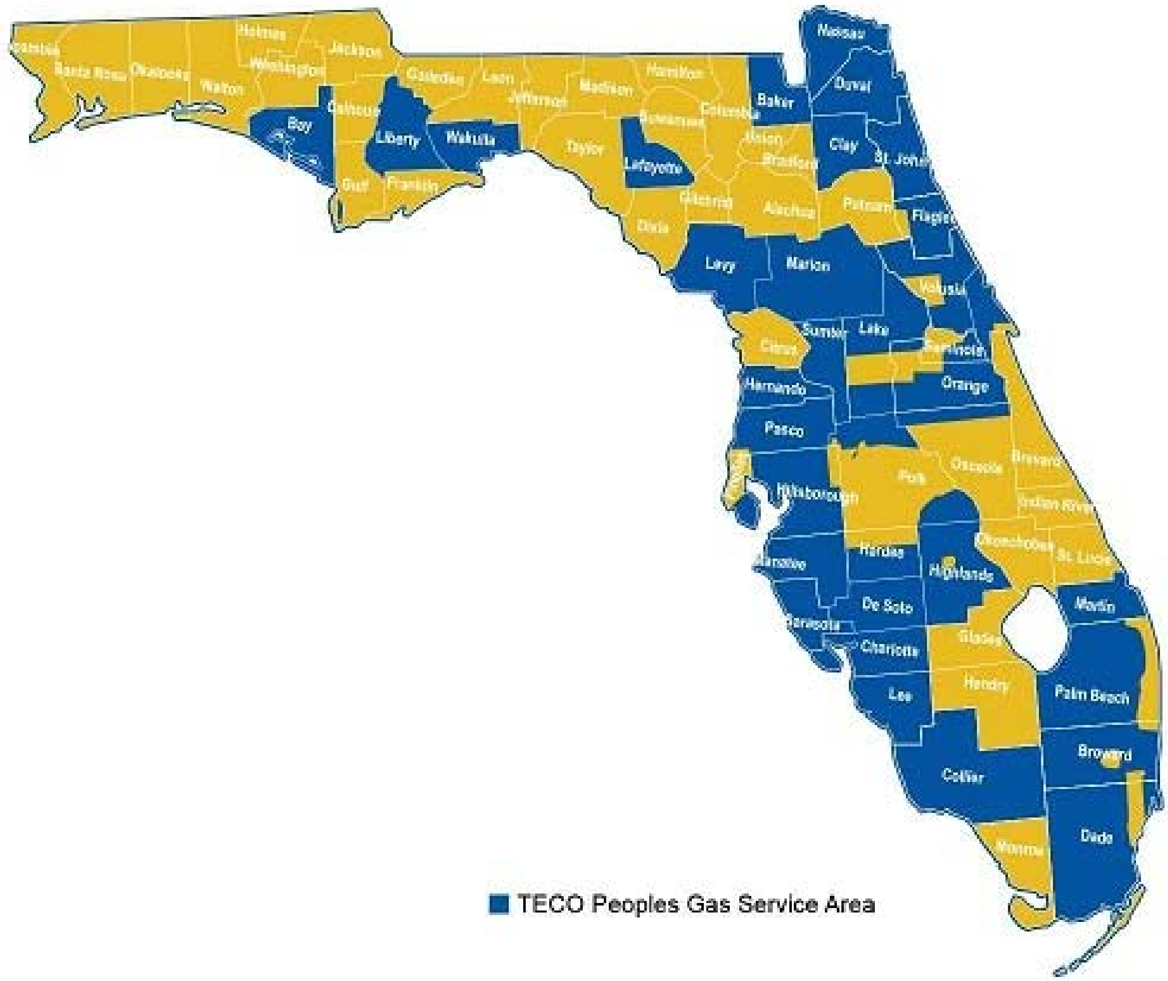

Holmes
Jackson
Santa Rosa
Okaloosa
Walton
Washington
Bay
Gadsden
Leon
Jefferson
Madison
Hamilton
Liberty
Wakulla
Gulf
Franklin
Taylor
Lafayette
Columbia
Baker
Nassau
Duval
Clay
Union
Bradford
Gilchrist
Alachua
Putnam
Dixie
Levy
Marion
Sumter
Lake
Citrus
Orange
Hernando
Pasco
Polk
Osceola
Hillsborough
Hardee
Highlands
De Soto
Charlotte
Glades
Hendry
Martin
Lee
Palm Beach
Collier
Broward
Dade
Monroe
TECO Peoples Gas Service Area

Figure 1

STUDY RESULTS WITH PROPOSED RATES

Overall depreciation rates for all PGS depreciable property are shown in Appendix B. As shown in Appendix B, these rates translate into an annual depreciation expense of $55.6 million based on PGS's depreciable investment for the projected plant balances as of December 31, 2020. This reflects an increase of $3.7 million as compared to the equivalent annual depreciation expense of $51.9 million calculated using the currently approved rates. The proposed depreciation rates translate into an annual depreciation accrual for Intangible Plant of $3.2 million, Distribution of $48.7 million, and General Plant of $3.7 million. The changes in proposed depreciation expense are due to a mix of life and net salvage changes. Plant that will be added in 2021 after the forecast period ends is shown as pro-forma addition.

Appendix A shows the development of the annual depreciation rates and accruals. Appendix B presents a comparison of approved rates versus proposed rates by account. Appendix C presents a summary of average service lives and net salvage estimates by account. Appendix D presents the net salvage analysis for all accounts. Appendix E presents a comparison between the total book reserve and the theoretical depreciation reserve based on the whole life and remaining life basis. Appendix F is a summary of plant in service and the accumulated depreciation and presents annual activity by function and account.

The depreciation rates proposed in this study are based on PGS's estimated depreciable investment as of December 31, 2020. The proposed rates will provide for the systematic and rational allocation of capital costs over the expected useful life of the property. Capital costs include the acquisition cost of the property in addition to the estimated cost of retirement (salvage and cost of removal).

PGS's current depreciation rates were approved by the Florida Public Service Commission under Docket No. 20180044-GU, Order No. PSC-2018-0501-S-GU. As a result of this study, the following accrual rates are proposed:

Table 1
Total Company Comparison
Depreciation Accrual Rates at December 31, 2020

	Description	Existing	Proposed
INTANGIBLE PLANT			
30200	Franchises and Consents	4.0%	4.0%
30300	Misc. Intangible Plant	4.0%	4.0%
30310	Customer Intangible Plant	6.7%	6.6%
DISTRIBUTION PLANT			
37402	:Land Rights	1.3%	1.3%
37500	Structures & Improvements	2.5%	2.8%
37600	Mains, Steel	1.8%	2.3%
37602	Mains, Plastic	1.4%	1.7%
37800	M&R Station Equipment - General	3.3%	2.7%
37900	M&R Station Equipment - City Gate	3.3%	2.1%
38000	Services, Steel	2.6%	4.7%
38002	Services, Plastic	2.3%	2.9%
38100	Meters	4.5%	5.0%
38200	Meter Installations	2.8%	2.4%
38300	House Regulators	3.6%	1.8%
38400	House Regulator Installations	4.4%	2.0%
38500	Industrial M&R Station Equipment	3.1%	2.3%
38700	Other Equipment	6.3%	3.0%
GENERAL PLANT			
39000	Structures & Improvements	2.5%	2.4%
39100	Office Furniture	6.7%	5.9%
39101	Computer Equipment	12.3%	11.1%
39102	Office Equipment	6.7%	6.7%
39201	Vehicles up to ½ Ton	11.4%	7.0%
39202	Vehicles from ½ to 1 Ton	13.0%	5.6%
39204	Trailers and Other	4.0%	2.9%
39205	Vehicles over 1 Ton	7.5%	6.6%
39300	Stores Equipment	3.9%	4.2%
39400	Tools, Shop,& Garage Equipment	6.7%	5.6%
39410	CNG Station Equipment	5.0%	5.0%
39500	Laboratory Equipment	5.0%	5.0%
39600	Power Operated Equipment	6.3%	2.7%
39700	Communication Equipment	8.2%	7.7%
39800	Miscellaneous Equipment	6.0%	5.0%
PRO FORMA PLANT			
33600	RNG Plant	NA	3.5%
36400	LNG Plant	NA	3.5%
37700	Compressor Equipment	NA	3.0%

III. GENERAL DISCUSSION OF THE DEPRECIATION RATE STUDY PROCESS

A. Definition of Depreciation

The term "depreciation" as used in this Study is considered in the accounting sense; that is, depreciation is a system of accounting that distributes the cost of assets, less net salvage (if any), over the estimated useful life of the assets in a systematic and rational manner. It is a process of allocation, not valuation. This expense is systematically allocated to accounting periods over the life of the properties. The amount allocated to any one accounting period does not necessarily represent the loss or decrease in value that will occur during that particular period. The Company accrues depreciation on the basis of the original cost of all depreciable property included in each functional property group. On retirement, the full cost of depreciable property, less the net salvage value, is charged to the depreciation reserve.

B. Basis of Depreciation Estimates

1. Overview of the Depreciation Method, Procedure and Technique

The Straight-Line, Broad (Average) Life Group, Remaining Life depreciation system is employed to calculate annual and accrued depreciation in this Study. In this system, the annual depreciation accrual for each plant account or sub-account is computed by dividing the original cost of the asset, less allocated depreciation reserve less estimated net salvage, by its respective average life group remaining life. The resulting annual accrual amounts of all depreciable property within a functional group[1] are accumulated, and that total is divided by the original cost of all functional depreciable property to determine the depreciation rate. The calculated remaining lives and annual depreciation accrual rates are based on attained ages of

[1] Function or function group refers to different categories of plant. Specifically, the functions analyzed in this study are: Intangible, Distribution, and General.

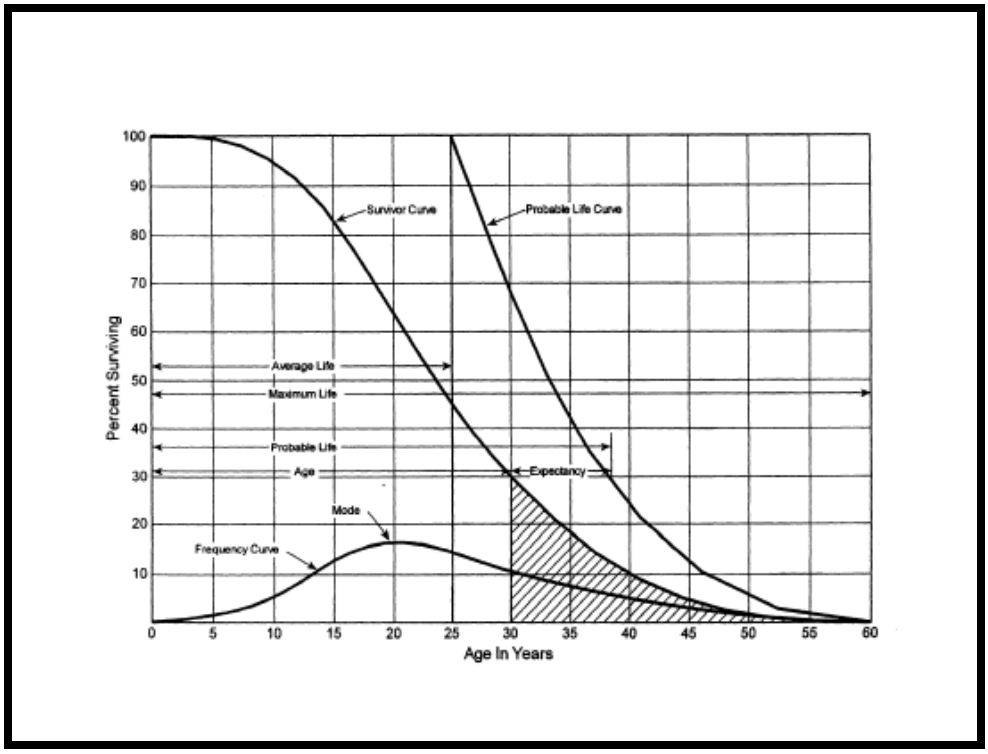
plant in service and the estimated service life and salvage characteristics of each depreciable group.

In this Straight-Line, Broad (Average Life) Group, Remaining Life depreciation system, the depreciation accrual uses an allocation of the accumulated provision for depreciation based on each unit/account's theoretical depreciation reserve to determine the net investment needed to be recovered over each unit's remaining life (along with its estimated net salvage). The computations of accrual rates are shown in Appendix A, and the comparison of the accumulated provision for depreciation and the theoretical depreciation reserve is found in Appendix E.

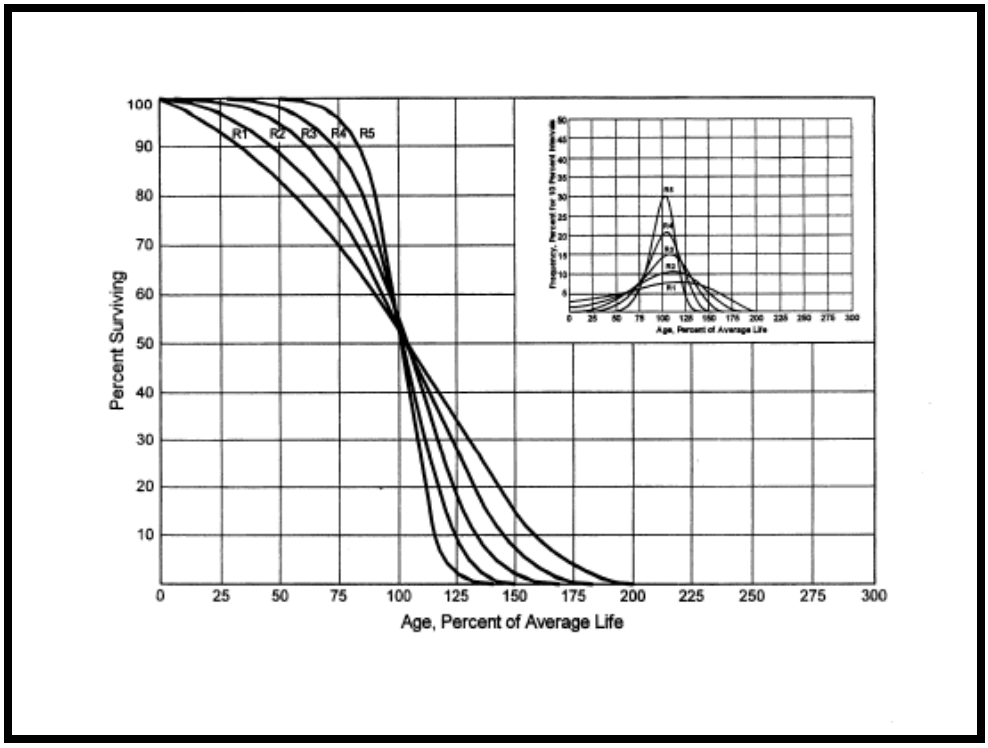
Actuarial analysis is used for each depreciable account within each functional group where sufficient data is available. Judgment is used to some degree on all accounts.

2. Survivor Curves

To fully understand depreciation projections in a regulated utility setting, there must be a basic understanding of survivor curves. Individual property units within a group do not normally have identical lives or investment amounts. The average life of a group can be determined by first constructing a survivor curve, which is plotted as a percentage of the units surviving at each age. A survivor curve represents the percentage of property remaining in service at various age intervals. The Iowa Curves are the result of an extensive investigation of life characteristics of physical property made at Iowa State College Engineering Experiment Station in the first half of the prior century. Through common usage, revalidation and regulatory acceptance, the Iowa Curves have become a descriptive standard for the life characteristics of industrial property. An example of an Iowa Curve is shown below.



There are four families in the Iowa Curves that are distinguished by the relation of the age at the retirement mode (largest annual retirement frequency) and the average life. For distributions with the mode age greater than the average life, an "R" designation (i.e., Right modal) is used. The family of "R" moded curves is shown below.



Similarly, an “S” designation (i.e., Symmetric modal) is used for the family whose mode age is symmetric about the average life. An “L” designation (i.e., Left modal) is used for the family whose mode age is less than the average life. A special case of left modal dispersion is the “O” or origin modal curve family. Within each curve family, numerical designations are used to describe the relative magnitude of the retirement frequencies at the mode. A “6” indicates that the retirements are not greatly dispersed from the mode (i.e., high mode frequency), while a “1” indicates a large dispersion about the mode (i.e., low mode frequency). For example, a curve with an average life of 30 years and an “L3” dispersion is a moderately dispersed, left modal curve that can be designated as a 30 L3 Curve. An SQ, or square, survivor curve occurs where no dispersion is present (i.e., units of common age retire simultaneously).

Most property groups can be closely fitted to one Iowa Curve with a unique average service life. The blending of judgment concerning current conditions and

future trends along with the matching of historical data permits the depreciation analyst to make an informed selection of an account's average life and retirement dispersion pattern.

3. Actuarial Analysis

For Distribution and General property, actuarial analysis ("Retirement Rate" method) is used in evaluating historical asset retirement experience where vintage data are available and sufficient retirement activity is present. In actuarial analysis, interval exposures (total property subject to retirement at the beginning of the age interval, regardless of vintage) and age interval retirements are calculated. The complement of the ratio of interval retirements to interval exposures establishes a survivor ratio. The survivor ratio is the fraction of property surviving to the end of the selected age interval, given that it has survived to the beginning of that age interval. Survivor ratios for all of the available age intervals are computed by successive multiplications to establish a series of survivor factors, collectively known as an observed life table. The observed life table shows the experienced mortality characteristic of the account and may be compared to standard mortality curves, such as the Iowa Curves. Where data is available, accounts are analyzed using this method. Placement bands are used to illustrate the composite history over a specific era, and experience bands are used to focus on retirement history for all vintages during a set period. The results from the analyses for the accounts having data sufficient to be analyzed using this method are shown in the Life Analysis section of this Study

4. Net Salvage

When a capital asset is retired, physically removed from service, and finally disposed of, terminal retirement is said to have occurred. The residual value of a terminal retirement is called gross salvage. Net salvage is the difference between the gross salvage (what the asset was sold for) and the removal cost (cost to remove and dispose of the asset).

Gross salvage and cost of removal related to retirements are recorded to the general ledger in the accumulated provision for depreciation at the time retirements occur within the system.

Removal cost percentages are calculated by dividing the current cost of removal by the original installed cost of the asset. Some plant assets can experience significant negative removal cost percentages due to the timing of the addition versus the retirement. For example, a distribution asset in FERC Account 376.1 with a current installed cost of $500 (2019) would have had an installed cost of $22.73 in 1954[2] (which is the proposed average life of the account). A removal cost of $50 for the asset calculated (incorrectly) on current installed cost would only have a negative 10 percent removal cost ($50/$500). However, a correct removal cost calculation would show a negative 220 percent removal cost for that asset ($50/$22.73). Inflation from the time of installation of the asset until the time of its removal must be taken into account in the calculation of the removal cost percentage because the depreciation rate, which includes the removal cost percentage, will be applied to the original installed cost of assets.

5. Judgment

Any depreciation study requires informed judgment by the analyst conducting the study. A knowledge of the property being studied, company policies and procedures, general trends in technology and industry practice, and a sound basis of understanding in depreciation theory are needed to apply this informed judgment. Judgment is used in areas such as survivor curve modeling and selection, depreciation method selection, simulated plant record method analysis, and actuarial analysis.

Judgment is not used in cases where there are specific, significant pieces of information that influence the choice of a life or curve. Those cases would simply be a reflection of applying specific facts to the relevant analysis. Where there are multiple factors, activities, actions, property characteristics, statistical inconsistencies, implications of applying certain curves, property mix in accounts or

2 Using the Handy-Whitman Bulletin No. 190, G-2, line 44, $22.73 = $500 x 39/858.

a multitude of other considerations that impact the analysis (potentially in various directions), judgment is used to take all of these factors and synthesize them into a general direction or understanding of the characteristics of the property. Individually, no one factor in these cases may have a substantial impact on the analysis, but overall, may shed light on the utilization and characteristics of assets. Judgment also may include deduction, inference, wisdom, common sense, or the ability to make sensible decisions. Statistical analysis is a tool in life estimation; and all facets of selecting a life estimate require judgment. At the very least, as an example, any analysis requires choosing upon which bands to place more emphasis.

The establishment of appropriate average service lives and retirement dispersions for the Intangible, Distribution, General Plant accounts requires judgment to incorporate the understanding of the operation of the system with the available accounting information analyzed using the Retirement Rate actuarial methods. The appropriateness of lives and curves depends not only on statistical analyses, but also on how well future retirement patterns will match past retirements. Current applications and trends in use of the equipment also need to be factored into life and survivor curve choices in order for appropriate mortality characteristics to be chosen.

6. Broad (Average Life) Group Depreciation Procedure

PGS's current depreciation rates, as authorized by the Commission in Docket No. 160159-GU for Gas Distribution and General Plant were developed using the Broad (Average Life) Group ("ALG") depreciation procedure. At the request of PGS, this Study continues to use the ALG depreciation procedure to group the assets within each account. After an average service life and dispersion are selected for each account, those parameters are used to estimate what portion of the surviving investment of each vintage is expected to retire. The depreciation of the group continues until all investment in the vintage group is retired. ALG is defined by each group's respective account dispersion, life, and salvage estimates. A straight-line rate for each ALG is calculated by computing a composite remaining life for each

group across all vintages within the group, dividing the remaining investment to be recovered by the remaining life to find the annual depreciation expense and then dividing the annual depreciation expense by the surviving investment. The resulting rate for each account using the ALG procedure is designed to recover all retirements less net salvage when the last unit retires. The ALG procedure recovers net estimated book cost over the life of each account by averaging many components.

7. Theoretical Depreciation Reserve – Intangible, Distribution, and General Property

The book depreciation reserve is derived from Company records. This Study uses a theoretical reserve model that relies on a prospective concept relating future retirement and accrual patterns for property, given current life and salvage estimates. The theoretical reserve of a group is developed from the estimated remaining life, total life of the property group, and estimated net salvage. The theoretical reserve represents the portion of the group cost that would have been accrued if current expectations were used throughout the life of the group for future depreciation accruals. The computation involves multiplying the vintage balances within the group by the theoretical reserve ratio for each vintage. The ALG method requires an estimate of dispersion and service life to establish how much of each vintage is expected to be retired in each year until all property within the group is retired. Estimated average service lives and dispersion determine the amount within each average life group. The straight-line, remaining life theoretical reserve ratio at any given age (RR) is calculated as:

$$RR = 1 - \frac{(\text{Average Remaining Life})}{(\text{Average Service Life})} * (1 - \text{Net Salvage Ratio})$$

In the workpapers, a theoretical reserve is computed for each account as of December 31, 2020, using the proposed life and net salvage percentage

IV. THE DETAILS OF THIS DEPRECIATION RATE STUDY

A. The Four Phases of the Depreciation Study Process

This Study encompasses four distinct phases. The first phase involves data collection and field interviews. The second phase is where the initial data analysis occurs. The third phase is where the information and analysis is evaluated. Once the first three stages are complete, the fourth phase begins. This fourth phase involves the calculation of depreciation rates and documentation of the corresponding recommendations.

During the Phase 1 data collection process, historical data is compiled from property records and general ledger systems. Data is validated for accuracy by extracting and comparing to multiple financial system sources. Audit of this data is validated against historical data from prior periods, historical general ledger sources, and field personnel discussions. This data is reviewed extensively to put it in the proper format for the Study. Further discussion on data review and adjustment is found in the Salvage Considerations section of this Study. Also as part of the Phase 1 data collection process, numerous discussions are conducted with engineers and field operations personnel to obtain information that will assist in formulating life and salvage recommendations in this Study. One of the most important elements of performing a proper depreciation study is to understand how the Company utilizes assets and the environment of those assets. Interviews with engineering and operations personnel are important ways to allow the analyst to obtain information that is beneficial when evaluating the output from the life and net salvage programs in relation to the Company's actual asset utilization and environment. Information regarding these discussions is found in the life analysis and salvage analysis discussions below in this Section VI of the Study and also in workpapers.

Phase 2 is where the actuarial analysis is performed. Phase 2 and 3 overlap to a significant degree. The detailed property records information is used in Phase 2 to develop observed life tables for life analysis. These tables are visually compared to industry standard tables to determine historical life characteristics. It is possible that the analyst will cycle back to this Phase 2 based on the evaluation process

performed in Phase 3. Net salvage analysis consists of compiling historical salvage and removal data by functional group to determine values and trends in gross salvage and removal cost. This information is then carried forward into Phase 3 for the evaluation process.

Phase 3 is the evaluation process, which synthesizes analyses, interviews, and operational characteristics into a final selection of asset lives and net salvage parameters. The historical analysis from Phase 2 is further enhanced by the incorporation of recent or future changes in the characteristics or operations of assets that were revealed in Phase 1. Phases 2 and 3 allow the depreciation analyst to validate the asset characteristics as seen in the accounting transactions with actual Company operational experience.

Finally, Phase 4 involves the calculation of accrual rates, making recommendations and documenting the conclusions in the Study. The calculation of accrual rates is found in Appendix B. Recommendations for the various accounts are contained within this Section VI of this Study. The depreciation study flow diagram shown as Figure 2[3] below also documents the steps used in conducting this Study. DEPRECIATION SYSTEMS[4], at page 289, documents the same basic processes in performing a depreciation study which are: statistical analysis, evaluation of statistical analysis, discussions with management, forecast assumptions, and document recommendations.

[3] INTRODUCTION TO DEPRECIATION FOR PUBLIC UTILITIES & OTHER INDUSTRIES, AGA EEI (2013).
[4] W. C. Fitch and F.K.Wolf, DEPRECIATION SYSTEMS, Iowa State Press, at page 289 (1994).

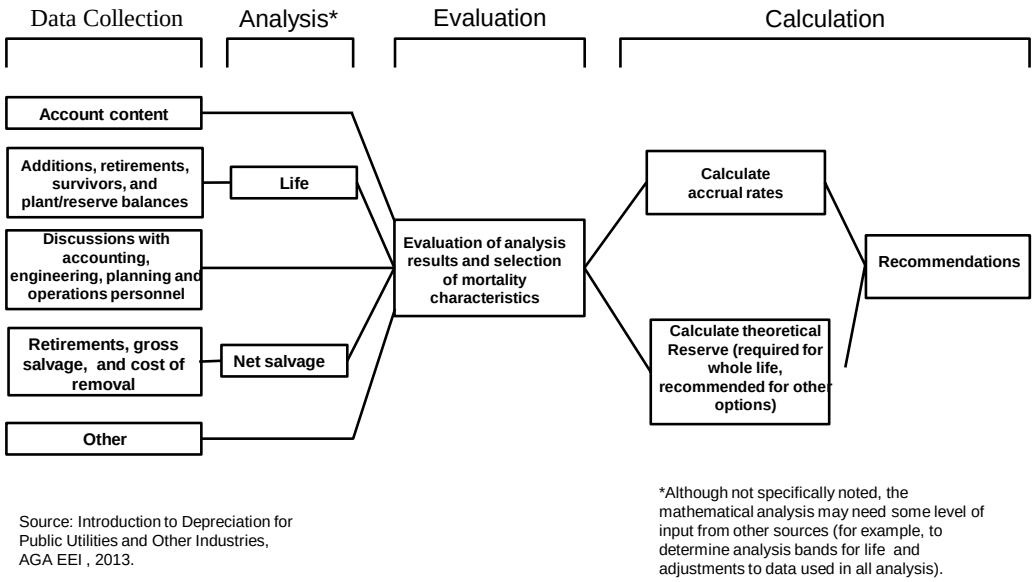


Figure 2

PEOPLES GAS DEPRECIATION STUDY PROCESS

B. Depreciation Rate Calculation for Intangible, Distribution, General

1. Overview of Calculation

Annual depreciation expense amounts for accounts other than production are calculated by the Average Life, Straight-Line, Remaining Life system.

In a whole-life representation, the annual accrual rate is computed by the following equation:

$$\text{Annual Accrual Rate} = \frac{(100\% - \text{Net Salvage Percent})}{\text{Average Service Life}}$$

Use of the remaining life depreciation system adds a self-correcting mechanism, which accounts for any differences between theoretical and book depreciation reserve over the remaining life of the group. With the straight-line, remaining life, system using Iowa Curves, composite remaining lives are calculated according to standard broad group expectancy techniques, noted in the formula below:

$$\text{Composite Remaining Life} = \frac{\sum \text{Original Cost} - \text{Theoretical Reserve}}{\sum \text{Whole Life Annual Accrual}}$$

For each FERC plant account, the difference between the surviving investment, adjusted for estimated net salvage, and the allocated projected book depreciation reserve as of December 31, 2020, is divided by the composite remaining life to yield the annual depreciation expense as noted in this equation.

$$\text{Annual Depr Expense} = \frac{\text{Orig Cost} - \text{Allocated Reserve} - (\text{Orig Cost}) * (1 - \text{Net Salv \%})}{\text{Composite Remaining Life}}$$

In the equation above the Net Salv% represents future net salvage.

Within a group, the sum of the group annual depreciation expense amounts, as a percentage of the depreciable original cost investment summed, gives the annual depreciation rate as shown below:

$$\text{Annual Depreciation Rate} = \frac{\sum \text{Annual Depreciation Expense}}{\sum \text{Original Cost}}$$

These calculations are shown in Appendix A. The calculations of the theoretical depreciation reserve values and the corresponding remaining life calculations are shown in workpapers. Projected book depreciation reserves as of December 31, 2020 are from individual accounts and the theoretical reserve computation is used to compute a composite remaining life for each account.

The calculation of the accrual rates are shown in Appendix A.

2. Remaining Life Calculation

The establishment of appropriate average service lives and retirement dispersions for each account within a functional group is based on engineering judgment that incorporates available accounting information analyzed using the Retirement Rate actuarial methods. After establishment of appropriate average service lives and retirement dispersion, remaining life is computed for each account. Theoretical depreciation reserve is calculated using theoretical reserve ratios as defined in the theoretical reserve portion of Section III of this Study. The difference between plant balance and theoretical reserve is then spread over the ALG depreciation accruals for each plant account. Remaining life computations are found for each account in workpapers.

3. Net Salvage Considerations

The cost of removing distribution assets from service has increased over time. Many general factors have occurred, creating changes that increase removal cost including:

<u>Gas Main Abandonment Procedures</u>

While gas mains for distribution are usually abandoned in place, the following removal costs are incurred per 49 CFR 192.727 (entitled “Abandonment or deactivation of facilities”). This regulation provides as follows:

> (a) Each operator shall conduct abandonment or deactivation of pipelines in accordance with the requirements of this section.
>
> (b) Each pipeline abandoned in place must be disconnected from all

sources and supplies of gas; purged of gas; in the case of offshore pipelines, filled with water or inert materials; and sealed at the ends. However, the pipeline need not be purged when the volume of gas is so small that there is no potential hazard.

(c) Except for service lines, each inactive pipeline that is not being maintained under this part must be disconnected from all sources and supplies of gas; purged of gas; in the case of offshore pipelines, filled with water or inert materials; and sealed at the ends. However, the pipeline need not be purged when the volume of gas is so small that there is no potential hazard.

The cost of deactivation, abandon in place, and removal of gas mains from distribution assets has increased over time due to several general factors, including:

Time Value of Money

Many gas main assets have a life cycle of 60 years or more. Some of the assets being removed were installed nearly 60 years ago when materials, labor, and cost of goods were cheaper.

Urban Areas

The majority of the construction and reconstruction projects are in urban areas. Many cities require permits. These permits may impose fees and certain limitations such as the closure of roads during high traffic times. These permits may also require construction to occur in the evening or on weekends, which requires overtime of crews and additional equipment. Some municipalities are increasingly requiring companies to repave more of the road than just the paving disturbed by excavation activity.

Contract Labor

In the last decade, investment in utility gas main renewal projects has increased substantially across the country. In addition, the same skills and resources are needed in the larger oil and gas industry. This has created a high demand for the limited number of

qualified personnel available to construct the work. Therefore, the cost of external contracts has increased due to supply and demand factors.

Safety Requirements

The industry, and specifically PGS, strives to provide a very high level of safe working practices. The equipment and provisions required today have increased substantially from 50 years ago. PGS uses work safety practices that align with modern industry practice. These policies have increased the cost of doing business, but are an important part of the strong safety principles at PGS.

V. DETERMINATION OF LIVES AND NET SALVAGE

The Analysis Results in front of each account discussion below represent PGS's projected depreciable investment in depreciable plant as of December 31, 2020 and provide an overall summary of the account rate details. The selected Iowa Curve for each account is shown below.

The net changes by year to plant investment and depreciation reserves are presented in Appendix F, which summarizes annual changes since the prior study.

In the Analysis Results for the depreciable accounts, the "average life" concept is used. Average life property is that property expected to have a continuous life. In other words, additions and retirements are expected to occur continuously, creating an average service life as opposed to the location life.

The average remaining life ("ARL") is a function of several variables. For example, a change in average service life, a change in the selection of Iowa Curve, or a change in the investment balance all affect the ARL.

A. Intangible Plant

Intangible Plant 30200-30301

FERC Account 30200 Franchises and Consents

ANALYSIS RESULTS			
Depreciable Property			
Account 30200 Franchises and Consents			
Item	FPSC Approved	2020	Change
Investment	$0	$0	$0
Iowa Curve	SQ	SQ	
Average Service Life	25	25	0
Theoretical Reserve	$0	$0	$0
Book Reserve	$0	$0	$0
Reserve Variance	$0	$0	$0
Reserve Ratio	0.00%	0.00%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	4.0%	4.0%	0.00%
AWL Expense (2021)*	$0	$0	$0
Average Remaining Life	25	0	-25
ARL Rate	4.0%	4.0%	0.0%
ARL Expense (2021)*	$0	$0	0

Life (25 SQ)

This account contains franchises and consents associated with Company property. At December 31, 2020, the projected balance for this account is $0. The current approved life for this account is 25 years with the SQ dispersion. No history is available for analysis. Based on the type of assets in this account and judgment, this Study recommends retaining the life of 25 years and the SQ dispersion. No graph is shown.

Net Salvage (0%)

This account contains any gross salvage and cost of removal for franchises and consents. The current authorized net salvage for this account is zero percent and is retained.

FERC Account 30300 Miscellaneous Intangible Plant

ANALYSIS RESULTS			
Depreciable Property			
Account 30300 Miscellaneous Intangible Plant			
Item	FPSC Approved	2020	Change
Investment	$815,325	$815,325	$0
Iowa Curve	SQ	SQ	
Average Service Life	25	25	0
Theoretical Reserve	$760,223	$798,047	$37,824
Book Reserve	$765,841	$831,067	$65,226
Reserve Variance	$5,618	$33,020	$27,402
Reserve Ratio	93.93%	101.93%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	4.0%	4.0%	0.00%
AWL Expense (2021)*	$0	$0	$0
Average Remaining Life	4.5	0.53	-3.97
ARL Rate	0.0%	0.0%	0.0%
ARL Expense (2021)*	$0	$0	0

* Fully Accrued

Life (25 SQ)

This account contains miscellaneous intangible plant. At December 31, 2020, the projected balance for this account is $815 thousand. The current approved life for this account is 25 years with the SQ dispersion. In the projected test year, this account is fully accrued. Based on the type of assets in this account and judgment, this Study recommends retaining the life of 25 years and the SQ dispersion. No graph is shown.

Net Salvage (0%)

This account contains any miscellaneous intangible plant. The current authorized net salvage for this account is zero percent and is retained.

FERC Account 30301 Custom Intangible Plant

ANALYSIS RESULTS			
Depreciable Property			
Account 30310 Custom Intangible Plant			
Item	FPSC Approved	2020	Change
Investment	$29,531,618	48,733,613	$19,201,995
Iowa Curve	SQ	SQ	
Average Service Life	15	15	0
Theoretical Reserve	$12,783,125	$17,305,690	$4,522,565
Book Reserve	$12,971,602	$17,780,900	$4,809,298
Reserve Variance	$188,477	$475,210	$286,733
Reserve Ratio	43.92%	36.49%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	6.7%	6.7%	0.0%
AWL Expense (2021)	$1,978,618	$3,265,152	$1,286,534
Average Remaining Life	9.90	9.67	-0.23
ARL Rate	6.7%	6.6%	-0.1%
ARL Expense (2021)	$1,978,618	$3,216,418	$1,237,800

Life (15 SQ)

This account contains custom intangible plant. At December 31, 2020, the projected balance for this account is $48.7 million. The current approved life for this account is 15 years with the SQ dispersion. Based on the type of assets in this account and judgment, this Study recommends retaining the life of 15 years and the SQ dispersion. No graph is shown.

Net Salvage (0%)

This account contains any gross salvage and cost of associated with customer intangible plant. The current authorized net salvage for this account is zero percent. Normally these assets have no gross salvage and cost of removal. Based on judgment, the existing net salvage percentage is retained.

B. Distribution Plant

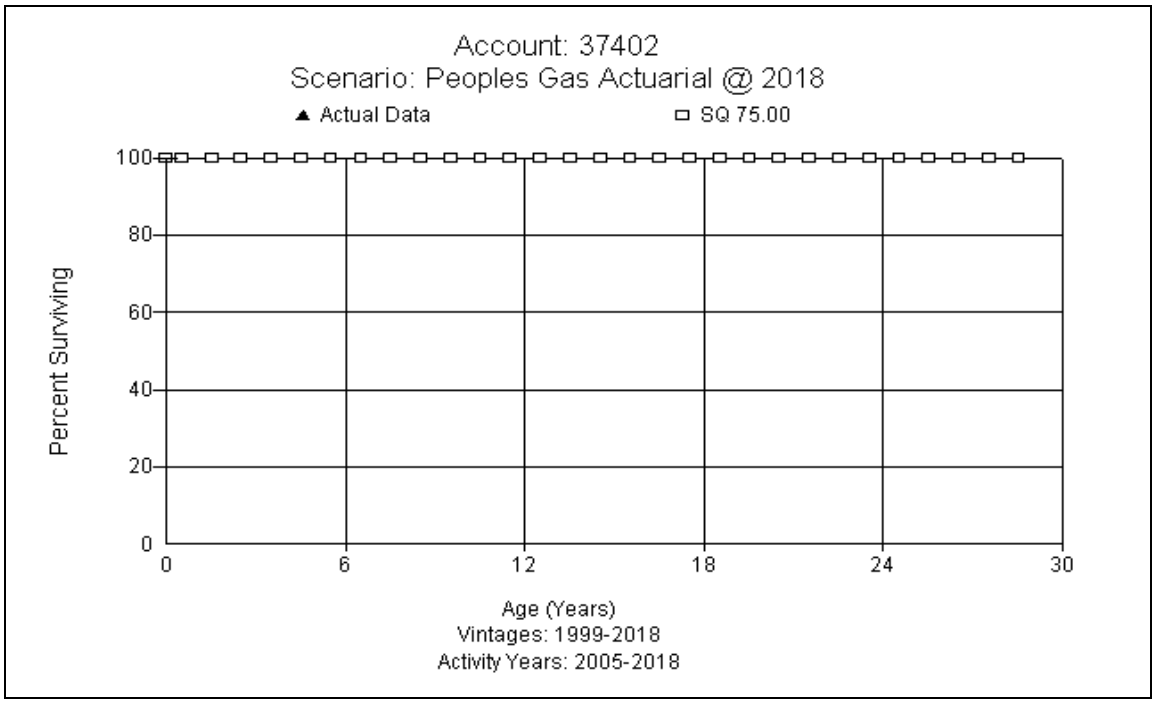
Distribution Plant FERC Accounts 37402-38700

FERC Account 37402 Distribution Land Rights

ANALYSIS RESULTS			
Depreciable Property			
Account 37402 Land Rights			
Item	FPSC Approved	2020	Change
Investment	$2,836,412	$4,268,873	$1,432,461
Iowa Curve	SQ	SQ	
Average Service Life	75	75	0
Theoretical Reserve	$592,695	$861,686	$268,991
Book Reserve	$654,666	$928,144	$273,478
Reserve Variance	$61,971	$66,458	$4,487
Reserve Ratio	23.08%	21.74%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	1.3%	1.3%	0.00%
AWL Expense (2021)	$36,873	$55,495	$18,622
Average Remaining Life	59.30	59.86	0.56
ARL Rate	1.3%	1.3%	0.0%
ARL Expense (2021)	$36,873	$55,808	$18,935

Life (75 SQ)

This account contains land rights associated with distribution property, primarily mains and services, related to distribution operations. At December 31, 2020, the projected balance for this account is $4.3 million. The current approved life for this account is 75 years with the SQ dispersion. There is no retirement data to analyze for this account. The life of assets in this account is normally associated with mains and services, which are generally the longest lived assets in this function. The longest proposed life in this function is 75 years for Account 37602, Mains-Plastic. Based on the type of assets in this account and judgment, this Study recommends retaining the life of 75 years and the SQ dispersion. A graph of the observed life table versus the proposed curve is shown.



Net Salvage (0%)

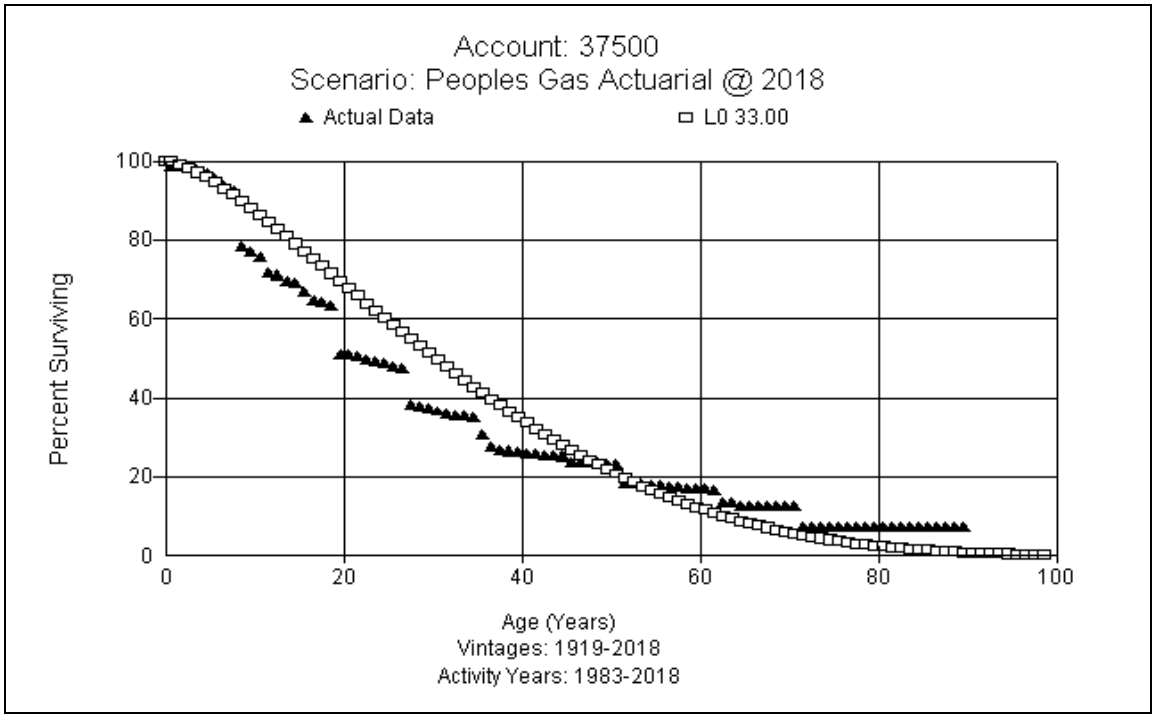
This account contains any gross salvage and cost of removal for land rights associated with distribution operations. The current authorized net salvage for this account is zero percent. Normally these assets produce negligible amounts of net salvage. Based on judgment, the current authorized net salvage for this account of zero percent is retained.

FERC Account 37500 Structures and Improvements

ANALYSIS RESULTS			
Depreciable Property			
Account 37500 Structures and Improvements			
Item	FPSC Approved	2020	Change
Investment	$23,403,572	$26,284,145	$2,880,573
Iowa Curve	R3	L0	
Average Service Life	40	33	-7
Theoretical Reserve	$7,578,954	$5,689,864	($1,889,090)
Book Reserve	$5,996,435	$7,108,903	$1,112,468
Reserve Variance	($1,582,519)	$1,419,039	$3,001,558
Reserve Ratio	25.62%	27.05%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	2.5%	3.0%	0.50%
AWL Expense (2021)	$585,089	$788,524	$203,435
Average Remaining Life	24.20	25.86	1.66
ARL Rate	2.5%	2.8%	0.3%
ARL Expense (2021)	$585,089	$735,956	$150,867

Life (33 L0)

This account contains structures and improvements related to distribution operations. There is a projected balance of $26.3 million at December 31, 2020 in this account. The current approved life for this account is 40 years with the R3 dispersion. Most of the Company's buildings are booked in this account, with Account 3900 only having a projected balance of $28 thousand. Actuarial analysis shows a shorter life than is approved for this account, around 33 years. Based on the type of assets in this account and judgment, this Study recommends decreasing the life to 33 years while moving to the L0 dispersion. A graph of the observed life table versus the proposed curve is shown.



Net Salvage (0%)

This account contains any gross salvage and cost of removal for structures and improvements related to distribution operations. The current authorized net salvage for this account is zero percent. In the most recent bands, the five-year and 10-year average is negative 0.4 percent net savage for both periods. Based on historical data and judgment, this Study proposes retaining the current net salvage percent of 0 percent salvage. The Company's next depreciation study will examine future trends in this account.

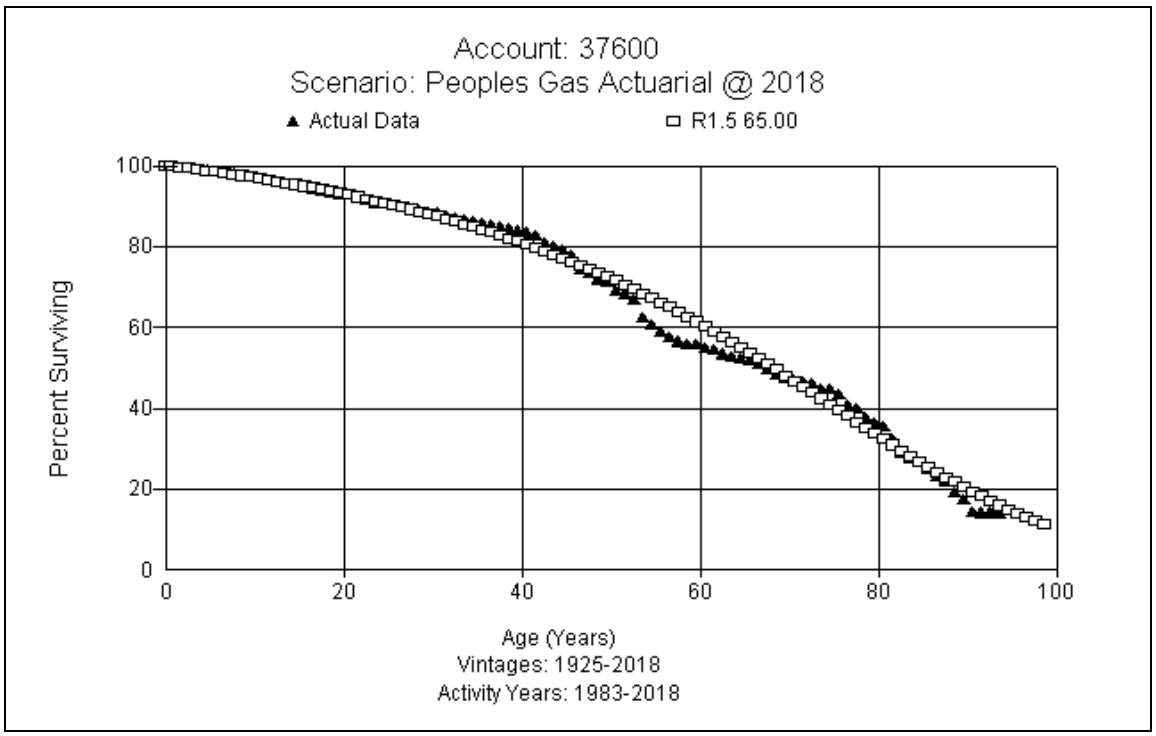
FERC Account 37600 Distribution Mains- Steel

ANALYSIS RESULTS			
Depreciable Property			
Account 37600 Mains Steel			
Item	FPSC Approved	2020	Change
Investment	$459,501,816	$548,115,480	$88,613,664
Iowa Curve	R2	R1.5	
Average Service Life	55	65	10
Theoretical Reserve	$158,739,674	$158,735,621	($4,053)
Book Reserve	$199,169,546	$205,621,383	$6,451,837
Reserve Variance	$40,429,872	$46,885,762	$6,455,890
Reserve Ratio	43.34%	37.51%	
Gross Salvage	0%	0%	0%
Removal Cost	40%	60%	20%
Net Salvage	-40%	-60%	-20%
Avg Whole Life Rate	2.5%	2.5%	0.00%
AWL Expense (2021)	$11,487,545	$13,702,887	$2,215,342
Average Remaining Life	41.20	53.23	12.03
ARL Rate	2.0%	2.3%	0.3%
ARL Expense (2021)	$9,190,036	$12,606,656	$3,416,620

Life (65 R1.5)

This grouping contains steel distribution mains and associated equipment. The balance at December 31, 2020 is approximately $548.1 million in this account. The approved life and curve is 55 R2. A cast iron ("CI") and bare steel ("BS") replacement program ramped up beginning in 2013. Assets retired related by CI/BS program came from vintages from the 1930s through the 1960s. Other forces of retirement for this account are capacity related. Operation personnel report that steel is affected by more forces of

retirement than plastic. Some steel has not been cathodically protected for its full life. Additionally, steel will corrode if scratched, whereas plastic will not. Actuarial analysis is showing a longer life for this account. Based on the information provided by Company personnel, the type of assets in this account, and judgment, this Study recommends increasing the life to 65 years and retaining the R1.5 dispersion. A graph of the proposed curve is shown below.



Net Salvage (-60%)

This grouping contains any salvage and removal cost of steel distribution mains and associated equipment. The current authorized net salvage for this account is negative 40 percent. The CI/BS replacement are replacing the oldest vintages on the system and creating a more negative net salvage than would likely be expected on an ongoing (non-program) basis. In this study, the most recent experience with five-year and 10-year bands are negative 122.6 and negative 110.3 percent net savage, respectively. Analysis indicates cost of removal does exceed salvage and is expected to continue. Similar to the prior study, the recommendation is to move toward the direction of this trend in removal cost, but again moderate the change. This Study recommends moving from a negative 40 percent

to a negative 60 percent net salvage. The Company's next depreciation study will examine future trends in this account.

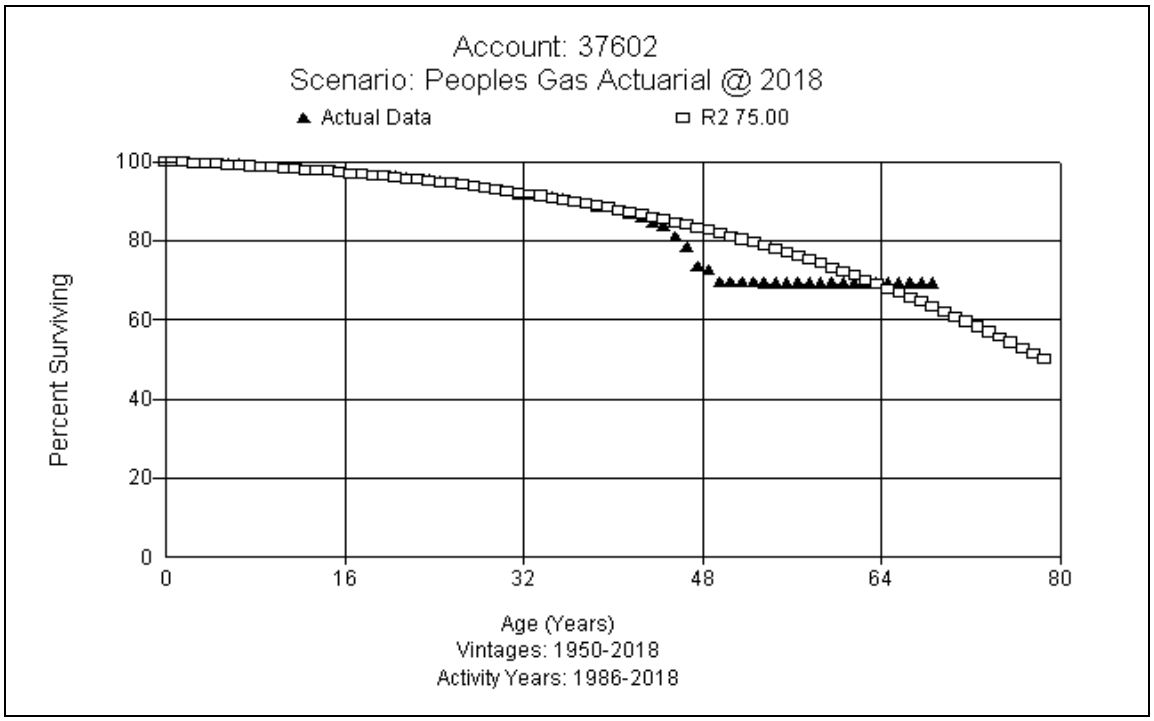
FERC Account 37602 Distribution Mains- Plastic

ANALYSIS RESULTS			
Depreciable Property			
Account 37602 Mains Plastic			
Item	FPSC Approved	2020	Change
Investment	$514,064,981	$659,435,120	$145,370,139
Iowa Curve	R2	R2	
Average Service Life	75	75	0
Theoretical Reserve	$88,620,253	$114,784,881	$26,164,628
Book Reserve	$197,438,125	$198,034,805	$596,680
Reserve Variance	$108,817,872	$83,249,924	($25,567,948)
Reserve Ratio	38.41%	30.03%	
Gross Salvage	0%	0%	0%
Removal Cost	25%	40%	15%
Net Salvage	-25%	-40%	-15%
Avg Whole Life Rate	1.7%	1.9%	0.20%
AWL Expense (2021)	$8,739,105	$12,529,267	$3,790,163
Average Remaining Life	64.50	65.68	1.18
ARL Rate	1.3%	1.7%	0.4%
ARL Expense (2021)	$6,682,845	$11,210,397	$4,527,552

Life (75 R2)

This grouping contains plastic distribution mains and associated equipment. The projected balance at December 31, 2020 is approximately $659.4 million in this account.

The existing approved life is 75 years with an R2 dispersion curve. Operations personnel report that retirements in this account have been impacted by the Problematic Plastic Pipe ("PPP") program that began around 2015 – 2016. The focus of that program was early 1970s vintage pipe. Outside of PPP, plastic pipe retirements may occur due to relocations or dig-ins. New polyethylene pipe is likely to last up to 75 years. Aldel-A pipe was used until about 1983. The stub curve for this account stops around 70 percent surviving. Based on the type of assets, actuarial analysis, and Company input, this Study recommends retaining the 75 year life with the R2 dispersion curve. A graph of the proposed curve is shown below.



Net Salvage (-40%)

This grouping contains any salvage and removal cost related to plastic distribution mains and associated equipment. The current authorized net salvage for this account is negative 25 percent. The most recent experience with five-year and 10-year bands are negative 104.9 and negative 82.1 percent net savage, respectively. The removal cost percentages reflect the retirement of older 1970s vintage pipe in the denominator of retirements for the net salvage computation. To move in the direction of this trend but

moderate the change, the Study recommends a change to negative 40 percent net salvage. The Company's next depreciation study will further examine future trends in this account.

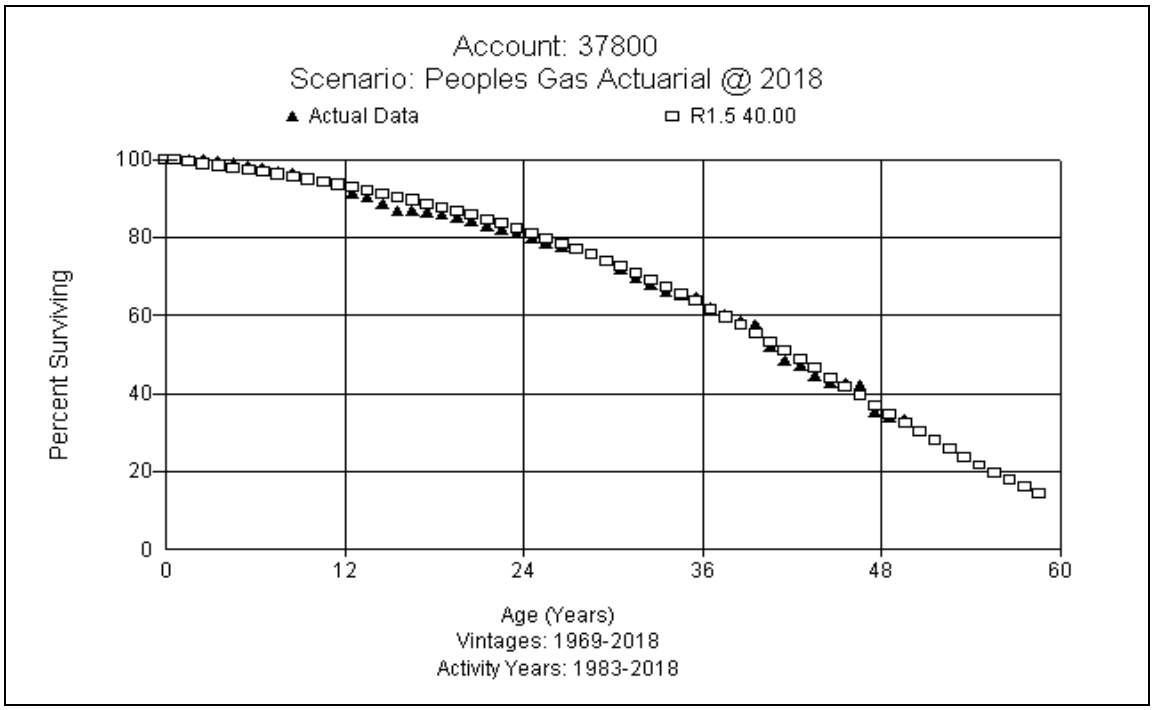
FERC Account 37800 M& R Equipment- General

ANALYSIS RESULTS			
Depreciable Property			
Account 37800 Measuring and Regulating Stations General			
Item	FPSC Approved	2020	Change
Investment	$17,444,813	$18,885,293	$1,440,480
Iowa Curve	R1	R1.5	
Average Service Life	31	40	9
Theoretical Reserve	$3,654,320	$4,077,587	$423,267
Book Reserve	$3,198,705	$4,320,431	$1,121,726
Reserve Variance	($455,615)	$242,844	$698,459
Reserve Ratio	18.34%	22.88%	
Gross Salvage	0%	0%	0%
Removal Cost	5%	10%	5%
Net Salvage	-5%	-10%	-5%
Avg Whole Life Rate	3.4%	2.8%	-0.60%
AWL Expense (2021)	$593,124	$528,788	($64,335)
Average Remaining Life	24.70	32.15	7.45
ARL Rate	3.4%	2.7%	-0.7%
ARL Expense (2021)	$575,679	$509,903	($65,776)

Life (40 R1.5)

This account contains measuring and regulating ("M&R") station piping, regulators, controls, odorizers, and other equipment used in distribution measuring and regulating

stations. The projected balance at December 31, 2020 is approximately $18.9 million in this account. The approved life is 31 years with an R1 dispersion pattern. Operations personnel refer to these assets as district regulators stations ("DRS".) From an operations perspective, Company experts anticipate a shorter life for DRS than for City Gates in Account 37900. DRS are more likely to be relocated and changed due to capacity needs than the city gates. Many times, DRS are located on the side of the road. The Company is in the process of reviewing all of the DRS and will be replacing many of the DRS over the next few years. In recent years, a number of DRS were retired when moving away from low pressure areas. Based on Company input, the type and mix of assets in this account, and judgment, this Study recommends moving to a 40 year life with the R1.5 dispersion. A graph of the proposed curve is shown below.



Net Salvage (-10%)

This account contains any salvage and removal cost related to M&R station piping, regulators, controls, odorizers, and other equipment used in distribution M&R stations. The current authorized net salvage for this account is negative 5 percent. In the most recent bands, the five-year and 10-year averages are negative 112.1 and negative 100.5 percent

net savage, respectively. To move in the direction of this trend in the future, the Study recommends moving to negative 10 percent net salvage. The Company's next depreciation study will further examine future trends in this account.

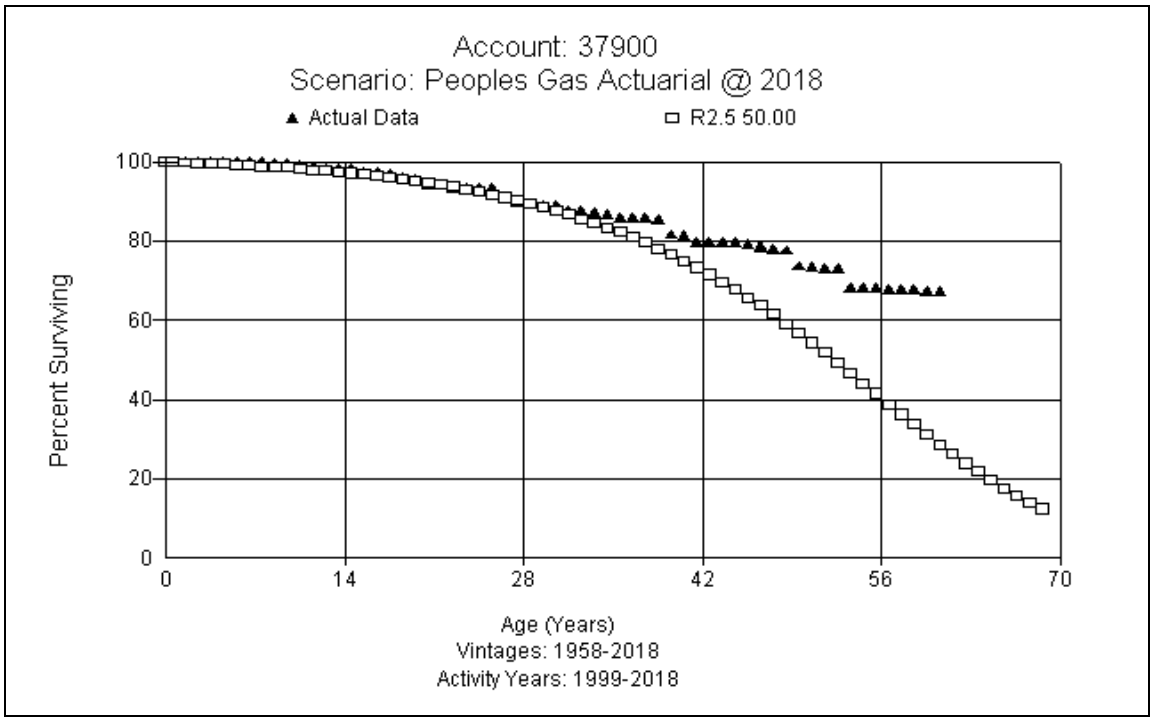
FERC Account 37900 M & R Equipment – City Gate

ANALYSIS RESULTS			
Depreciable Property			
Account 37900 Measuring and Regulating Stations City Gate			
Item	FPSC Approved	2020	Change
Investment	$59,730,002	$96,523,663	$36,793,661
Iowa Curve	R1	R2.5	
Average Service Life	31	50	19
Theoretical Reserve	$9,812,811	$9,626,125	($186,686)
Book Reserve	$10,813,558	$12,806,989	$1,993,431
Reserve Variance	$1,000,747	$3,180,864	$2,180,117
Reserve Ratio	18.10%	13.27%	
Gross Salvage	0%	0%	0%
Removal Cost	5%	10%	5%
Net Salvage	-5%	-10%	-5%
Avg Whole Life Rate	3.4%	2.2%	-1.20%
AWL Expense (2021)	$2,030,820	$2,123,521	$92,701
Average Remaining Life	25.50	45.47	19.97
ARL Rate	3.3%	2.1%	-1.2%
ARL Expense (2021)	$1,971,090	$2,026,997	$55,907

Life (50 R2.5)

This account consists of M&R station piping, regulators, controls, odorizers, and other equipment used in city gate distribution measuring and regulating stations. The

projected at December 31, 2020 is approximately $96.5 million in this account. The approved life is 31 years with the R1 dispersion curve. City gate is defined by being a take point from a transmission system. The Company is beginning to build new city gates and is doing more capital improvements than in the past. Company SMEs expect a longer life from a city gate than from a DRS in Account 37800. PGS has 83 city gates. The Company seldom has any major changes in gates after they are installed, with the exception of equipment such as heaters, orifice to ultrasonic meters, and increasing the size of regulators, etc. Company experts estimate different lives for different equipment: YZ Odorizers may last 40-50 years, heaters may last 20-30 years, and regulators may last 30 years or more. Newer stations are expected to last longer than older ones. Actuarial analysis also shows a longer life for this account. Based on the analysis, Company input, the type of assets in this account, and judgment, this Study recommends moving to the 50 year life with an R2.5 dispersion. A graph of the proposed curve is shown below.



Net Salvage (-10%)

This account consists of any salvage and removal cost related to M&R station piping, regulators, controls, odorizers, and other equipment used in city gate distribution measuring and regulating stations. The current authorized net salvage for this account is negative 5 percent. In the most recent bands, the five-year and 10-year averages are negative 57.7 and negative 31.1 percent net savage, respectively. To conservatively model this trend moving into the future, the Study recommends moving to negative 10 percent net salvage. The Company's next depreciation study will further examine future trends in this account.

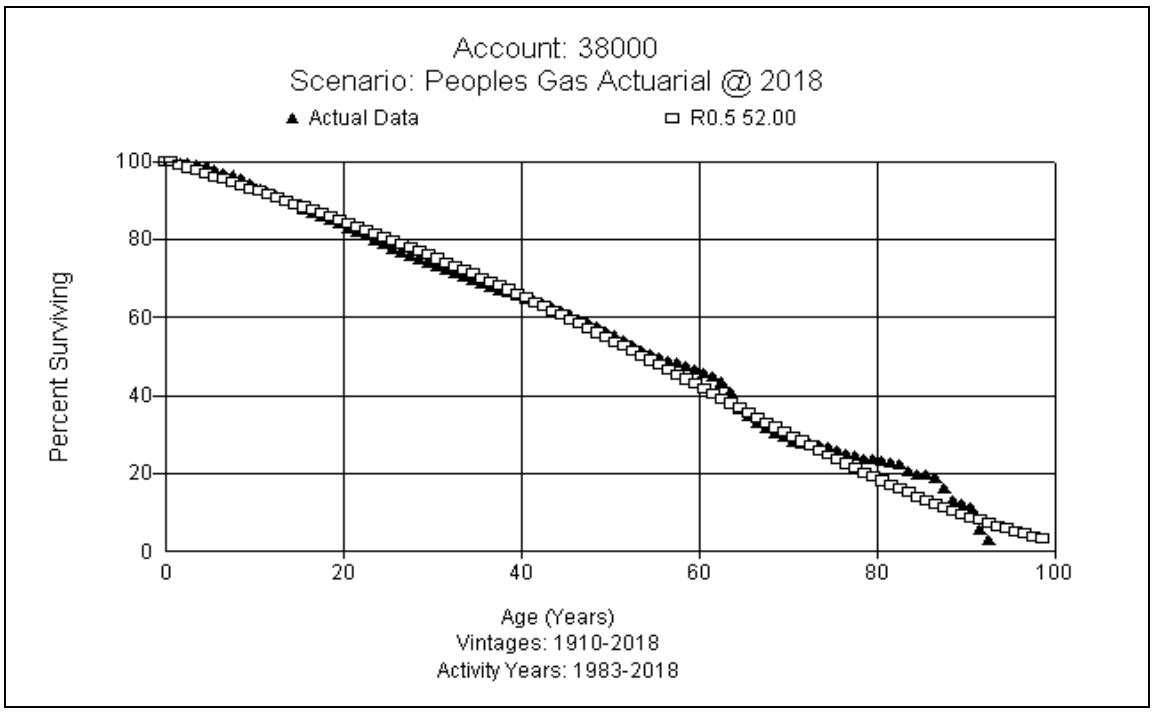
FERC Account 38000 Services- Steel

ANALYSIS RESULTS			
Depreciable Property			
Account 38000 Services Steel			
Item	FPSC Approved	2020	Change
Investment	$52,662,457	$55,953,817	$3,291,360
Iowa Curve	R0.5	R0.5	
Average Service Life	50	52	2
Theoretical Reserve	$28,464,539	$36,974,007	$8,509,468
Book Reserve	$39,275,237	$40,295,122	$1,019,885
Reserve Variance	$10,810,698	$3,321,115	($7,489,583)
Reserve Ratio	74.58%	72.01%	
Gross Salvage	0%	0%	0%
Removal Cost	100%	150%	50%
Net Salvage	-100%	-150%	-50%
Avg Whole Life Rate	4.0%	4.8%	0.80%
AWL Expense (2021)	$2,106,498	$2,685,783	$579,285
Average Remaining Life	35.90	38.26	2.36
ARL Rate	1.4%	4.7%	3.3%
ARL Expense (2021)	$737,274	$2,629,829	$1,892,555

Life (52 R0.5)

This account consists of steel distribution services, which run from the distribution main to the customer. The projected balance at December 31, 2020 is approximately $56.0 million in this account. The approved life is 50 years with an R0.5 dispersion pattern. Forces of retirements are corrosion, dig-ins, and relocations. Other factors influencing the life of this account are the Company's policy to replace steel services with plastic if a main changes from steel to plastic. Actuarial analysis shows a slightly longer service life. Based

on input from Company personnel, the type of assets in this account, and judgment, this Study recommends increasing to a 52 year life and retaining the R0.5 dispersion. A graph of the proposed curve is shown below.



Net Salvage (-150%)

This account consists of any salvage and removal cost steel distribution services, which run from the distribution main to the customer. The current authorized net salvage for this account is negative 100 percent. For a retirement only project, removal cost is charged to accumulated depreciation. In a replacement project, all replacements of services are charged 100% to new asset. The retirement of bare steel/cast iron assets creates a removal cost charge. In the most recent bands, the five-year and 10-year averages are negative 444.8 and negative 394.0 percent net savage, respectively. To move conservatively in the direction of this trend, this Study recommends moving to negative 150 percent net salvage for this account. PGS's next depreciation study will examine future trends in this account.

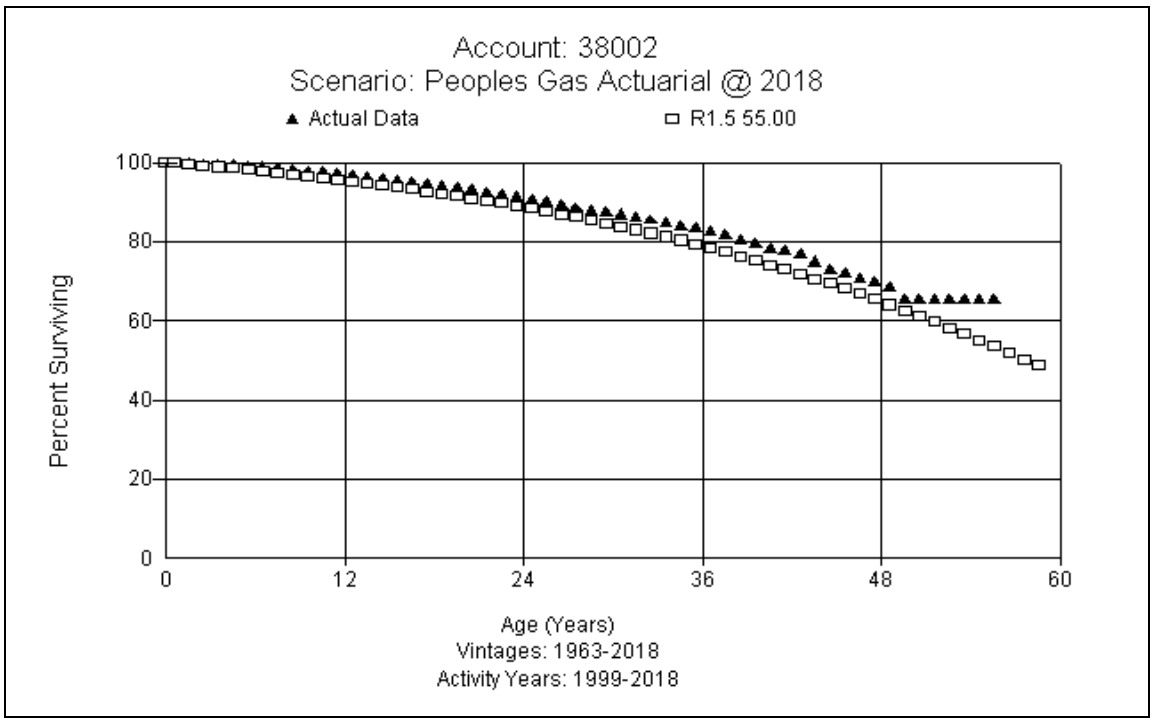
FERC Account 38002 Services Plastic

ANALYSIS RESULTS			
Depreciable Property			
Account 38002 Services Plastic			
Item	FPSC Approved	2020	Change
Investment	$339,356,776	$409,505,670	$70,148,894
Iowa Curve	R1.5	R1.5	
Average Service Life	55	55	0
Theoretical Reserve	$87,607,423	$120,018,178	$32,410,755
Book Reserve	$175,134,216	$183,234,187	$8,099,971
Reserve Variance	$87,526,793	$63,216,009	($24,310,784)
Reserve Ratio	51.61%	44.75%	
Gross Salvage	0%	0%	0%
Removal Cost	55%	80%	25%
Net Salvage	-55%	-80%	-25%
Avg Whole Life Rate	2.8%	3.3%	0.50%
AWL Expense (2021)	$9,501,990	$13,513,687	$4,011,697
Average Remaining Life	45.00	46.04	1.04
ARL Rate	1.9%	2.9%	1.0%
ARL Expense (2021)	$6,447,779	$11,875,664	$5,427,886

Life (55 R1.5)

This account consists of plastic distribution services, which run from the distribution main to the customer. The projected balance at December 31, 2020 there is approximately $409.5 million in this account. The currently approved life estimate is 55 years with the R1.5 dispersion curve. Operations personnel report that the PPP program has impacted

retirements in this account, with the retirement of assets in the 50 year age range. Company personnel report that when steel mains are replaced, if there is a plastic service, they will replace with a plastic service. Actuarial analysis shows a similar life with a slight change in dispersion. Based on the existing life, input from Company personnel, the type of assets, and judgment, this Study recommends retaining the current 55 year life with moving to an R1.5 dispersion. A graph of the proposed curve is shown below.



Net Salvage (-80%)

This account consists of any salvage and removal cost related to plastic distribution services which run from the distribution main to the customer. The current authorized net salvage for this account is negative 55 percent. For a retirement only project, removal cost is charged to accumulated depreciation. In a replacement project, all replacements of services are charged 100% to new asset. The retirement of Aldel-A services creates a removal cost charge. In the most recent bands, the five-year and 10-year averages are negative 246.4 and negative 163.7 percent net savage, respectively. The removal cost percentages reflect the retirement of older 1970s vintage pipe in the denominator of retirements for the net salvage computation. Based on trends in the wider bands, this Study proposes moving toward the indications of higher negative salvage, with negative 80

percent net salvage for this account as the recommendation. The Company's next depreciation study will examine future trends in this account.

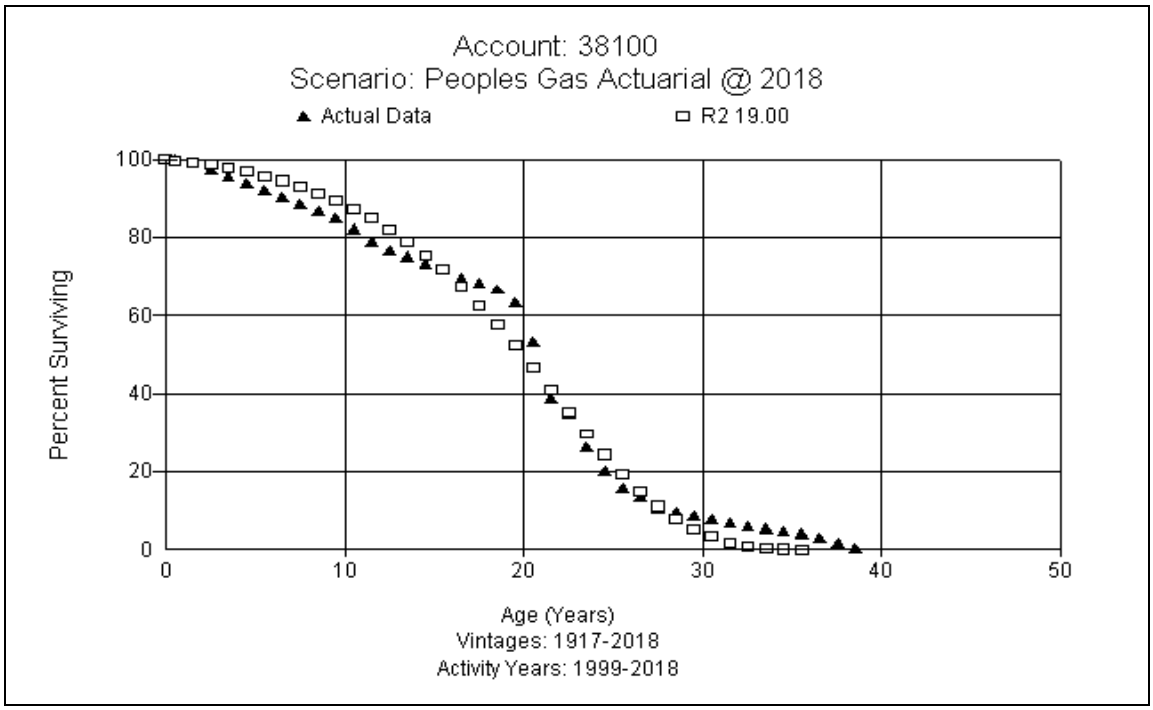
FERC Account 38100 Meters

ANALYSIS RESULTS			
Depreciable Property			
Account 38100 Meters			
Item	FPSC Approved	2020	Change
Investment	$68,494,016	$78,709,924	$10,215,908
Iowa Curve	R1	R2	
Average Service Life	21	19	-2
Theoretical Reserve	$18,234,275	$29,211,249	$10,976,974
Book Reserve	$23,791,793	$29,722,478	$5,930,685
Reserve Variance	$5,557,518	$511,229	($5,046,289)
Reserve Ratio	34.74%	37.76%	
Gross Salvage	5%	3%	-2%
Removal Cost	0%	0%	0%
Net Salvage	5%	3%	-2%
Avg Whole Life Rate	4.5%	5.1%	0.60%
AWL Expense (2021)	$3,082,231	$4,014,206	$931,975
Average Remaining Life	15.20	11.73	-3.47
ARL Rate	3.8%	5.1%	1.3%
ARL Expense (2021)	$2,602,773	$4,014,206	$1,411,434

Life (19 R2)

This account consists of electromechanical distribution meters and encoder receiver transmitters ("ERTS") equipment. The projected balance December 31, 2020 is approximately $78.7 million in this account. The current approved life for this account is 21

years with an R1 dispersion pattern. Operations personnel report that every meter that is removed from a premise is retired. If the premise is vacant for 2 years, the meter is required to be pulled and retired. Typically, when the ERT fails, the meter will be pulled and retired. From an operations perspective, the ERTS may last up to 20 years with heat being a force of retirement. The retrofit process began in 2008. Based on the existing life, input from Company personnel, the type of assets, indications from the analysis, and judgment, this Study recommends decreasing from 21 to 19 years and changing from the R1 to the R2 dispersion. A graph of the observed life table and the proposed curve is shown below.



Net Salvage (3%)

This account consists of any salvage and removal cost related to electromechanical distribution meters and ERTS equipment. The current authorized net salvage for this account is positive 5 percent. In the most recent bands, the five-year and 10-year averages are positive 1.5 and positive 3.2 percent net savage, respectively. Gross salvage has declined slightly since the last depreciation study. This Study proposes moving toward

the indications of lower net salvage, but moderating it with a positive 3 percent net salvage for this account as the recommendation. The Company's next depreciation study will examine future trends in this account.

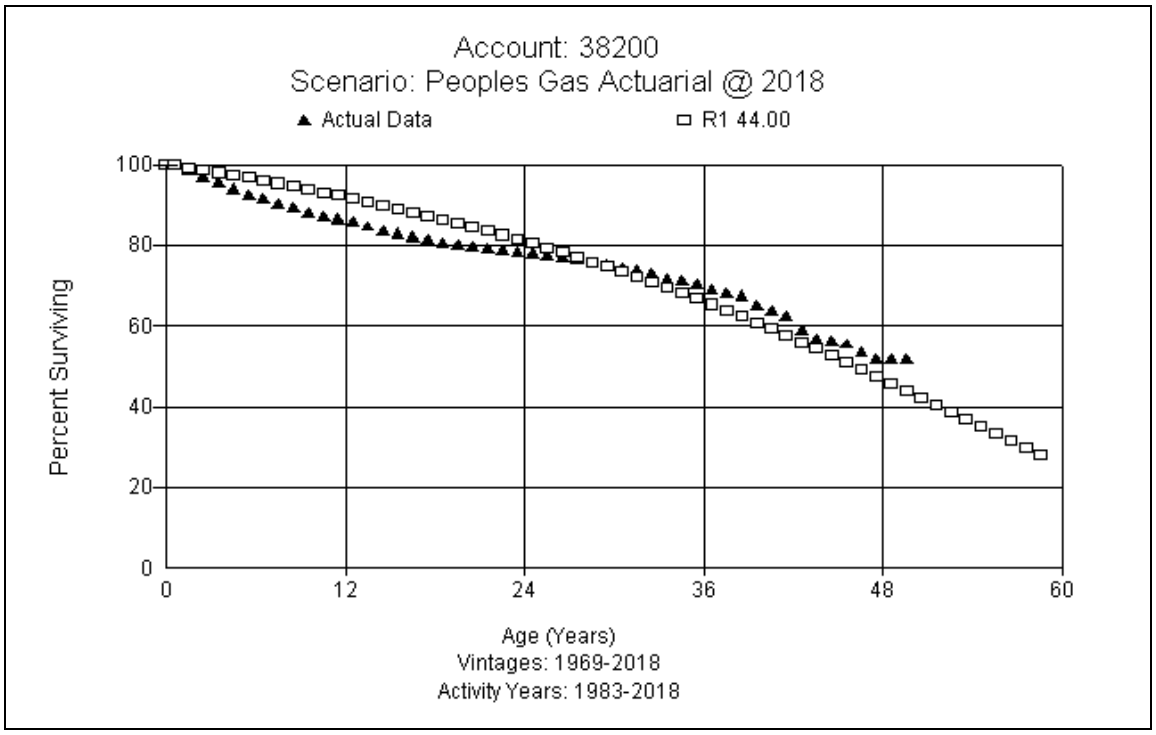
FERC Account 38200 Meter Installations

ANALYSIS RESULTS			
Depreciable Property			
Account 38200 Meter Installations			
Item	FPSC Approved	2020	Change
Investment	$60,556,520	$73,171,228	$12,614,708
Iowa Curve	R0.5	R1	
Average Service Life	43	44	1
Theoretical Reserve	$13,303,483	$18,098,334	$4,794,851
Book Reserve	$31,698,270	$33,832,634	$2,134,364
Reserve Variance	$18,394,787	$15,734,301	($2,660,486)
Reserve Ratio	52.34%	46.24%	
Gross Salvage	0%	0%	0%
Removal Cost	20%	30%	10%
Net Salvage	-20%	-30%	-10%
Avg Whole Life Rate	2.8%	3.0%	0.20%
AWL Expense (2021)	$1,695,583	$2,195,137	$499,554
Average Remaining Life	35.10	35.63	0.53
ARL Rate	1.7%	2.4%	0.7%
ARL Expense (2021)	$1,029,461	$1,756,109	$726,649

Life (44 R1)

This account includes installation costs related to meters. The projected balance at December 31, 2020 is approximately $73.2 million. The current approved life for this

account is 43 years with the R0.5 dispersion curve. Company personnel report that the retrofitting of the meters to install ERTS is booked in this account. The retrofit with ERTS process began in 2008. When a meter is replaced, there is no retirement of installation cost or capitalization of the new installation cost. Only when a "failed family" event happens will there be a retirement of installation and capitalization of new installation. If the meter loop is replaced or abandoned, a retirement will be triggered in this account. For every meter set retirement, the Company retires one unit cost (FIFO) of meter installation and regulator installation. The Company would not necessarily replace the meter set when the meter is replaced. Considering the asset, discussions and input from Company personnel, the indications in the analysis, and judgment, the study recommends moving toward the expectations. This study recommends moving from 43 R0.5 to 44 R1 at this time. A graph of the observed life table and the proposed curve is shown below.



Net Salvage (-30%)

These accounts consist of any salvage and removal cost for installation costs related to meters. The current authorized net salvage for these accounts is negative 20 percent. In the most recent bands, the five-year and 10-year averages are negative 53.7 and

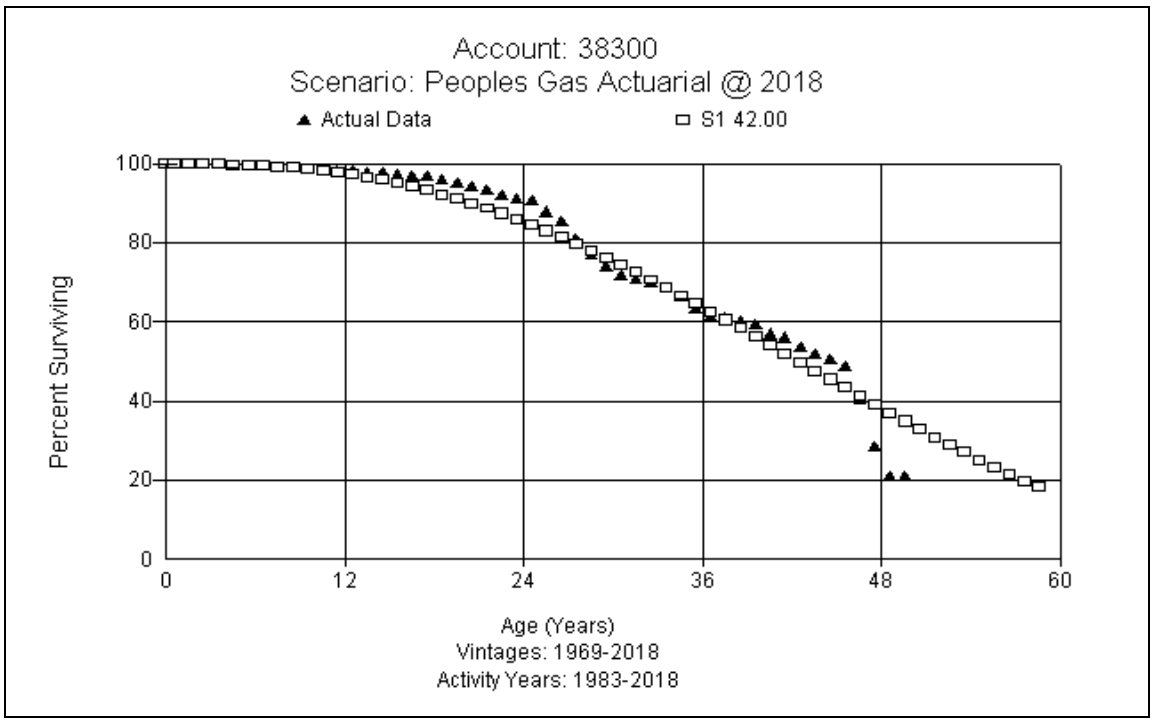
negative 39.1 percent net savage, respectively. This Study proposes moving toward the indications with a higher negative net salvage of negative 30 percent net salvage. The Company's next depreciation study will further examine future trends in this account.

FERC Account 383 House Regulators

ANALYSIS RESULTS			
Depreciable Property			
Account 38300 House Regulators			
Item	FPSC Approved	2020	Change
Investment	$16,289,812	$17,697,139	$1,407,327
Iowa Curve	R2	S1	
Average Service Life	28	42	14
Theoretical Reserve	$6,895,302	$5,521,528	($1,373,774)
Book Reserve	$7,366,948	$8,433,989	$1,067,041
Reserve Variance	$471,646	$2,912,462	$2,440,816
Reserve Ratio	45.22%	47.66%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	3.6%	2.4%	-1.20%
AWL Expense (2021)	$586,433	$424,731	($161,702)
Average Remaining Life	16.60	28.90	12.30
ARL Rate	3.6%	1.8%	-1.8%
ARL Expense (2021)	$586,433	$318,549	($267,885)

Life (42 S1)

This account includes all distribution house regulators. The projected balance at December 31, 2020 is approximately $17.7 million. The current approved life is 28 years with an R2 dispersion curve. The Company has been installing premanufactured meter sets for the last 8-10 years. Each quarter, operation's sends a count of the stand-alone regulators being removed from the meter sets. Those regulators are retired under FIFO. From an operational perspective Company SMEs believe a longer life to be reasonable. Based on the life analysis, the type of assets, Company input, and judgment, the Study recommendation is to increase the approved life to 42 years with a S1 dispersion curve. A graph of the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost for house regulators. The current authorized net salvage for this account is 0 percent. In the most recent bands, the five and 10-year averages are negative 0.7 for both periods. Based on the analysis and judgment this study proposes retention of 0 percent net salvage for this account. Trends in net salvage for this account will be monitored in the Company's next depreciation study.

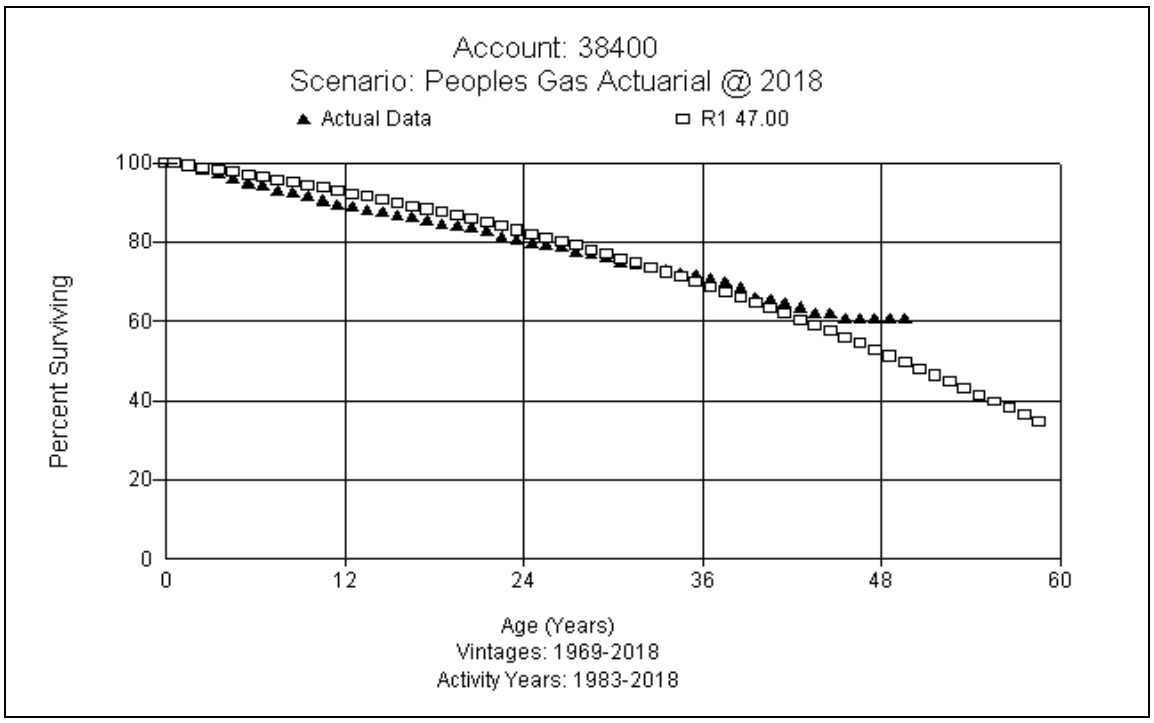
FERC Account 384 House Regulator Installations

ANALYSIS RESULTS			
Depreciable Property			
Account 38400 House Regulator Installations			
Item	FPSC Approved	2020	Change
Investment	$23,740,612	$25,563,041	$1,822,429
Iowa Curve	R4	R1	
Average Service Life	27	47	19
Theoretical Reserve	$12,276,828	$5,544,749	($6,732,079)
Book Reserve	$12,285,965	$14,231,437	$1,945,472
Reserve Variance	$9,137	$8,686,689	$8,677,552
Reserve Ratio	51.75%	55.67%	
Gross Salvage	0%	0%	0%
Removal Cost	20%	30%	10%
Net Salvage	-20%	-30%	-10%
Avg Whole Life Rate	4.4%	2.8%	-1.6%
AWL Expense (2021)	$1,044,587	$715,765	($328,822)
Average Remaining Life	15.70	37.29	21.59
ARL Rate	4.4%	2.0%	-2.4%
ARL Expense (2021)	$1,044,587	$511,261	($533,326)

Life (47 R1)

This account includes installations costs for house regulators. The projected balance at December 31, 2020 is approximately $25.6 million in this account. The current approved life is 27 years with the R4 dispersion curve. Company personnel believe that the life of this account should be close to the life of account 38200, meter installations. Actuarial analysis shows that a 47 year life with an R1 curve. Account 38200 mentioned by

Company personnel has a 44 year life. Based on Company input, type of assets, and judgment, this Study recommends moving the life to 47 years with an R1 dispersion. A graph of the proposed curve is shown below.



Net Salvage (-30%)

This account consists of any salvage and removal cost for includes installations costs for house regulators. The current authorized net salvage for this account is negative 20 percent. In the most recent bands, the five-year and 10-year averages show negative 156.5 and negative 68.8 percent net salvage, respectively. Company experts think that the historical analysis would be representative of the future. Based on history and judgment, this Study recommends moving to a more negative net salvage of negative 30 percent net salvage for this account.

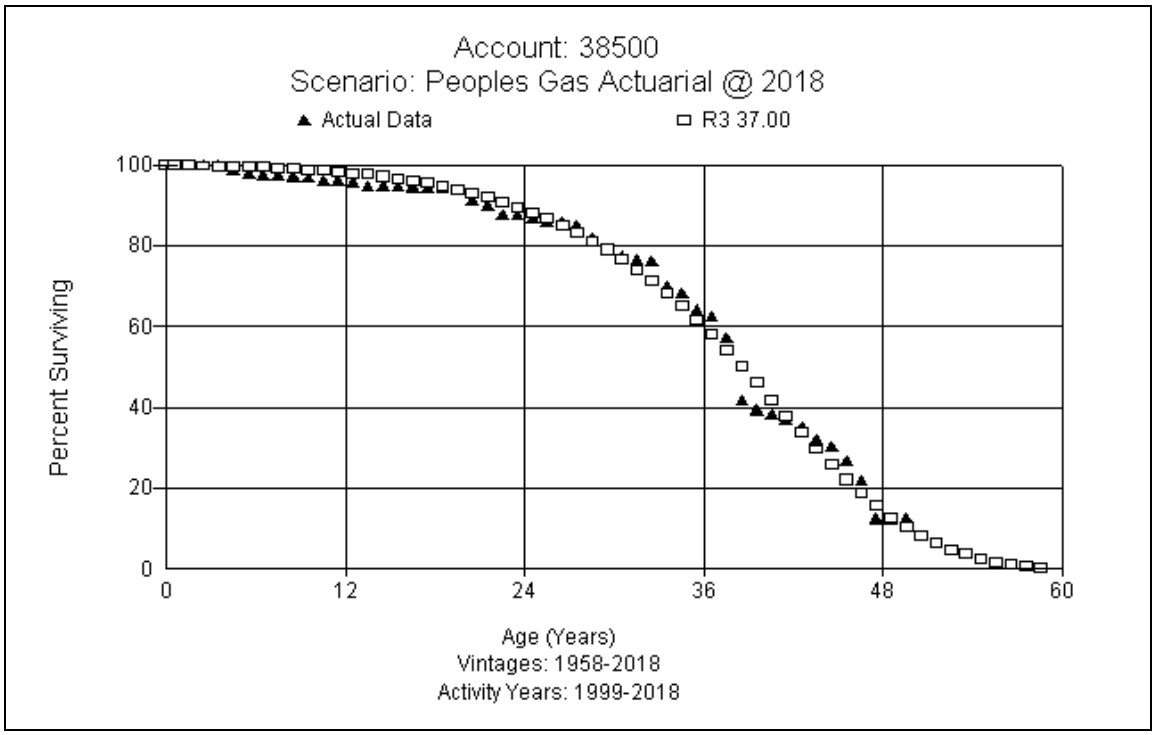
FERC Account 38500 Industrial M&R Station Equipment

ANALYSIS RESULTS			
Depreciable Property			
Account 38500 Measuring and Regulating Industrial Equipment			
Item	FPSC Approved	2020	Change
Investment	$10,029,996	$12,194,965	$2,164,969
Iowa Curve	R4	R3	
Average Service Life	32	37	5
Theoretical Reserve	$6,076,966	$5,705,372	($371,594)
Book Reserve	$6,247,619	$6,942,133	$694,514
Reserve Variance	$170,653	$1,236,761	$1,066,108
Reserve Ratio	62.29%	56.93%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	2%	2%
Net Salvage	0%	-2%	-2%
Avg Whole Life Rate	3.1%	2.8%	-0.3%
AWL Expense (2021)	$310,930	$341,459	$30,529
Average Remaining Life	12.90	20.03	7.13
ARL Rate	3.1%	2.3%	-0.8%
ARL Expense (2021)	$310,930	$280,484	($30,446)

Life (37 R3)

This account includes all measuring and regulating equipment at industrial stations. The projected balance at December 31, 2020 is approximately $12.2 million in this account. The current approved life for this account is 32 years with the R4 dispersion curve. Company personnel stated that meters for these stations are booked in the meter account, and that the assets in this account include all other assets needed to serve the customer. Company personnel believe that the assets in this account are more similar to a distribution

regulator station in account 37800 than a city gate station in account 37900. Operationally, Company personnel state that the operating environment in this account is harsher than most assets in a district regulator station. Consequently, from an operational perspective, Company personnel anticipate that the life of this account would be shorter than the life of account 37800. Based on the recommendations of Company personnel, type of assets in this account, and judgment, the current Study recommendation is to retain the life of 37 years with an R3 dispersion curve. A graph of the proposed curve is shown below.



Net Salvage (-2%)

This account consists of any salvage and removal cost associated with measuring and regulating equipment at industrial stations. The current authorized net salvage for this account is zero percent. In the most recent bands, the five-year and 10-year averages show negative 1.4 and negative 4.5 percent net salvage, respectively. Company experts think that the historical analysis would be representative of the future. Based on history and judgment, this Study recommends moving to negative 2 percent net salvage for this account.

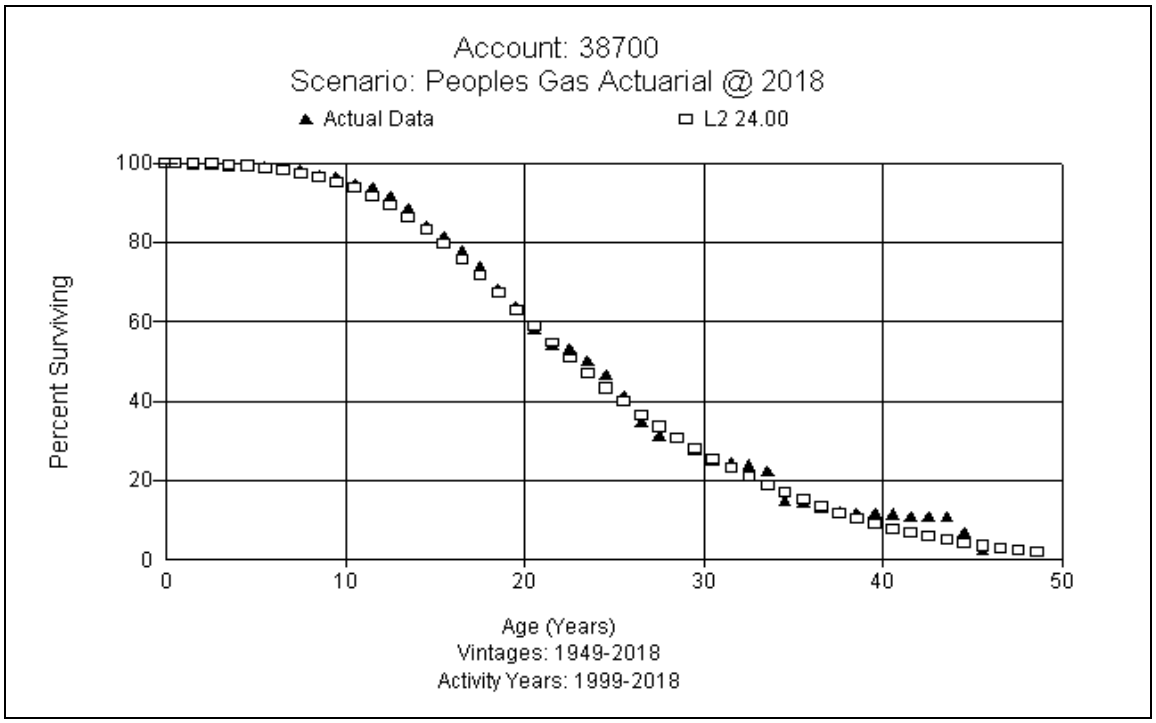
FERC Account 38700 Other Equipment

ANALYSIS RESULTS			
Depreciable Property			
Account 38700 Other Equipment			
Item	FPSC Approved	2020	Change
Investment	$8,964,477	$9,624,238	$659,761
Iowa Curve	S2	L2	
Average Service Life	16	24	8
Theoretical Reserve	$3,237,936	$2,785,482	($452,454)
Book Reserve	$3,467,658	$4,644,498	$1,176,840
Reserve Variance	$229,722	$1,859,016	$1,629,294
Reserve Ratio	38.68%	48.26%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	6.3%	4.2%	-2.1%
AWL Expense (2021)	$564,762	$404,218	($160,544)
Average Remaining Life	10.20	17.05	6.85
ARL Rate	6.3%	3.0%	-3.3%
ARL Expense (2021)	$564,762	$288,727	($276,035)

Life (24 L2)

This account includes other equipment not included in other distribution accounts. The projected balance at December 31, 2020 is approximately $9.6 million in this account. The current approved life for this account is 16 years with the S2 dispersion curve. The actuarial analysis for this account shows a longer life than currently approved. Based on actuarial analysis, the type of assets in this account, and judgment, the current Study

recommendation is to move to a 24 year life with a L2 dispersion curve. A graph of the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost associated with other equipment not included in other distribution accounts. The current authorized net salvage for this account is zero percent. In the most recent bands, the five-year and 10-year averages show 0 and negative 0.3 percent net salvage, respectively. Company experts think that the historical analysis would be representative of the future. Based on history and judgment, this Study recommends retaining 0 percent net salvage for this account.

C. General Plant

GAS General Plant Depreciated FERC Accounts 39000 - 39800

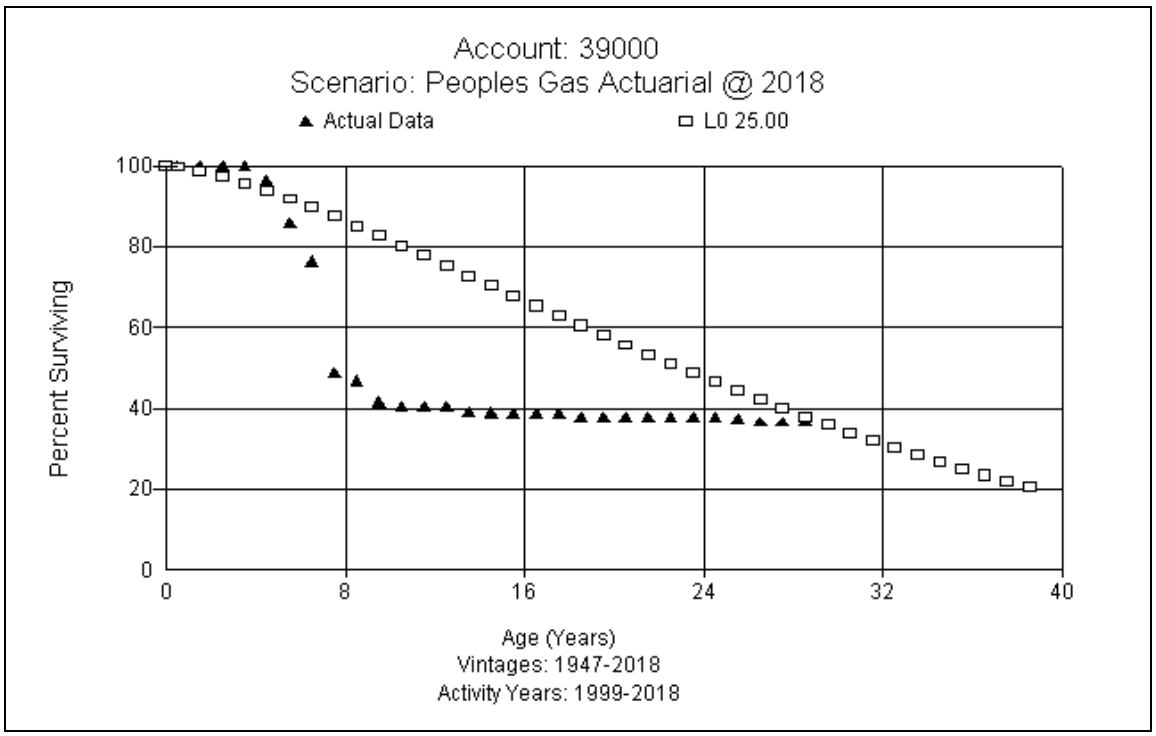
FERC Account 39000, Structures & Improvements

ANALYSIS RESULTS			
Depreciable Property			
Account 39000 Structures and Improvements			
Item	FPSC Approved	2020	Change
Investment	$28,184	$28,184	$0
Iowa Curve	R3	L0	
Average Service Life	40	25	-15
Theoretical Reserve	$3,488	$4,632	$1,144
Book Reserve	$12,797	$14,206	$1,409
Reserve Variance	$9,309	$9,574	$265
Reserve Ratio	45.41%	50.40%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	2.5%	4.0%	1.50%
AWL Expense (2021)	$705	$1,127	$423
Average Remaining Life	34.00	20.89	-13.11
ARL Rate	2.5%	2.4%	-0.1%
ARL Expense (2021)	$705	$676	($28)

Life (25 L0)

This account consists of general structures and improvements for buildings, including roofing, plumbing, air conditioning systems, electrical, and yard improvements. The projected balance at December 31, 2020 is approximately $28 thousand in this

account. The current approved life is 40 R3. There have been no retirements in this account since 2005. Major buildings are booked in account 37500. Actuarial analysis shows a shorter life than is currently approved. Based on the analysis indications, the type and mix of assets, and judgment, this Study recommends reducing the life to 25 years with an L0 dispersion. A graph of the observed life table versus the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost associated with buildings, yard improvements, and partitions used for utility service. The current authorized net salvage is zero percent. There has been no retirement or net salvage activity since 2005. Typically cost of removal exceeds any salvage. However, with no historical experience to support the expectations, based on judgment this Study recommends retention of 0 percent net salvage for this account.

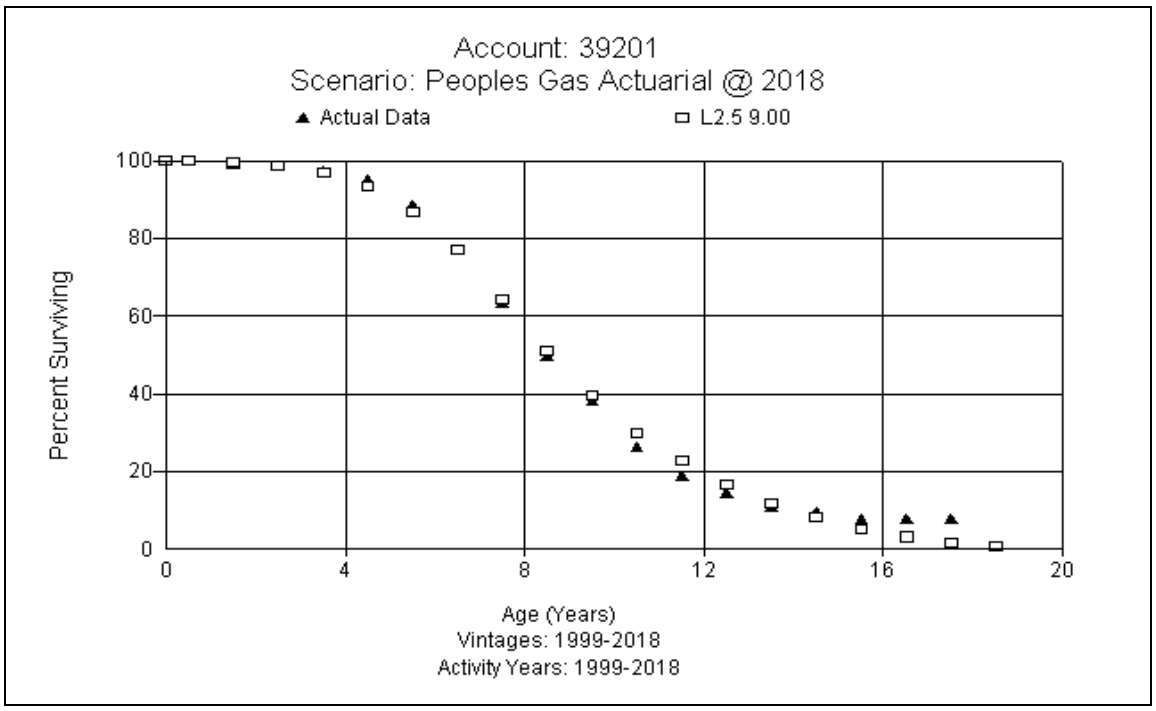
FERC Account 39201 Vehicles up to ½ Ton

ANALYSIS RESULTS			
Depreciable Property			
Account 39201 Vehicles up to 1/2 Ton			
Item	FPSC Approved	2020	Change
Investment	$8,631,288	$12,072,999	$3,441,711
Iowa Curve	S1	L2.5	
Average Service Life	8	9	1
Theoretical Reserve	$3,935,472	$4,063,427	$127,955
Book Reserve	$4,655,758	$5,989,326	$1,333,568
Reserve Variance	$720,286	$1,925,899	$1,205,613
Reserve Ratio	53.94%	49.61%	
Gross Salvage	10%	11%	1%
Removal Cost	0%	0%	0%
Net Salvage	10%	11%	1%
Avg Whole Life Rate	11.3%	9.9%	-1.40%
AWL Expense (2021)	$975,336	$1,195,227	$219,891
Average Remaining Life	4.50	5.60	1.1
ARL Rate	11.4%	7.0%	-4.4%
ARL Expense (2021)	$983,967	$845,110	($138,857)

Life (9 L2.5)

This account consists of vehicles weighing ½ ton and under. The projected plant balance at December 31, 2020 is approximately $12.1 million for this account. The currently approved life is 8 years with an S1 dispersion. From an operational perspective,

Company personnel see a slight increase in life. Actuarial analysis shows a slightly longer life. Based on input from Company personnel, this study recommends moving to a 9 year life and an L2.5 dispersion. A graph of the proposed curve is shown below.



Net Salvage (11%)

This account consists of any salvage and removal cost associated with vehicles weighing ½ ton and under. The current authorized net salvage for this account is positive 10 percent. In the most recent bands, the five-year and 10-year averages show positive 12.3 and positive 11.0 percent net salvage, respectively. Company experts think that the historical analysis would be representative of the future. Based on history and judgment, this Study recommends moving to a positive 11 percent net salvage for this account.

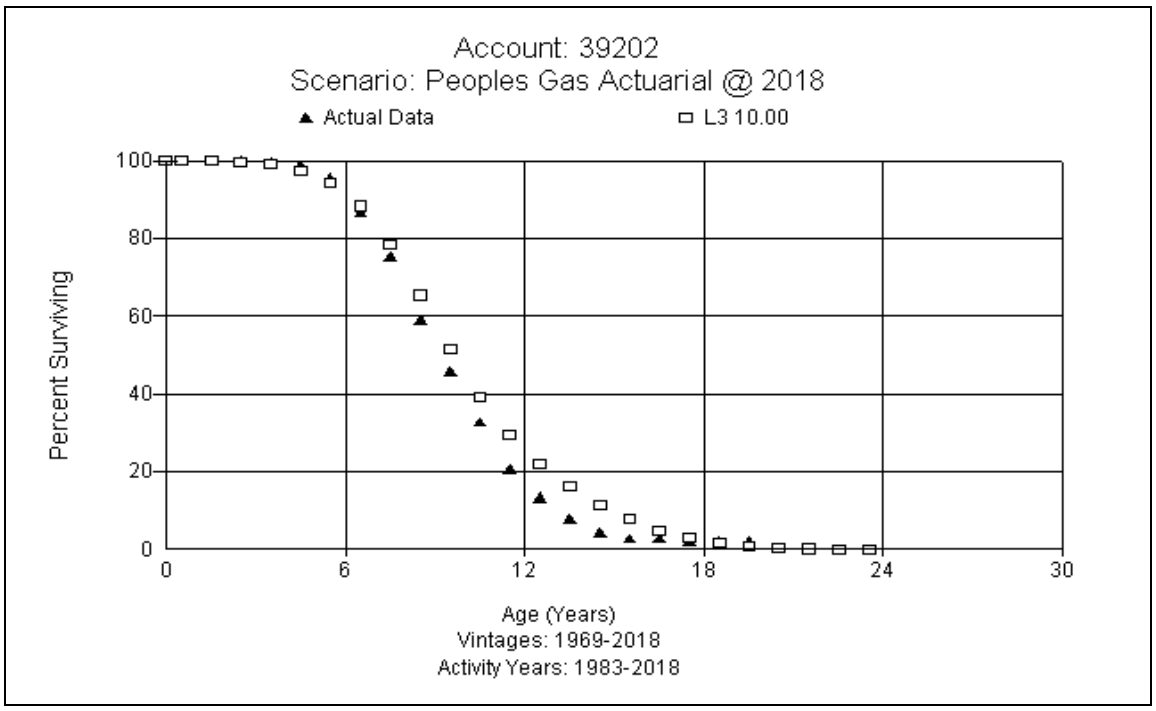
FERC Account 39202 Vehicles from ½ to 1 Ton

ANALYSIS RESULTS			
Depreciable Property			
Account 39202			
Vehicles from 1/2 to 1 Ton			
Item	FPSC Approved	2020	Change
Investment	$9,145,828	$12,134,491	$2,988,663
Iowa Curve	S1	L3	
Average Service Life	7	10	8
Theoretical Reserve	$3,495,324	$4,137,904	$642,580
Book Reserve	$4,258,007	$6,619,614	$2,361,607
Reserve Variance	$762,683	$2,481,710	$1,719,027
Reserve Ratio	46.56%	54.55%	
Gross Salvage	10%	11%	1%
Removal Cost	0%	0%	0%
Net Salvage	10%	11%	1%
Avg Whole Life Rate	12.9%	5.9%	-7.00%
AWL Expense (2021)	$1,179,812	$715,935	($463,877)
Average Remaining Life	3.30	6.17	2.87
ARL Rate	13.0%	5.6%	-7.4%
ARL Expense (2021)	$1,188,958	$679,531	($509,426)

Life (10 L3)

This account consists of vehicles weighing between ½ and one ton. The projected plant balance at December 31, 2020 is approximately $12.1 million for this account. The currently approved life is 7 years with an S1 dispersion. From an operational perspective, Company personnel see an increase in life. Based on input from Company personnel and

actuarial analysis, this study recommends moving to a 10 year life with an L3 dispersion. A graph of the proposed curve is shown below.



Net Salvage (11%)

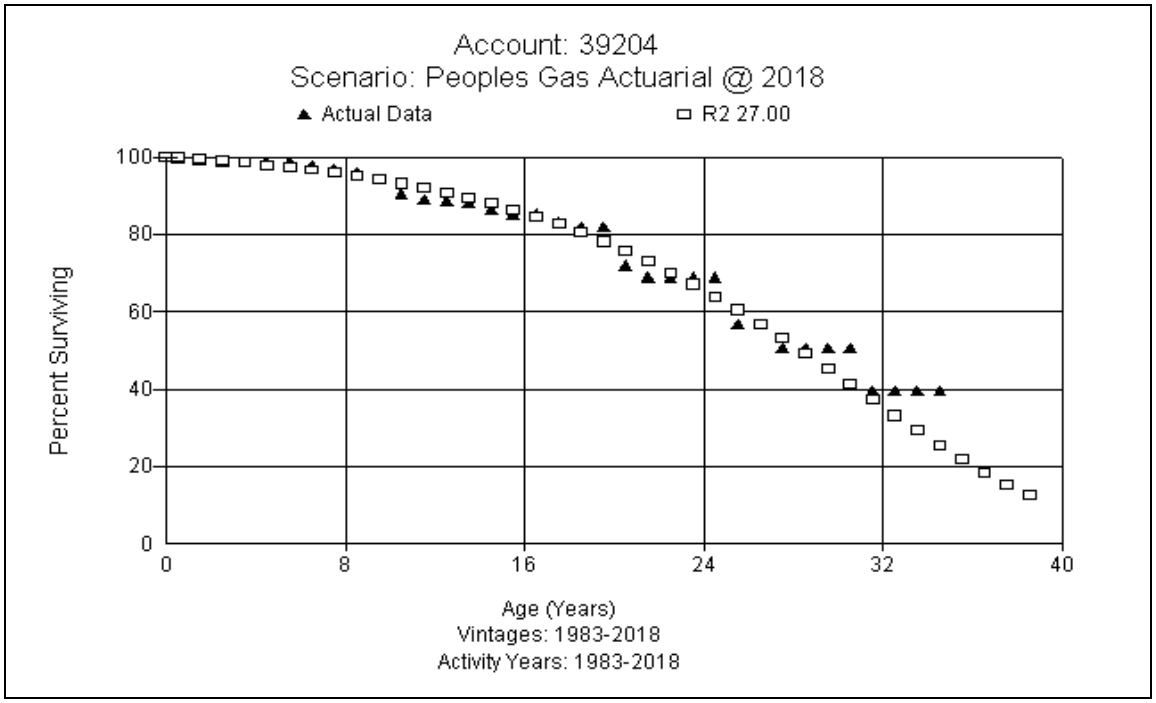
This account consists of any salvage and removal cost associated with vehicles weighing between ½ and one ton. The current authorized net salvage for this account is positive 10 percent. In the most recent bands, the five-year and 10-year averages show positive 13.2 and positive 10.5 percent net salvage, respectively. Company experts think that the historical analysis would be representative of the future. Based on history and judgment, this Study recommends moving to positive 11 percent net salvage for this account.

FERC Account 39204 Trailers and Other

ANALYSIS RESULTS			
Depreciable Property			
Account 39204 Trailers & Other			
Item	FPSC Approved	2020	Change
Investment	$1,283,693	$2,563,258	$1,279,565
Iowa Curve	S3	R2	
Average Service Life	20	27	7
Theoretical Reserve	$333,572	$352,704	$19,132
Book Reserve	$348,904	$505,321	$156,417
Reserve Variance	$15,332	$152,617	$137,285
Reserve Ratio	0.00%	19.71%	
Gross Salvage	20%	15%	-5%
Removal Cost	0%	0%	0%
Net Salvage	20%	15%	-5%
Avg Whole Life Rate	4.0%	3.1%	-0.90%
AWL Expense (2021)	$51,348	$79,461	$28,113
Average Remaining Life	15.50	22.63	7.13
ARL Rate	4.0%	2.9%	-1.1%
ARL Expense (2021)	$51,348	$74,334	$22,987

Life (27 R2)

This account consists of trailers and other transportation equipment. The projected plant balance at December 31, 2020 is approximately $2.5 million for this account. The currently approved life is 20 years with an S3 dispersion. From an operational perspective, Company personnel see a slight increase in life. Based on input from Company personnel and actuarial analysis, this study recommends moving to a 27 year life with an R2 dispersion. A graph of the proposed curve is shown below.



Net Salvage (15%)

This account consists of any salvage and removal cost associated with trailers and other transportation equipment The current authorized net salvage for this account is positive 20 percent. A large salvage amount in 2017 distorts the overall net salvage average. Based on the data at the end of 2016, the 10-year average shows positive 16 percent net salvage. Company experts think that the historical analysis would be representative of the future. Based on history and judgment, this Study recommends retention of positive 15 percent net salvage for this account.

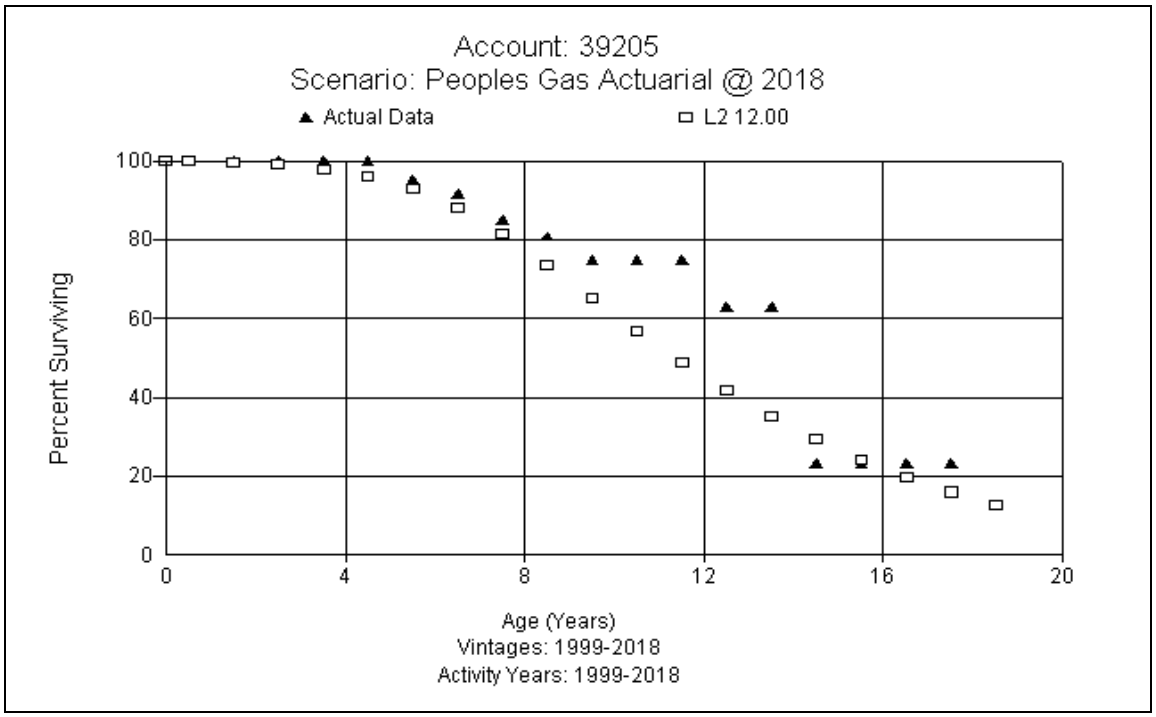
FERC Account 39205 Vehicles Over 1 Ton

ANALYSIS RESULTS			
Depreciable Property			
Account 39205 Vehicles Over 1 Ton			
Item	FPSC Approved	2020	Change
Investment	$1,990,116	$1,900,118	($89,998)
Iowa Curve	S4	L2	
Average Service Life	12	12	0
Theoretical Reserve	$929,728	$816,893	($112,835)
Book Reserve	$972,152	$999,340	$27,188
Reserve Variance	$42,424	$182,446	$140,022
Reserve Ratio	0.00%	52.59%	
Gross Salvage	10%	4%	-6%
Removal Cost	0%	0%	0%
Net Salvage	10%	4%	-6%
Avg Whole Life Rate	7.5%	8.0%	0.50%
AWL Expense (2021)	$149,259	$152,009	$2,751
Average Remaining Life	7.00	6.63	-0.37
ARL Rate	7.5%	6.6%	-0.9%
ARL Expense (2021)	$149,259	$125,408	($23,851)

Life (12 L2)

This account consists of vehicles weighing over one ton. The projected plant balance at December 31, 2020 is approximately $1.9 million for this account. The currently approved life is 12 years with an S4 dispersion. Actuarial analysis shows a similar life with a slight shift in dispersion. Based on actuarial analysis, this study recommends retaining a

12 year life and moving to an L2 dispersion. A graph of the proposed curve is shown below.



Net Salvage (4%)

This account consists of any salvage and removal cost associated with vehicles weighing over one ton. The current authorized net salvage for this account is positive 10 percent. In the most recent bands, the five-year and 10-year averages show positive 3.6 and positive 3.5 percent net salvage, respectively. Based on history and judgment, this Study recommends moving to positive 4 percent net salvage for this account.

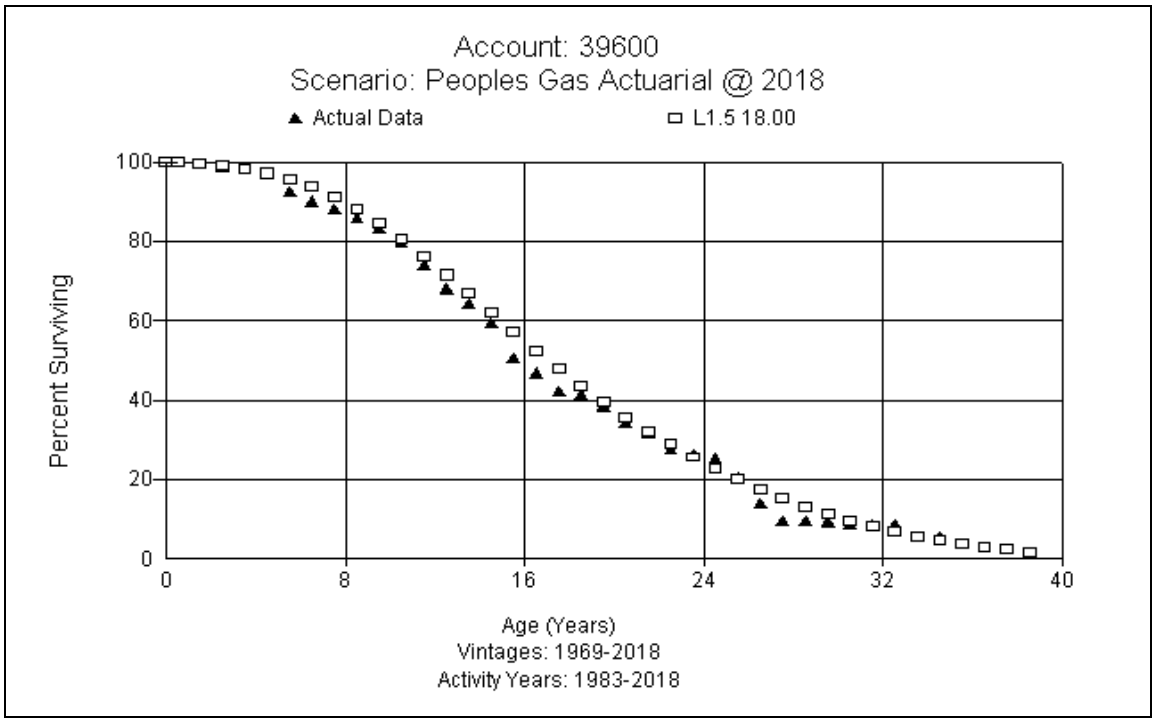
FERC Account 39600 Power Operated Equipment

ANALYSIS RESULTS			
Depreciable Property			
Account 39600 Power Operated Equipment			
Item	FPSC Approved	2020	Change
Investment	$2,943,764	$3,203,465	$259,701
Iowa Curve	S4	L1.5	
Average Service Life	15	18	3
Theoretical Reserve	$1,433,952	$1,092,227	($341,725)
Book Reserve	$1,565,598	$1,926,552	$360,954
Reserve Variance	$131,646	$834,325	$702,679
Reserve Ratio	53.18%	60.14%	
Gross Salvage	5%	10%	5%
Removal Cost	0%	0%	0%
Net Salvage	5%	10%	5%
Avg Whole Life Rate	6.3%	5.0%	-1.30%
AWL Expense (2021)	$185,457	$160,173	($25,284)
Average Remaining Life	8.00	11.18	3.18
ARL Rate	6.3%	2.7%	-3.6%
ARL Expense (2021)	$185,457	$86,494	($98,964)

Life (18 L1.5)

This account consists of power-operated equipment such as bulldozers, forklifts, pile drivers, and tractors. The projected plant balance at December 31, 2020 is approximately $3.2 million. The currently approved dispersion curve for this account is 15 S4. Assets in this account vary from forklifts to backhoes. Discussions with Company personnel indicate

the existing life of 15 years is around their operational life expectations for many of the assets. Based on the mix of assets in the account, Company personnel recommend a slight adjustment to the current life. Actuarial analysis shows a slightly longer average life. Based on actuarial analysis and judgment, this study recommends an 18 year life while moving to an L1.5 dispersion.



Net Salvage (10%)

This account consists of any salvage and removal cost associated with bulldozers, forklifts, trenchers, and other power operated equipment that cannot be licensed on roadways. The current authorized net salvage for this account is positive 5 percent. The most recent bands, the 10-year averages shows between positive 17.3 and 9.0 percent net salvage. Based on judgment, this Study recommends moving to 10 percent net salvage for this account.

Adoption of Vintage Group Amortization

This study recommends the adoption of vintage group amortization for certain General plant accounts. FERC adopted Accounting Release 15 in 1997 using the following criteria:

1. The individual classes of assets for which vintage year accounting is followed are high volume, low value items;

2. There is no change in existing retirement unit designations, for purposes of determining when expenditures are capital or expense;

3. The cost of the vintage groups is amortized to depreciation expense over their useful lives and there is no change in depreciation rates resulting from the adoption of the vintage year accounting;

4. Interim retirements are not recognized;

5. Salvage and removal cost relative to items in the vintage categories are included in the accumulated depreciation account and assigned to the oldest vintage first; and

6. Properties are retired from the affected accounts that, at the date of the adoption of vintage year accounting, meet or exceed the average service life of properties in that account.

A vintage year method of accounting for the general plant accounts that meets all of the foregoing requirements may be implemented without obtaining specific authorization from the Commission to do so.

It will no longer be necessary to track of the location and retirement of those high volume, low value assets. Assets older than the average service life are retired and then the remaining plant in service for each account will be amortized using the amortization rates shown in Appendix A and B. Annually, assets that reach the average service life of each account will be retired when the assets reach their average service life. In the case of PGS, the book depreciation reserve is approximately $2.0 million higher than the theoretical reserve for these accounts at this point. Therefore, an additional accrual reduction is necessary for each plant account to correct up the difference between the book depreciation reserve and the theoretical depreciation reserve. In the case of PGS, the general plant true-up reduction of amount of $2.0 million is recommended to be amortized over the remaining life of each account, approximately $378 thousand annually. This treatment is recommended for accounts 391, 393-395, and 397-398. Appendix A-2

provides the detailed calculations related to General Plant Vintage Group Amortization.

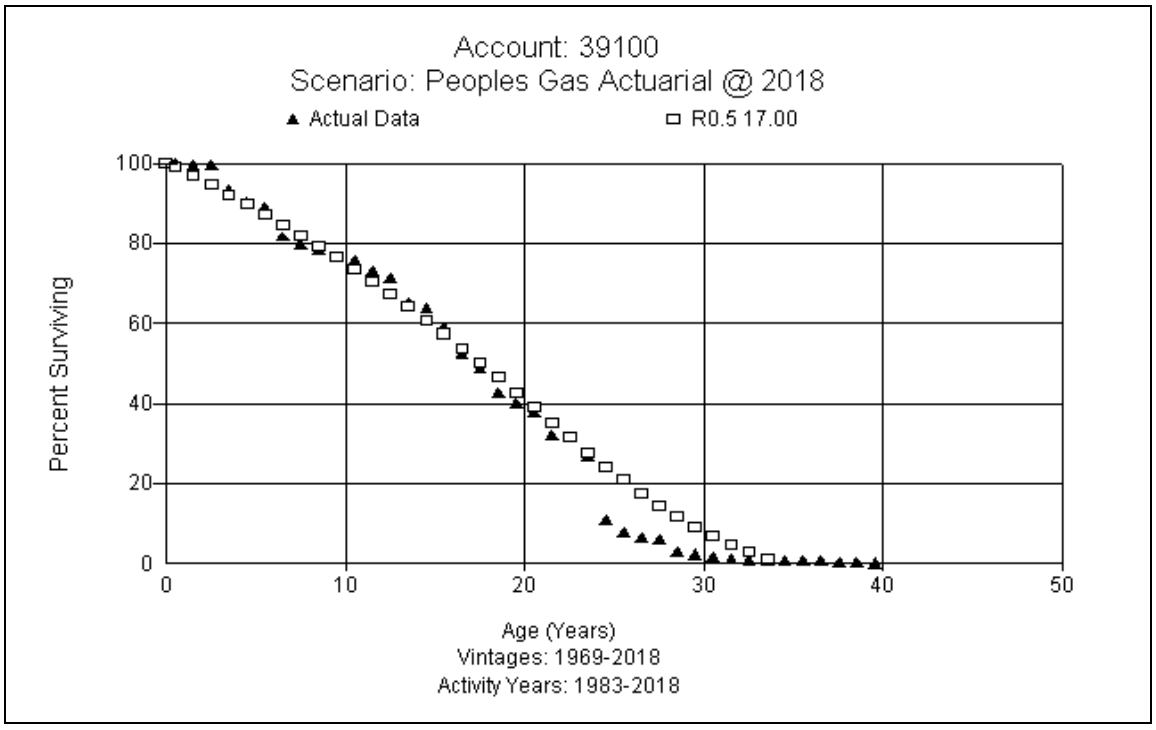
FERC Account 39100 Office Furniture

ANALYSIS RESULTS			
Depreciable Property			
Account 39100 Office Furniture			
Item	FPSC Approved	2020	Change
Investment	$2,190,556	$5,898,366	$3,707,810
Iowa Curve	SQ	SQ	
Average Service Life	15	17	2
Theoretical Reserve	$1,001,511	$1,274,776	$273,265
Book Reserve	$1,030,754	$1,350,660	$319,906
Reserve Variance	$29,243	$75,883	$46,640
Reserve Ratio	47.05%	22.90%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	6.7%	5.9%	-0.80%
AWL Expense (2021)	$146,767	$348,004	$201,236
Average Remaining Life	5.80	N/A	
ARL Rate	6.7%	5.9%	-0.8%
ARL Expense (2021)	$146,767	$348,004	$201,236

Life (17 SQ)

This account consists of office furniture used in Company buildings. The projected balance at December 31, 2020 is approximately $5.9 million in this account with $5.4

million remaining in plant after the retirement of assets whose age is greater than the average service life. This Study proposes adoption of general plant amortization for this account. The current approved life is 15 SQ. Actuarial analysis shows a longer life, between 17 and 18 years. Based on the analysis indications, discussions with Company, type and mix of assets, and judgment, this Study recommends increasing to a 17 year life. After the adoption of general plant amortization, a SQ dispersion curve will be used. A graph of the observed life table versus the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost associated with office furniture used in Company buildings. The current authorized net salvage is zero percent. In the most recent bands, the five-year and 10-year averages show 0 percent net salvage for both. Typically these assets produce no net salvage. Based on history and judgment, this Study recommends retention of 0 percent net salvage for this account.

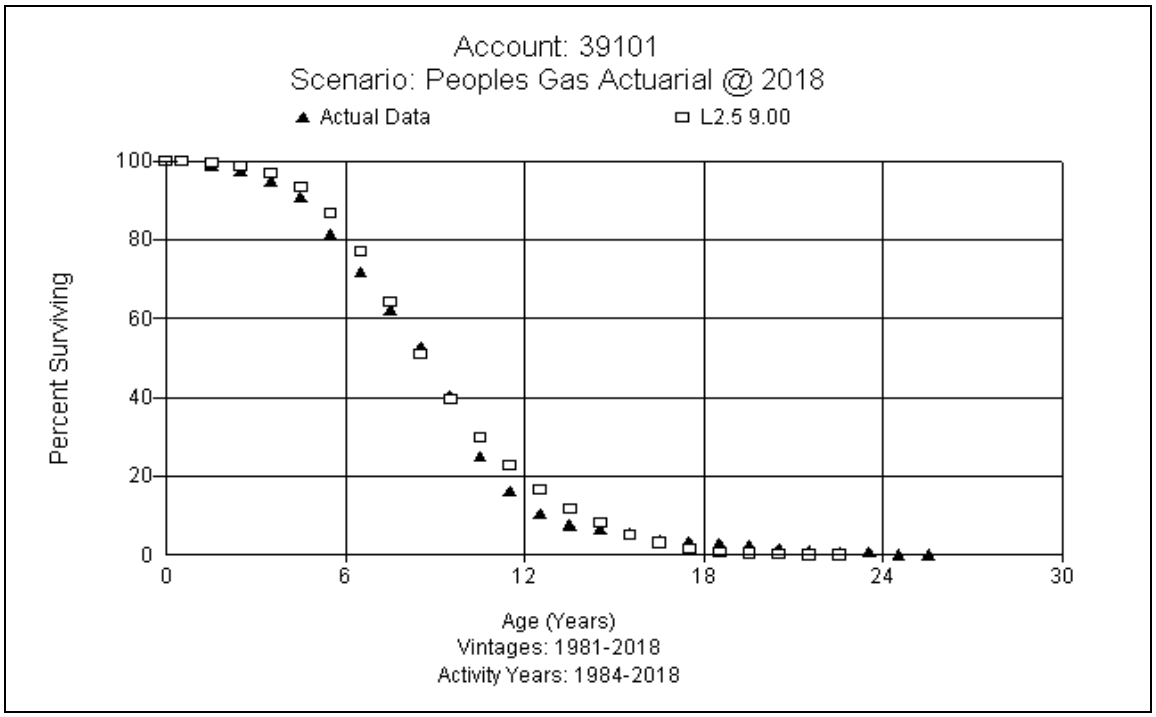
FERC Account 39101 Computer Equipment

ANALYSIS RESULTS			
Depreciable Property			
Account 39101 Computer Equipment			
Item	FPSC Approved	2020	Change
Investment	$3,278,014	$4,500,269	$1,222,255
Iowa Curve	SQ	SQ	
Average Service Life	8	9	1
Theoretical Reserve	$2,471,859	$2,983,522	$511,663
Book Reserve	$2,911,126	$3,905,942	$994,816
Reserve Variance	$439,267	$922,420	$483,153
Reserve Ratio	88.81%	86.79%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	12.5%	11.1%	-1.40%
AWL Expense (2021)	$409,752	$499,530	$89,778
Average Remaining Life	1.80	N/A	
ARL Rate	12.3%	11.1%	-1.2%
ARL Expense (2021)	$403,196	$499,530	$96,334

Life (9 SQ)

This account consists of computer equipment such as computers, servers, and software. This Study proposes the adoption of general plant amortization for this account. The projected balance at December 31, 2020 is approximately $4.5 million in this account with $2.6 million remaining in plant after the retirement of assets whose age is greater than

the average service life. The current approved life is 8 years with an SQ dispersion. Actuarial analysis shows a longer life, between 8 and 10 years. Company IT management anticipates a replacement timeline of 5 years for servers and 4 years for PCs. Based on the analysis indications, mix of assets in the account and judgment, this Study recommends increasing to a 9 year life. After the adoption of general plant amortization, a SQ dispersion curve will be used. A graph of the observed life table versus the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost associated with computer equipment. The current authorized net salvage is zero percent. The current authorized net salvage is zero percent. In the most recent bands, the five-year and 10-year averages show 0 percent net salvage for both. Typically these assets produce no net salvage. Based on history and judgment, this Study recommends retention of 0 percent net salvage for this account.

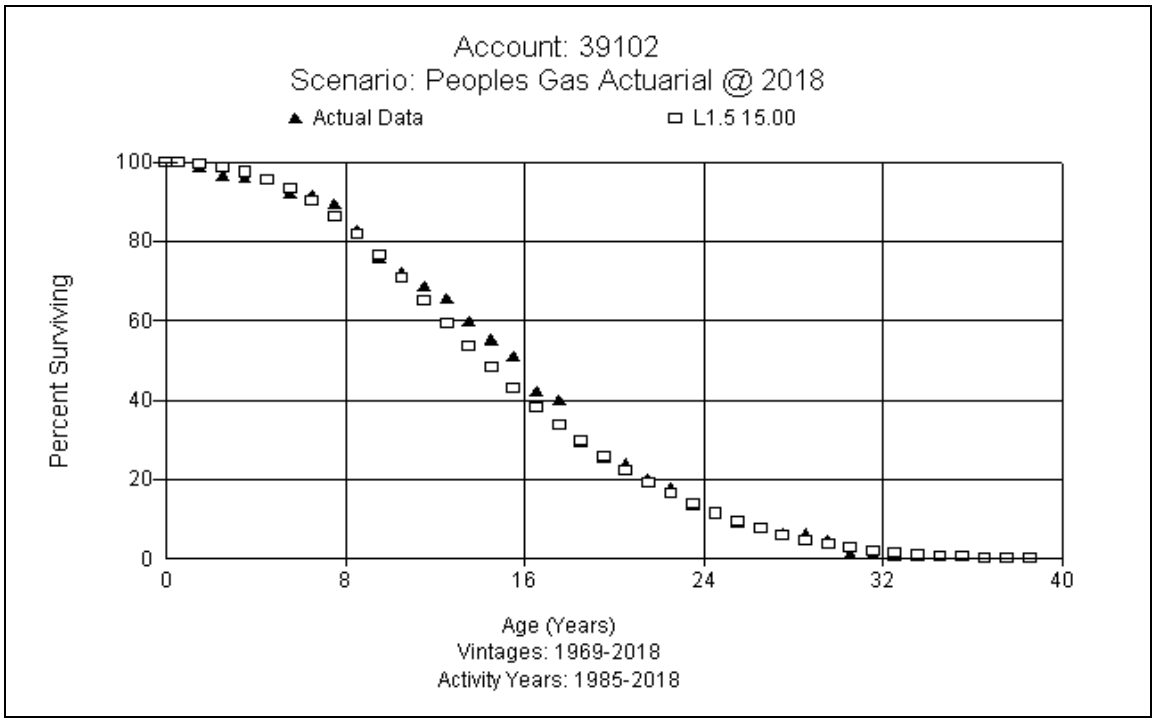
FERC Account 39102 Office Equipment

ANALYSIS RESULTS			
Depreciable Property			
Account 39102 Office Equipment			
Item	FPSC Approved	2020	Change
Investment	$1,346,421	$1,402,780	$56,359
Iowa Curve	SQ	SQ	
Average Service Life	15	15	0
Theoretical Reserve	$525,801	$175,528	($350,273)
Book Reserve	$542,917	$729,057	$186,140
Reserve Variance	$17,116	$553,528	$536,412
Reserve Ratio	40.32%	9.67%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	6.7%	6.7%	0.00%
AWL Expense (2021)	$90,210	$106,945	$106,945
Average Remaining Life	8.50	N/A	
ARL Rate	6.7%	6.7%	0.0%
ARL Expense (2021)	$90,210	$93,986	$3,776

Life (15 SQ)

This account consists of office equipment, such as projects or copy machines. This Study proposes adoption of general plant amortization for this account. The projected balance at December 31, 2020 is approximately $1.4 million in this account, with $1.4 million remaining in plant after the retirement of assets whose age is greater than the average service life. The current approved life is 15 SQ. Actuarial analysis shows a similar life to what is approved. Based on the analysis indications, type and mix of assets, and

judgment, this Study recommends retaining to a 15 year life. After the adoption of general plant amortization, a SQ dispersion curve will be used. A graph of the observed life table versus the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost associated with office equipment. The current authorized net salvage is zero percent. In the most recent bands, the five-year and 10-year averages show negative 0.1 and positive 0.1 percent net salvage, respectively. Based on history and judgment, this Study recommends retention of 0 percent net salvage for this account.

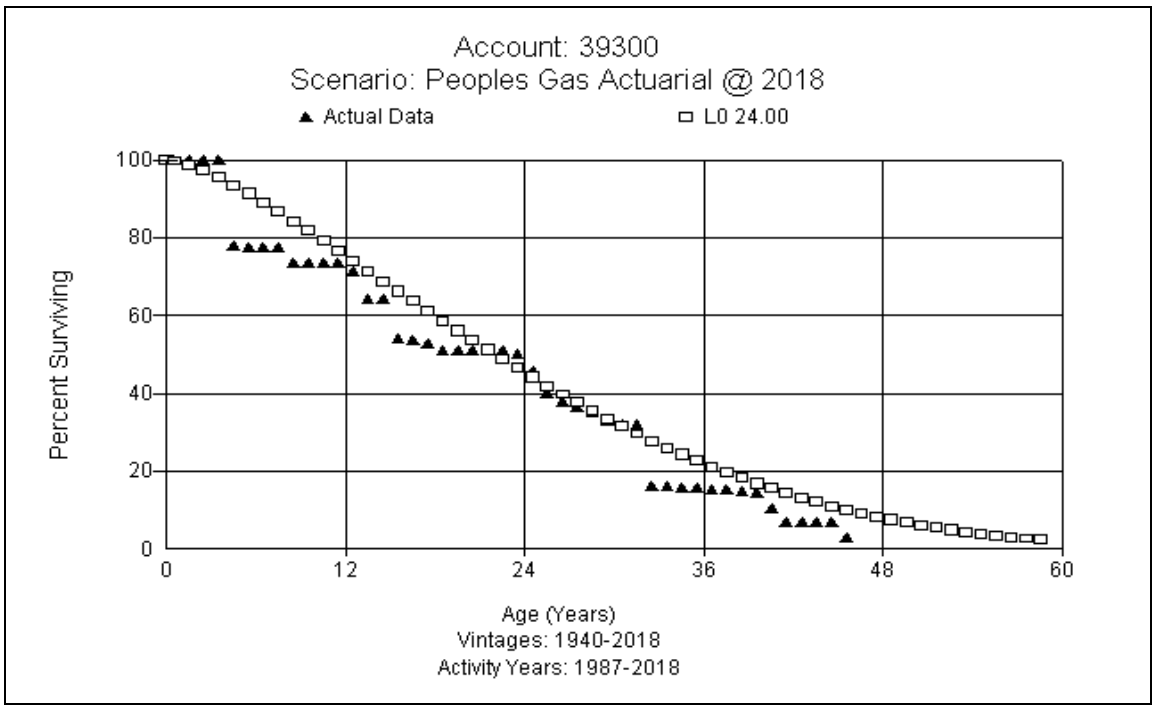
FERC Account 39300 Stores Equipment

ANALYSIS RESULTS			
Depreciable Property			
Account 39300 Stores Equipment			
Item	FPSC Approved	2020	Change
Investment	$1,283	$1,283	$0
Iowa Curve	S4	SQ	
Average Service Life	25	24	-1
Theoretical Reserve	$334	$294	($40)
Book Reserve	$330	$430	$100
Reserve Variance	($4)	$136	$140
Reserve Ratio	25.72%	33.51%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	4.0%	4.2%	0.20%
AWL Expense (2021)	$51	$54	$3
Average Remaining Life	22	N/A	
ARL Rate	3.9%	4.2%	0.3%
ARL Expense (2021)	$50	$54	$4

Life (24 SQ)

This account consists of stores equipment such as forklifts and shelving. This Study proposes adoption of general plant amortization for this account. There is a $1 thousand projected plant balance at December 31, 2020 in this account. The currently approved life and dispersion curve for this account is 25 years with an S4 dispersion. Actuarial analysis shows a slightly shorter life of 24 years. Based on actuarial analyses, this study

recommends moving to a 24 year life for this account. After the adoption of general plant amortization, an SQ dispersion curve will be used. A graph of the actual data versus the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost associated with stores equipment such as forklifts and shelving. The current authorized net salvage for this account is zero percent. In the most recent bands, the 10-year averages shows 0 percent net salvage. Based on history and judgment, this Study recommends retention of 0 percent net salvage for this account.

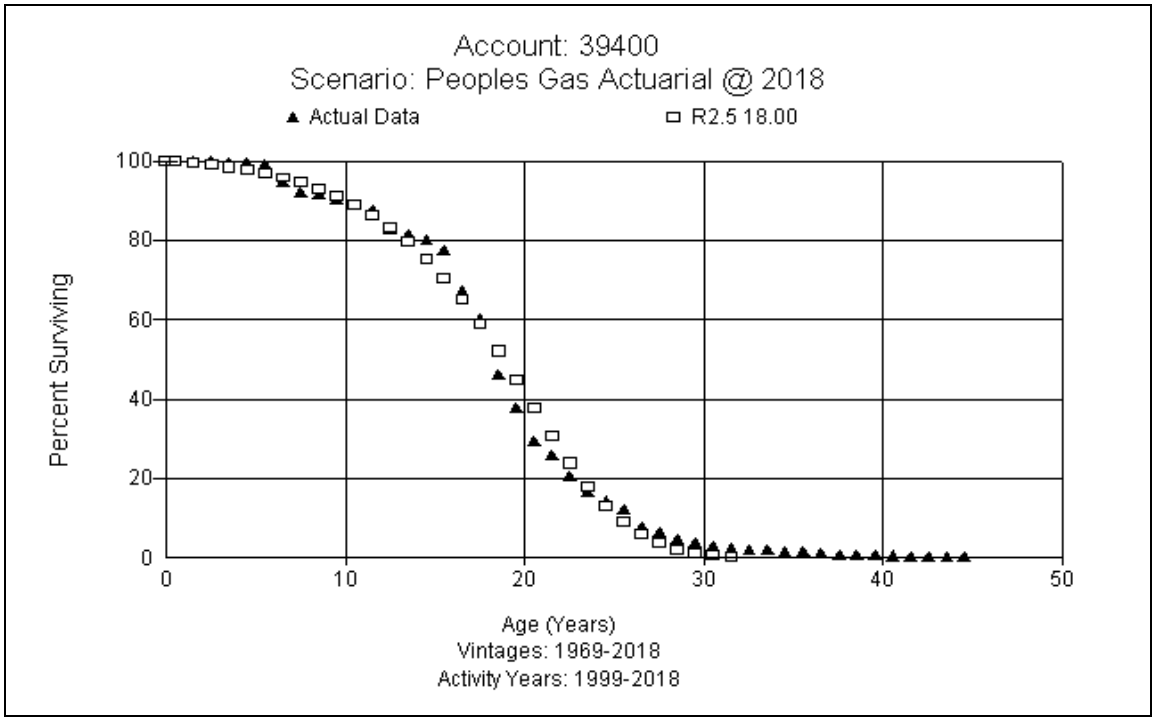
FERC Account 39400 Tools, Shop and Garage Equipment

ANALYSIS RESULTS			
Depreciable Property			
Account 39400 Tools, Shop and Garage Equipment			
Item	FPSC Approved	2020	Change
Investment	$6,982,186	$7,462,062	$479,876
Iowa Curve	SQ	SQ	
Average Service Life	15	18	3
Theoretical Reserve	$2,438,826	$2,784,210	$345,384
Book Reserve	$2,469,601	$3,426,294	$956,693
Reserve Variance	$30,775	$642,084	$611,309
Reserve Ratio	35.37%	45.92%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	6.7%	5.6%	-1.10%
AWL Expense (2021)	$467,806	$417,875	($49,931)
Average Remaining Life	11.1	N/A	
ARL Rate	6.7%	5.6%	-1.1%
ARL Expense (2021)	$467,806	$417,875	($49,931)

Life (18 SQ)

This account consists of various tools and shop equipment used for general utility service. This Study is proposing the adoption of general plant amortization for this account. The projected plant balance at December 31, 2020 is approximately $7.5 million with $7.4 million remaining in plant after the retirement of assets whose age is greater than the average service life. The currently approved dispersion curve for this account is 15 SQ.

Discussions with Company personnel indicate that there have been clean up efforts to retire equipment in this account. Actuarial results show a slight increase in life. Based on input from Company personnel, judgment, and Company history, this study recommends moving to an 18 year life. After the adoption of general plant amortization, an SQ dispersion curve will be used. A graph of the actual data versus the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost associated with various tools and shop equipment used for general utility service. The current authorized net salvage for this account is zero percent. In the most recent bands, the five-year and 10-year averages show negative 0.6 and negative 0.5 percent net salvage, respectively. Based on history, Company input, and judgment, this Study recommends retention of 0 percent net salvage for this account.

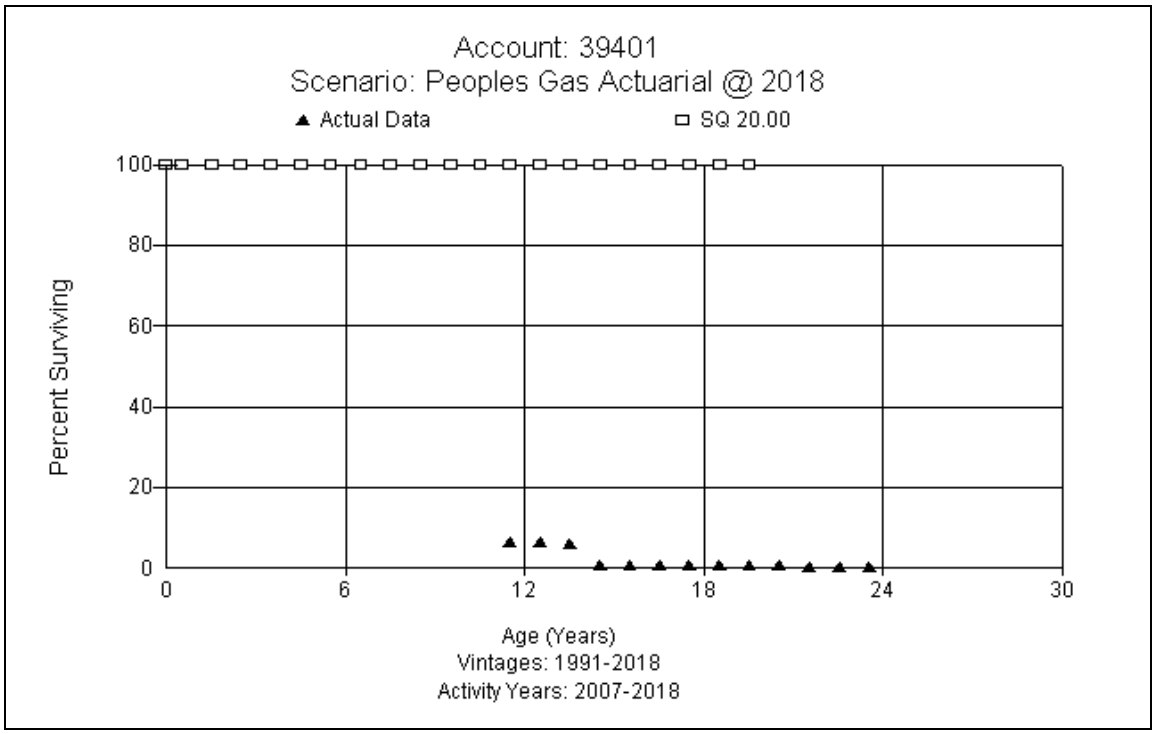
FERC Account 39401 CNG Station Equipment

ANALYSIS RESULTS			
Depreciable Property			
Account 39401 CNG Station Equipment			
Item	FPSC Approved	2020	Change
Investment	$12,895	$16,158,263	$16,145,368
Iowa Curve	SQ	SQ	
Average Service Life	20	20	0
Theoretical Reserve	$1,612	$2,876,598	$2,874,986
Book Reserve	($15,023)	$2,742,085	$2,757,108
Reserve Variance	($16,635)	($134,513)	($117,878)
Reserve Ratio	-116.50%	16.97%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	5.0%	5.0%	0.00%
AWL Expense (2021)	$645	$807,913	$807,268
Average Remaining Life	20	N/A	
ARL Rate	5.0%	5.0%	0.0%
ARL Expense (2021)	$983,967	$807,913	($176,054)

Life (20 SQ)

This account consists of natural gas charging stations and related equipment. The projected plant balance at December 31, 2020 is approximately $16.2 million. The currently approved life for this account is 20 years. In Docket 20170179-GU, the FPSC

approved a 20 year life for this equipment for Florida City Gas. Based on judgment and results from the earlier approval, this study recommends a 20 year life with the SQ dispersion. A graph of the actual data versus the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost associated with natural gas charging stations. The currently approved net salvage parameter for this account is 0 percent. The limited history continues to support a 0 percent net salvage. Based on judgment, this study recommends retaining the 0 percent net salvage for this account.

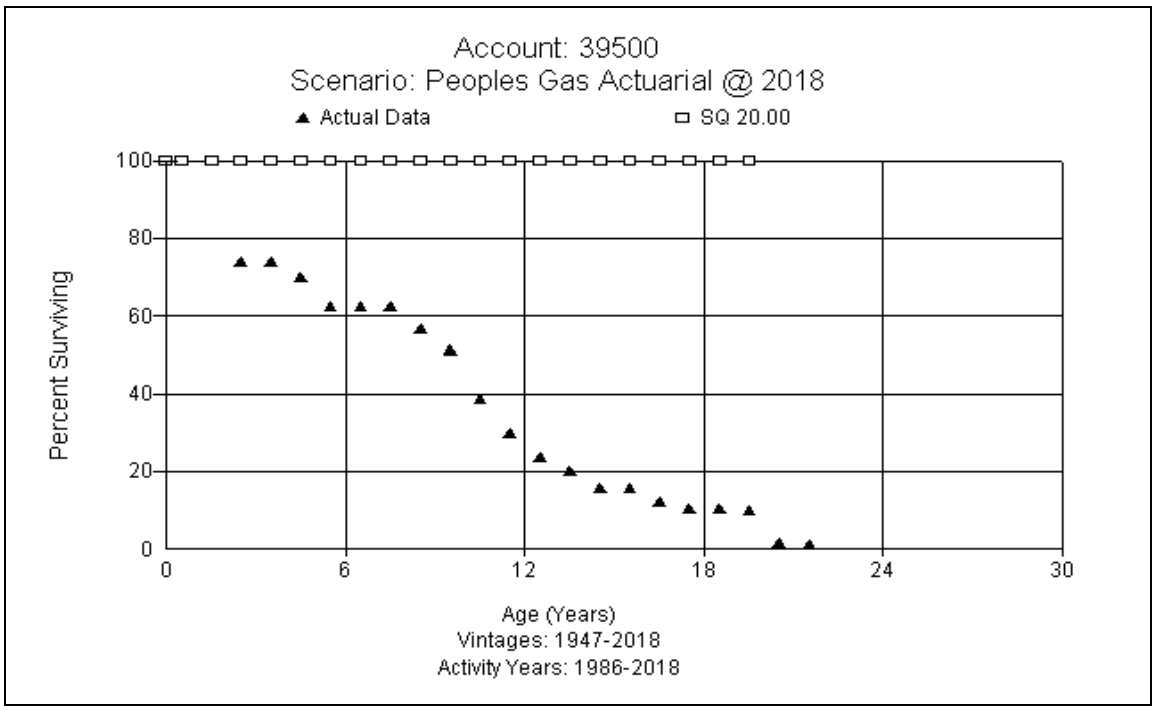
FERC Account 39500 Laboratory Equipment

ANALYSIS RESULTS			
Depreciable Property			
Account 39500 Laboratory Equipment			
Item	FPSC Approved	2020	Change
Investment	$0	$0	$0
Iowa Curve	SQ	SQ	
Average Service Life	20	20	0
Theoretical Reserve	$0	$0	$0
Book Reserve	$0	$0	$0
Reserve Variance	$0	$0	$0
Reserve Ratio	0.00%	0.00%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	5.0%	5.0%	0.00%
AWL Expense (2021)	$0	$0	$0
Average Remaining Life	20.00	N/A	
ARL Rate	5.0%	5.0%	0.0%
ARL Expense (2021)	$0	$0	$0

Life (20 SQ)

This account consists of laboratory equipment used in general utility service. This Study proposes the adoption of general plant amortization for this account. There is no projected plant balance at December 31, 2020 in this account. The currently approved

dispersion curve for this account is 20 SQ. Based on judgment, this study recommends retaining the 20 year life and adoption of general plant amortization. A graph of the actual data versus the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost associated with laboratory equipment used in general utility service. The current authorized net salvage for this account is zero percent. There has been limited net salvage activity recorded in this account. Normally such assets produce no net salvage. Based on judgment, this Study recommends retention of 0 percent net salvage for this account.

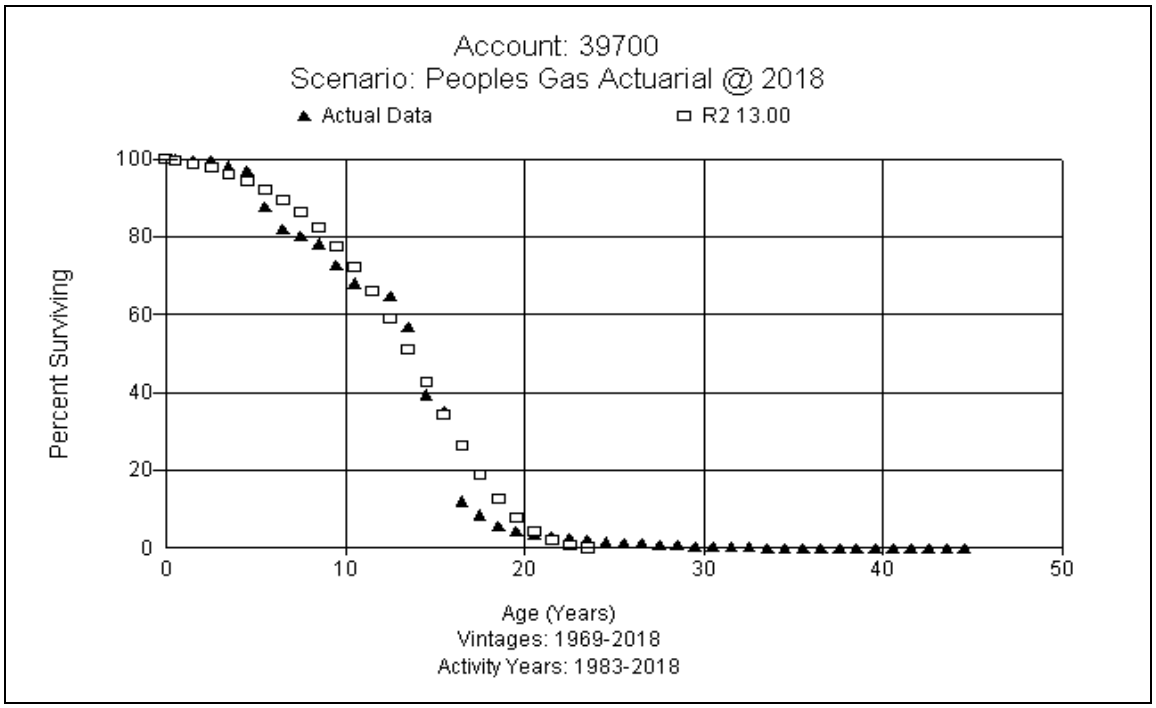
FERC Account 39700 Communication Equipment

ANALYSIS RESULTS			
Depreciable Property			
Account 39700 Communication Equipment			
Item	FPSC Approved	2020	Change
Investment	$3,946,153	$3,954,614	$8,461
Iowa Curve	SQ	SQ	
Average Service Life	12	13	1
Theoretical Reserve	$2,474,785	$2,845,394	$370,609
Book Reserve	$2,573,144	$3,219,659	$646,515
Reserve Variance	$98,359	$374,265	$275,906
Reserve Ratio	65.21%	81.42%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	8.3%	7.7%	-0.60%
AWL Expense (2021)	$327,531	$304,505	($23,025)
Average Remaining Life	4.6	N/A	
ARL Rate	8.2%	7.7%	-0.5%
ARL Expense (2021)	$323,585	$304,505	($19,079)

Life (13 SQ)

This account consists of miscellaneous communication equipment used in general utility service. This Study proposes the adoption of general plant amortization for this account. The projected plant balance at December 31, 2020 is approximately $4.0 million with $3.1 million remaining in plant after the retirement of assets whose age is greater than the average service life. The currently approved dispersion curve for this account is 12 SQ.

Actuarial analysis supports a life of 13 years. Based on judgment and life analysis results, this study recommends moving to a 13 year life while moving to a general plant amortization. After the adoption of general plant amortization, an SQ curve will be used. A graph of the actual data versus the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost associated with miscellaneous communication equipment used in general utility service. The current authorized net salvage for this account is zero percent. In the most recent bands, the five-year and 10-year averages both show 0 percent net salvage, respectively. Based on Company history and judgment, this Study recommends retaining zero percent net salvage for this account.

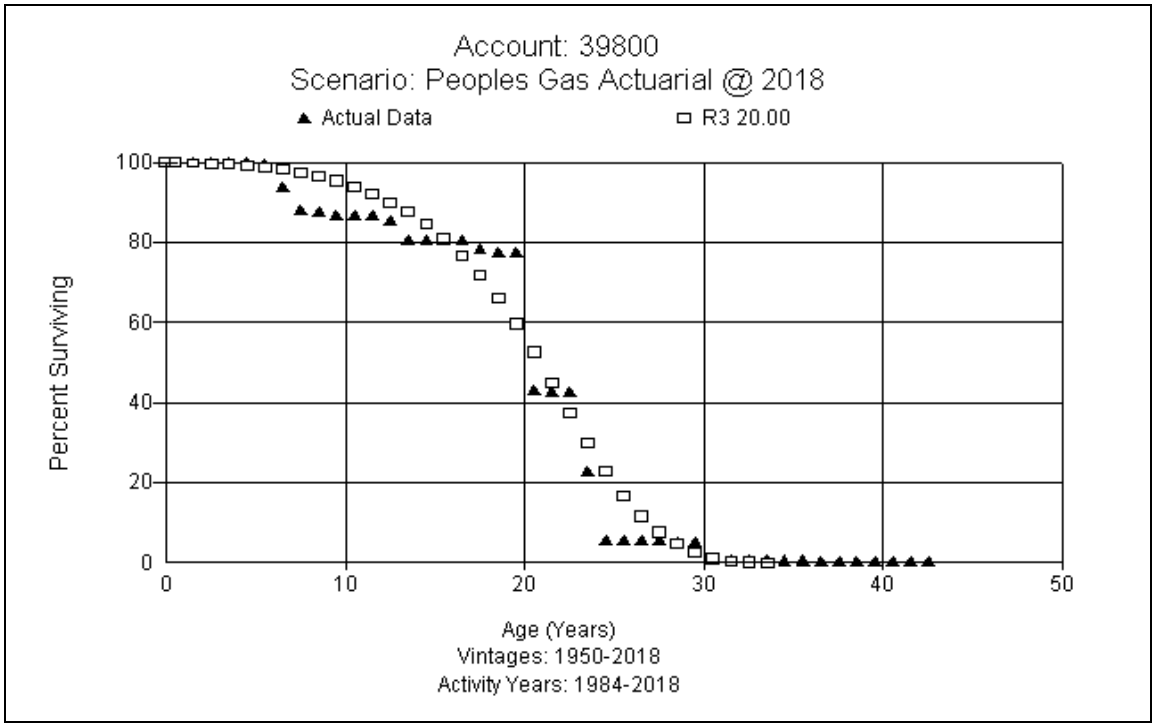
FERC Account 39800 Miscellaneous Equipment

ANALYSIS RESULTS			
Depreciable Property			
Account 39800 Miscellaneous Equipment			
Item	FPSC Approved	2020	Change
Investment	$278,502	$798,818	$520,316
Iowa Curve	SQ	SQ	
Average Service Life	17	20	3
Theoretical Reserve	$163,469	$128,270	($35,199)
Book Reserve	$179,383	($86,156)	($265,539)
Reserve Variance	$15,914	($214,426)	($230,340)
Reserve Ratio	64.41%	-10.79%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	5.9%	5.0%	-0.90%
AWL Expense (2021)	$16,432	$39,941	$23,509
Average Remaining Life	3.8	N/A	
ARL Rate	6.0%	5.0%	-1.0%
ARL Expense (2021)	$16,710	$39,941	$23,231

Life (20 SQ)

This account consists of miscellaneous equipment used in general utility service. This Study proposes the adoption of general plant amortization for this account. The projected plant balance at December 31, 2020 is approximately $799 thousand. The currently approved dispersion curve for this account is 17 SQ. Actuarial analysis shows a

longer life for this account than the currently approved. For various bands, the 20 year life is a good fit for this account. Based on judgment and life analysis results, this study recommends moving to a 20 year life. After the adoption of general plant amortization, an SQ curve will be used. A graph of the actual data versus the proposed curve is shown below.



Net Salvage (0%)

This account consists of any salvage and removal cost associated with miscellaneous equipment used in general utility service. The current authorized net salvage for this account is zero percent. In the most recent bands, the five-year and 10-year averages show both show 0 percent, respectively. Based on Company history and judgment, this Study recommends retaining zero percent net salvage for this account.

D. Pro Forma Plant Additions

The Analysis Results in front of each account discussion below represent PGS's projected depreciable investment in that will be added to plant where the Company has no investment in those plant accounts. The assets in this group will be added in 2020 and 2021. An overall summary of the account rate details is found below.

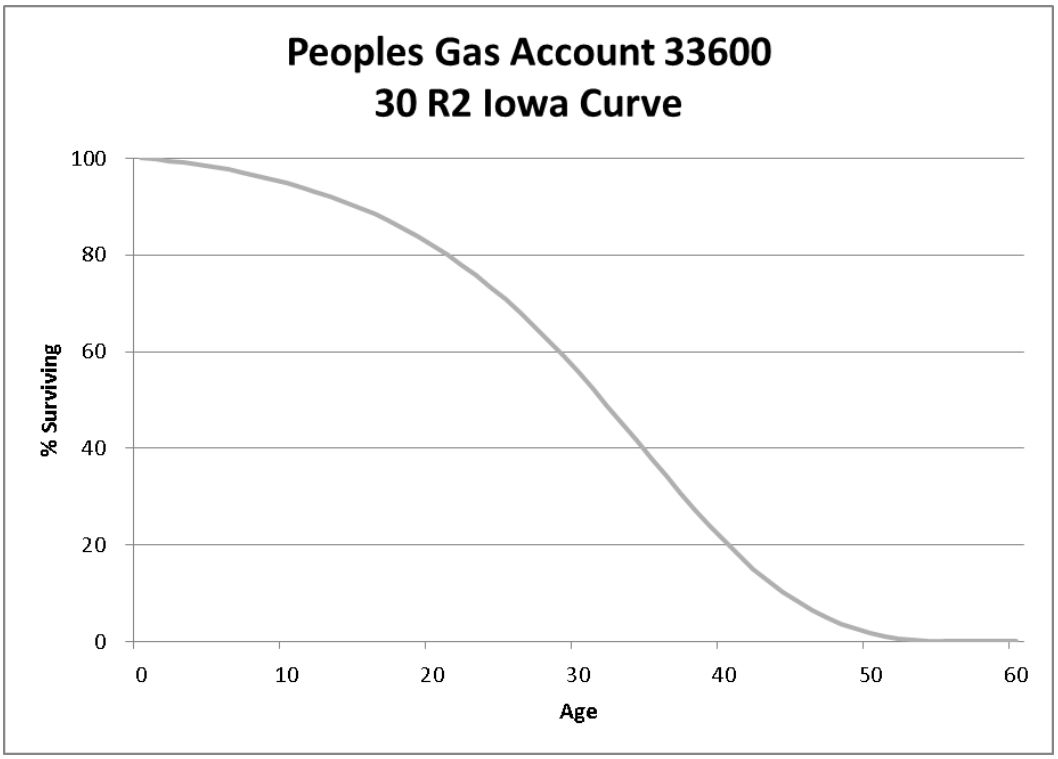
FERC Account 33600 RNG Plant

Account 33600 Renewable Natural Gas			
Item	FPSC Approved	2021	Change
Investment	$0	$28,669,262	$28,669,262
Iowa Curve	NA	R2	
Average Service Life	NA	30	NA
Theoretical Reserve	NA	$0	NA
Book Reserve	NA	$0	NA
Reserve Variance	$0	$0	NA
Reserve Ratio	0.00%	0.00%	
Gross Salvage	NA	0%	NA
Removal Cost	NA	5%	NA
Net Salvage	NA	-5%	NA
Avg Whole Life Rate	NA	3.5%	NA
AWL Expense (2022)	NA	$1,003,424	NA
Average Remaining Life	NA	30.00	NA
ARL Rate	NA	3.5%	NA
ARL Expense (2022)	NA	$1,003,424	NA

Life (30 R2)

PGS is constructing one of the first renewable natural gas ("RNG") facilities in the nation. RNG comes from organic waste such as gases generated by landfills or water treatment plants, sometimes called biogas. Special equipment cleans or conditions the biogas to produce RNG, which can then be injected into PGS's pipeline and used just like traditional natural gas. This allows certain customers, such as landfills, to create a useful

product from something they currently dispose of. The estimated project cost is $28.7 million to be in service at the end of 2021. Currently the Company is in the process of securing contracts for construction. Given that this is new technology without experience in Florida, a life estimate of 30 years with a R2 dispersion is proposed for this account. A graph of the proposed curve is shown below.



Net Salvage (-5%)

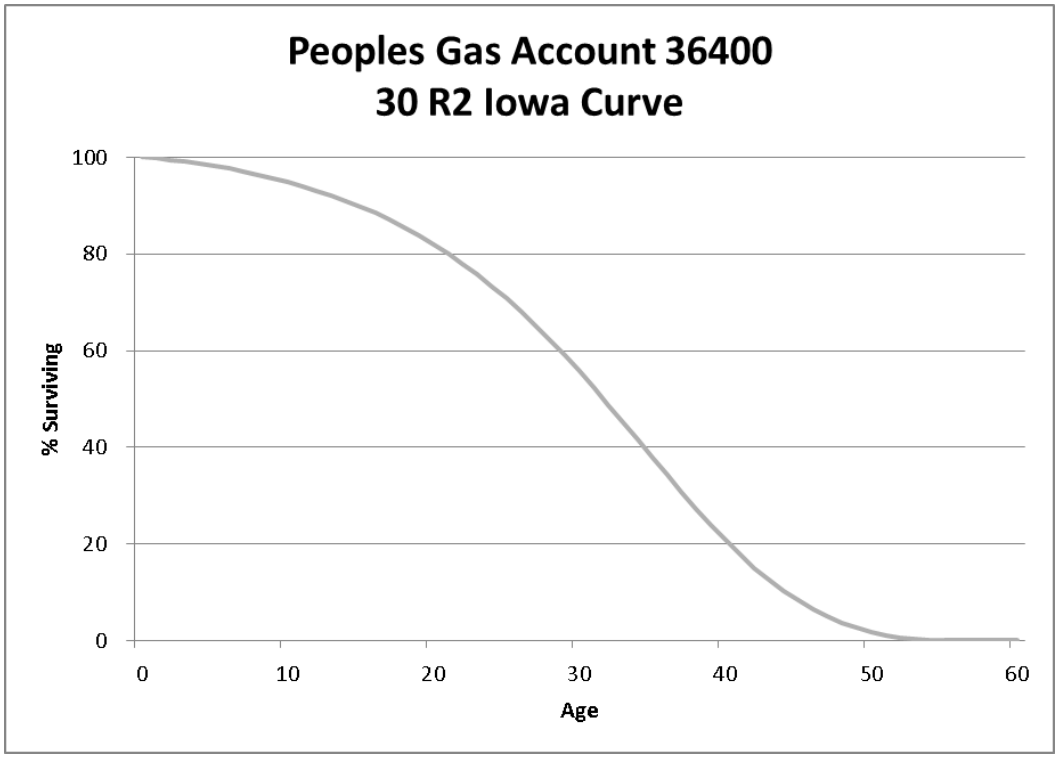
This account consists of any salvage and removal cost associated with the proposed RNG facility mentioned above. There is no currently authorized net salvage parameter. Given that substantial investment in this equipment, a certain amount of removal cost is anticipated. Based on judgment, this study proposes negative five percent net salvage for this account.

FERC Account 36400 LNG Plant

ANALYSIS RESULTS			
Depreciable Property			
Account 36400 LNG Plant			
Item	FPSC Approved	2021	Change
Investment	$0	$21,289,512	$21,289,512
Iowa Curve	NA	R2	
Average Service Life	NA	30	NA
Theoretical Reserve	NA	$0	NA
Book Reserve	NA	$0	NA
Reserve Variance	$0	$0	NA
Reserve Ratio	0.00%	0.00%	
Gross Salvage	NA	0%	NA
Removal Cost	NA	5%	NA
Net Salvage	NA	-5%	NA
Avg Whole Life Rate	NA	3.5%	NA
AWL Expense (2022)	NA	$745,133	NA
Average Remaining Life	NA	30.00	NA
ARL Rate	NA	3.5%	NA
ARL Expense (2022)	NA	$745,133	NA

Life (30 R2)

This account consists of equipment to produce liquefied natural gas ("LNG"). PGS is building a facility near Miami that will go in service in 2021. The Company will truck in LNG to 4 tanks. There will be 4 tanks that can hold 462k gallons. The projected plant balance at December 31, 2021 is approximately $21.3 million. There is no life parameter for this account. Based on judgment, this study recommends a 30 year life with an R2 dispersion. The proposed curve shape is shown below.



Net Salvage (-5%)

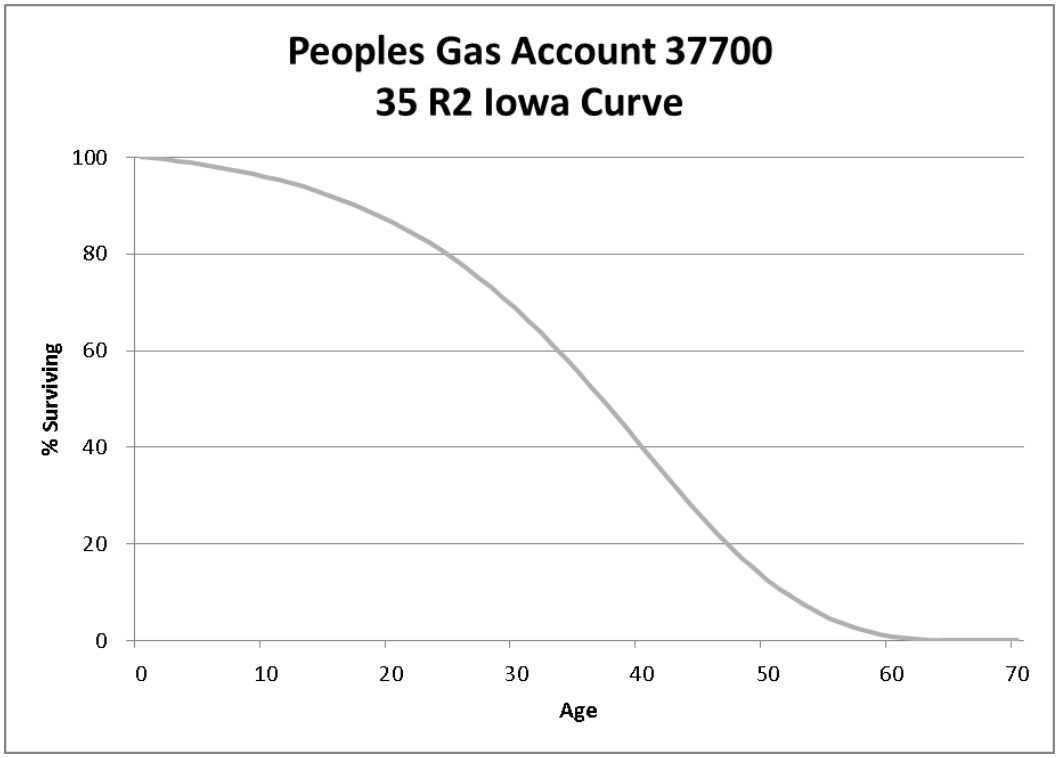
This account consists of any salvage and removal cost associated with the proposed LNG facility mentioned above. There is no currently authorized net salvage parameter. Given that substantial investment in this equipment, a certain amount of removal cost is anticipated. Based on judgment, this study proposes negative five percent net salvage for this account.

FERC Account 37700 Distribution Compressors

ANALYSIS RESULTS			
Depreciable Property			
Account 37700 Distribution Compressors			
Item	FPSC Approved	2021	Change
Investment	$0	$17,225,837	$17,225,837
Iowa Curve	NA	R2	
Average Service Life	NA	35	NA
Theoretical Reserve	NA	$0	NA
Book Reserve	NA	$0	NA
Reserve Variance	$0	$0	NA
Reserve Ratio	0.00%	0.00%	
Gross Salvage	NA	0%	NA
Removal Cost	NA	5%	NA
Net Salvage	NA	-5%	NA
Avg Whole Life Rate	NA	3.0%	NA
AWL Expense (2022)	NA	$516,775	NA
Average Remaining Life	NA	35.00	NA
ARL Rate	NA	3.0%	NA
ARL Expense (2022)	NA	$516,775	NA

Life (35 R2)

This account consists of a distribution compressor station which is being built near Jacksonville that will go in service in late 2020. The projected plant balance at December 31, 2020 is approximately $0. Additional investment in 2021 will bring the projected plant balance to $17.2 million. Given the planned usage of this facility, a life of 35 years with an R2 dispersion is proposed for this account. The graph below shows the proposed curve shape.



Net Salvage (-5%)

This account consists of any salvage and removal cost associated with the distribution compressor station mentioned above. There is no currently authorized net salvage parameter. Given that substantial investment in this equipment, a certain amount of removal cost is anticipated. Based on judgment, this study proposes negative five percent net salvage for this account.

APPENDIX A – Depreciation Rate Calculations Intangible, Distribution, and General Depreciable Plant

Peoples Gas
Computation of Proposed Depreciation Amortization Rates
Using Average Life Group Depreciation
As of December 31, 2020

Account	Description	Plant Balance (c)	Book Reserve (d)	Net Salvage % (e)	Net Salvage Amount (f)= (e)/100*(c)	Unaccrued Balance (g)=(c)-(d)-(f)	Average Remaining Life (h)	Annual Accrual Amount (i)=(g)/(h)	Proposed Annual Accrual Rate (j)=(i)/(c)
Intangible Plant									
30300	Misc Intangible Plant	815,325.07	831,067.00	0.00%	0	(15,742)	0.53		0.0%
30301	Custom Intangible Plant	48,733,613.22	17,780,899.59	0.00%	0	30,952,714	9.67	3,199,782	6.6%
	Subtotal Intangible	49,548,938.29	18,611,966.59		0	30,936,972		3,199,782	
Distribution									
37402	Land Rights	4,268,872.55	928,143.68	0.00%	0	3,340,729	59.86	55,808	1.3%
37500	Structures & Improvements	26,284,144.71	7,108,902.79	0.00%	0	19,175,242	25.86	741,608	2.8%
37600	Mains Steel	548,115,480.05	205,621,382.69	-60.00%	(328,869,288)	671,363,385	53.23	12,611,340	2.3%
37602	Mains Plastic	659,435,120.19	198,034,804.76	-40.00%	(263,774,048)	725,174,364	65.68	11,041,852	1.7%
37800	Meas & Reg Station Eqp Gen	18,885,293.07	4,320,430.81	-10.00%	(1,888,529)	16,453,392	32.15	511,792	2.7%
37900	Meas & Reg Station Eqp City	96,523,663.09	12,806,988.56	-10.00%	(9,652,366)	93,369,041	45.47	2,053,561	2.1%
38000	Services Steel	55,953,816.70	40,295,121.76	-150.00%	(83,930,725)	99,589,420	38.26	2,603,273	4.7%
38002	Services Plastic	409,505,669.88	183,234,186.83	-80.00%	(327,604,536)	553,876,019	46.04	12,029,079	2.9%
38100	Meters	78,709,923.79	29,722,477.87	3.00%	2,361,298	46,626,148	11.73	3,974,768	5.0%
38200	Meter Installations	73,171,227.50	33,832,634.37	-30.00%	(21,951,368)	61,289,961	35.63	1,720,255	2.4%
38300	House Regulators	17,697,139.32	8,433,989.04	0.00%	0	9,263,150	28.90	320,569	1.8%
38400	House Regulator Installs	25,563,041.06	14,231,437.43	-30.00%	(7,668,912)	19,000,516	37.29	509,521	2.0%
38500	Meas & Reg Station Eqp Ind	12,194,964.56	6,942,133.48	-2.00%	(243,899)	5,496,730	20.03	274,437	2.3%
38700	Other Equipment	9,624,237.75	4,644,497.72	0.00%	0	4,979,740	17.05	292,001	3.0%
	Subtotal Distribution	2,035,932,594.22	750,157,131.79		(1,043,222,375)	2,328,997,837		48,739,863	
General									
39000	Structures & Improvements	28,184.34	14,205.81	0.00%	0	13,979	20.89	669	2.4%
39201	Vehicles up to 1/2 Tons	12,072,999.13	5,989,326.05	11.00%	1,328,030	4,755,643	5.60	849,758	7.0%
39202	Vehicles from 1/2 - 1 Tons	12,134,490.95	6,619,614.17	11.00%	1,334,794	4,180,083	6.17	677,650	5.6%
39204	Trailers & Other	2,563,258.46	505,320.78	15.00%	384,489	1,673,449	22.63	73,951	2.9%
39205	Vehicles over 1 Ton	1,900,118.27	999,339.80	4.00%	76,005	824,774	6.63	124,475	6.6%
39600	Power Operated Equipment	3,203,465.43	1,926,551.91	10.00%	320,347	956,567	11.18	85,553	2.7%
	Subtotal General	31,902,516.58	16,054,358.52		3,443,664	12,404,494		1,812,056	
	General Plant Amortized	40,176,456	15,287,970						

Peoples Gas
Computation of Proposed Depreciation Amortization Rates
Using Average Life Group Depreciation
As of December 31, 2020

Account	Description	Plant Balance (c)	Book Reserve (d)	Net Salvage % (e)	Net Salvage Amount (f)= (e)/100*(c)	Unaccrued Balance (g)=(c)-(d)-(f)	Average Remaining Life (h)	Annual Accrual Amount (i)=(g)/(h)	Proposed Annual Accrual Rate (j)=(i)/(c)
	Total Depreciable Plant	2,157,560,505	800,111,427						
	Check Total	2,157,573,125	800,111,427						
	Less Account 30100	(12,620)	0						
	Net	2,157,560,504	800,111,427						
	Difference	0	0						
33600	RNG Plant	NA		-5.00%			30.00		3.5%
36400	LNG Plant	NA		-5.00%			30.00		3.5%
37700	Compressor Equipment	NA	0	-5.00%	0	0	35.00	0	3.0%

Peoples Gas
COMPUTATION OF AMORTIZATION RATE
AT DECEMBER 31, 2020

Account	Description	Original Cost at 12/31/20	Allocated Book Reserve at 12/31/20	Theoretical Reserve $	Reserve Difference $	Asset > ASL	Remaining Life	General Reserve Difference
39100	Office Furniture	5,898,365.71	1,350,659.75	1,274,776	(75,883)	489,834	14.53	(5,222)
39101	Computer Equipment	4,500,269.35	3,905,942.06	2,983,522	(922,420)	1,851,192	5.15	(179,006)
39102	Office Equipment	1,402,780.09	729,056.68	175,528	(553,528)	0	13.08	(42,310)
39300	Stores Equipment	1,283.39	430.21	294	(136)	0	18.50	(7)
39400	Tools, Shop & Garage Equip	7,462,061.78	3,426,293.70	2,784,210	(642,084)	96,185	11.43	(56,169)
39401	CNG Station Equipment	16,158,263.43	2,742,085.18	2,876,598	134,512	0	16.44	8,182
39700	Communication Equipment	3,954,614.00	3,219,658.99	2,845,394	(374,265)	855,325	4.65	(80,442)
39800	Miscellaneous Equipment	798,818.01	(86,156.12)	128,270	214,426	0	16.79	12,772
	Total	40,176,456	15,287,970	13,068,593	(2,219,378)	3,292,536		(342,201)

After Retirements of Assets with Age > Average Service Life

Account	Description	Plant Balance	Allocated Reserve	Annual Amortization	Amortization Life Amount	Amortization Net Salvage	Annual Amortization %	Annual Amortization $
39100	Office Furniture	5,408,531	860,825	293,462	17	0%	5.9%	319,103
39101	Computer Equipment	2,649,077	2,054,750	1,549	9	0%	11.1%	294,048
39102	Office Equipment	1,402,780	729,057	277,862	15	0%	6.7%	93,986
39300	Stores Equipment	1,283	430	1,500	24	0%	4.2%	54
39400	Tools, Shop & Garage Equip	7,365,877	3,330,109	10,526	18	0%	5.6%	412,489
39401	CNG Station Equipment	16,158,263	2,742,085	89,588	20	0%	5.0%	807,913
39700	Communication Equipment	3,099,289	2,364,334	145,453	13	0%	7.7%	238,645
39800	Miscellaneous Equipment	798,818	(86,156)	253,477	20	0%	5.0%	39,941
		36,883,920	11,995,434	1,073,417				2,206,180

APPENDIX B - Depreciation Expense Comparison

Peoples Gas
Comparison of Depreciation Accrual Rates
Using Average Life Group Depreciation
As of December 31, 2020

Account	Description		Plant Balance (c)	Existing Accrual Rate (d)	Accrual $ at Existing Rates ('e) = (c) * (d)	Revised Accrual Rate (f)	Accrual at Revised Rates (g)=(c) * (f)	Difference in Expense $ (h) = (g)-(e)
Intangible Plant								
30300	Misc Intangible Plant	*	815,325	4.0%	0	4.0%	0	0
30301	Custom Intangible Plant		48,733,613	6.7%	3,265,152	6.6%	3,216,418	(48,734)
	Subtotal Intangible		49,548,938		3,265,152		3,216,418	(48,734)
Distribution								
37402	Land Rights		4,268,873	1.3%	55,495	1.3%	55,495	0
37500	Structures & Improvements		26,284,145	2.5%	657,104	2.8%	735,956	78,852
37600	Mains Steel		548,115,480	1.8%	9,866,079	2.3%	12,606,656	2,740,577
37602	Mains Plastic		659,435,120	1.4%	9,232,092	1.7%	11,210,397	1,978,305
37800	Meas & Reg Station Eqp Gen		18,885,293	3.3%	623,215	2.7%	509,903	(113,312)
37900	Meas & Reg Station Eqp City		96,523,663	3.3%	3,185,281	2.1%	2,026,997	(1,158,284)
38000	Services Steel		55,953,817	2.6%	1,454,799	4.7%	2,629,829	1,175,030
38002	Services Plastic		409,505,670	2.3%	9,418,630	2.9%	11,875,664	2,457,034
38100	Meters		78,709,924	4.5%	3,541,947	5.0%	3,935,496	393,550
38200	Meter Installations		73,171,228	2.8%	2,048,794	2.4%	1,756,109	(292,685)
38300	House Regulators		17,697,139	3.6%	637,097	1.8%	318,549	(318,549)
38400	House Regulator Installs		25,563,041	4.4%	1,124,774	2.0%	511,261	(613,513)
38500	Meas & Reg Station Eqp Ind		12,194,965	3.1%	378,044	2.3%	280,484	(97,560)
38700	Other Equipment		9,624,238	6.3%	606,327	3.0%	288,727	(317,600)
	Subtotal Distribution		2,035,932,594		42,829,677		48,741,524	5,911,847
General								
39000	Structures & Improvements		28,184	2.5%	705	2.4%	676	(28)
39100	Office Furniture		5,408,531	6.7%	362,372	5.9%	319,103	(43,268)
39101	Computer Equipment		2,649,077	12.3%	325,837	11.1%	294,048	(31,789)
39102	Office Equipment		1,402,780	6.7%	93,986	6.7%	93,986	0
39201	Vehicles up to 1/2 Tons		12,072,999	11.4%	1,376,322	7.0%	845,110	(531,212)
39202	Vehicles from 1/2 - 1 Tons		12,134,491	13.0%	1,577,484	5.6%	679,531	(897,952)
39204	Trailers & Other		2,563,258	4.0%	102,530	2.9%	74,334	(28,196)
39205	Vehicles over 1 Ton		1,900,118	7.5%	142,509	6.6%	125,408	(17,101)
39300	Stores Equipment		1,283	3.9%	50	4.2%	54	4
39400	Tools, Shop & Garage Equip		7,365,877	6.7%	493,514	5.6%	412,489	(81,025)

Peoples Gas
Comparison of Depreciation Accrual Rates
Using Average Life Group Depreciation
As of December 31, 2020

Account	Description	Plant Balance (c)	Existing Accrual Rate (d)	Accrual $ at Existing Rates ('e) = (c) * (d)	Revised Accrual Rate (f)	Accrual at Revised Rates (g)=(c) * (f)	Difference in Expense $ (h) = (g)-(e)
39401	CNG Station Equipment	16,158,263	5.0%	807,913	5.0%	807,913	0
39600	Power Operated Equipment	3,203,465	6.3%	201,818	2.7%	86,494	(115,325)
39700	Communication Equipment	3,099,289	8.2%	254,142	7.7%	238,645	(15,496)
39800	Miscellaneous Equipment	798,818	6.0%	47,929	5.0%	39,941	(7,988)
	General Plant Amortization (reserve excess)					(342,201)	(342,201)
	Subtotal General	68,786,436		5,787,110		3,675,532	(2,111,578)
	Total	2,154,267,969		51,881,939		55,633,475	3,751,536
	Note: General Plant excludes fully accrued assets greater than proposed average service life						
Plant added in 2021							
33600	RNG Plant	28,669,262	NA		3.5%	1,003,424	1,003,424
36400	LNG Plant	21,289,512	NA		3.5%	745,133	745,133
37700	Compressor Equipment	17,225,837			3.0%	516,775	516,775
	Total Pro Forma	67,184,611				2,265,332	2,265,332
	Total Depreciable Plant	2,221,452,580		51,881,939		57,898,807	6,016,868

APPENDIX C - Depreciation Parameter Comparison for Intangible, Distribution and General Plant

Appendix C

Peoples Gas
Comparison of Depreciation Parameters
Using Average Life Group Depreciation
As of December 31, 2020

		Current Rates Effective 1/1/2019 Based on 2015 data			Proposed Rates Based on 2018 data			Change	
Account Number	Account Title	Average Service Life (yrs)	Curve Type	Future Net Salvage (%)	Average Service Life (yrs)	Curve Type	Future Net Salvage (%)	Average Service Life (yrs)	Future Net Salvage (%)
	Distribution Plant								
37402	Land Rights	75	SQ	0	75	SQ	0	0	0
37500	Structures & Improvements	40	R3	0	33	L0	0	-7	0
37600	Mains Steel	55	R2	-40	65	R1.5	-60	10	-20
37602	Mains Plastic	75	R2	-25	75	R2	-40	0	-15
37800	Meas & Reg Station Eqp Gen	31	R1	-5	40	R1.5	-10	9	-5
37900	Meas & Reg Station Eqp City	31	R1	-5	50	R2.5	-10	19	-5
38000	Services Steel	50	R0.5	-100	52	R0.5	-150	2	-50
38002	Services Plastic	55	R1.5	-55	55	R1.5	-80	0	-25
38100	Meters	21	R1	5	19	R2	3	-2	-2
38200	Meter Installations	43	R0.5	-20	44	R1	-30	1	-10
38300	House Regulators	28	R2	0	42	S1	0	14	0
38400	House Regulator Installs	27	R4	-20	47	R1	-30	20	-10
38500	Meas & Reg Station Eqp Ind	32	R4	0	37	R3	-2	5	-2
38600	Other Property Cust Premise	15	R1	0	15	R1	0	0	0
38700	Other Equipment	16	S2	0	24	L2	0	8	0
	Transportation Equipment								
39201	Vehicles up to 1/2 Tons	8	S1	10	9	L2.5	11	1	1
39202	Vehicles from 1/2 - 1 Tons	7	S1	10	10	L3	11	3	1
39204	Trailers & Other	20	S3	20	27	R2	15	7	-5
39205	Vehicles over 1 Ton	12	S4	10	12	L2	4	0	-6
	General Plant								
30100	Organization Costs	Not Depreciable			Not Depreciable				
30200	Franchise & Consents	25	SQ	0	25	SQ	0	0	0
30300	Misc Intangible Plant	25	SQ	0	25	SQ	0	0	0
30301	Custom Intangible Plant	15	SQ	0	15	SQ	0	0	0
39000	Structures & Improvements	40	R3	0	25	L0	0	-15	0
39100	Office Furniture	15	SQ	0	17	SQ	0	2	0
39101	Computer Equipment	8	SQ	0	9	SQ	0	1	0
39102	Office Equipment	15	SQ	0	15	SQ	0	0	0
39300	Stores Equipment	25	S4	0	24	SQ	0	-1	0
39400	Tools, Shop & Garage Equip	15	SQ	0	18	SQ	0	3	0
39401	CNG Station Equipment	20		0	20	SQ	0	0	0
39500	Laboratory Equipment	20	SQ	0	20	SQ	0	0	0
39600	Power Operated Equipment	15	S4	5	18	L1.5	10	3	5
39700	Communication Equipment	12	SQ	0	13	SQ	0	1	0
39800	Miscellaneous Equipment	17	SQ	0	20	SQ	0	3	0
33600	RNG Plant	NA	NA	NA	30	R2	-5		
36400	LNG Plant	NA	NA	NA	30	R2	-5		
37700	Compressor Equipment	NA	NA	NA	35	R2	-5		

APPENDIX D - Net Salvage Analysis

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
Organization															
1982	30100	0	0	0	0	NA									
1983	30100	0	0	0	0	NA	NA								
1984	30100	0	0	0	0	NA	NA	NA							
1985	30100	0	0	0	0	NA	NA	NA	NA						
1986	30100	0	0	0	0	NA	NA	NA	NA	NA					
1987	30100	0	0	0	0	NA	NA	NA	NA	NA	NA				
1988	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
1989	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
1990	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
1991	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1993	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1994	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1995	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1996	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1997	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1998	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1999	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2000	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2001	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2002	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2003	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2004	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2005	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2006	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2007	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2008	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2009	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2010	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2011	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2012	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2013	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2014	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2015	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2016	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2017	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2018	30100	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Franchise & Consents														
1982	30200	0	0	0	0	NA									
1983	30200	0	0	0	0	NA	NA								
1984	30200	0	0	0	0	NA	NA	NA							
1985	30200	0	0	0	0	NA	NA	NA	NA						
1986	30200	0	0	0	0	NA	NA	NA	NA	NA					
1987	30200	0	0	0	0	NA	NA	NA	NA	NA	NA				
1988	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
1989	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
1990	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
1991	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1993	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1994	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1995	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1996	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1997	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1998	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1999	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2000	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2001	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2002	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2003	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2004	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2005	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2006	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2007	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2008	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2009	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2010	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2011	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2012	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2013	30200	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2014	30200	427,466	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2015	30200	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2016	30200	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2017	30200	0	0	0	0	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2018	30200	0	0	0	0	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Misc Intangible Plant														
1982	30300	0	0	0	0	NA									
1983	30300	0	0	0	0	NA	NA								
1984	30300	0	0	0	0	NA	NA	NA							
1985	30300	0	0	0	0	NA	NA	NA	NA						
1986	30300	0	0	0	0	NA	NA	NA	NA	NA					
1987	30300	0	0	0	0	NA	NA	NA	NA	NA	NA				
1988	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
1989	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
1990	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
1991	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1993	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1994	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1995	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1996	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1997	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1998	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1999	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2000	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2001	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2002	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2003	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2004	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2005	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2006	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2007	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2008	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2009	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2010	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2011	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2012	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2013	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2014	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2015	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2016	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2017	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2018	30300	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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Custom Intangible Plant															
1982	30301	0	0	0	0	NA									
1983	30301	0	0	0	0	NA	NA								
1984	30301	0	0	0	0	NA	NA	NA							
1985	30301	0	0	0	0	NA	NA	NA	NA						
1986	30301	0	0	0	0	NA	NA	NA	NA	NA					
1987	30301	0	0	0	0	NA	NA	NA	NA	NA	NA				
1988	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
1989	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
1990	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
1991	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1993	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1994	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1995	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1996	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1997	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1998	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1999	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2000	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2001	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2002	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2003	30301	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2004	30301	84,058	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2005	30301	40,000	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2006	30301	11,520	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007	30301	5,011	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2008	30301	2,158,781	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2009	30301	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2010	30301	6,946	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2011	30301	1,760,363	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2012	30301	619,972	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2013	30301	1,376,702	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2014	30301	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2015	30301	5,854,250	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2016	30301	1,023,642	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2017	30301	119,866	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2018	30301	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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	Land Rights														
1982	37402	0	0	0	0	NA									
1983	37402	0	0	0	0	NA	NA								
1984	37402	0	0	0	0	NA	NA	NA							
1985	37402	0	0	0	0	NA	NA	NA	NA						
1986	37402	0	0	0	0	NA	NA	NA	NA	NA					
1987	37402	0	0	0	0	NA	NA	NA	NA	NA	NA				
1988	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
1989	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
1990	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
1991	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1993	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1994	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1995	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1996	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1997	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1998	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1999	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2000	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2001	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2002	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2003	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2004	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2005	37402	4,756	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2006	37402	0	16,928	(1,206)	18,134	NA	381.3%	381.3%	381.3%	381.3%	381.3%	381.3%	381.3%	381.3%	381.3%
2007	37402	0	0	0	0	NA	NA	381.3%	381.3%	381.3%	381.3%	381.3%	381.3%	381.3%	381.3%
2008	37402	0	0	0	0	NA	NA	NA	381.3%	381.3%	381.3%	381.3%	381.3%	381.3%	381.3%
2009	37402	0	0	0	0	NA	NA	NA	NA	381.3%	381.3%	381.3%	381.3%	381.3%	381.3%
2010	37402	0	0	0	0	NA	NA	NA	NA	NA	381.3%	381.3%	381.3%	381.3%	381.3%
2011	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	381.3%	381.3%	381.3%	381.3%
2012	37402	0	5,994	693	5,301	NA	NA	NA	NA	NA	NA	NA	492.7%	492.7%	492.7%
2013	37402	0	(5,994)	(693)	(5,301)	NA	NA	NA	NA	NA	NA	NA	NA	381.3%	381.3%
2014	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	381.3%
2015	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2016	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2017	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2018	37402	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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	Structures & Improvements														
1982	37500	0	0	0	0	NA									
1983	37500	52,323	0	8,246	(8,246)	-15.8%	-15.8%								
1984	37500	141,648	583,890	547	583,343	411.8%	296.5%	296.5%							
1985	37500	7,383	0	444	(444)	-6.0%	391.1%	285.4%	285.4%						
1986	37500	168,735	0	2,146	(2,146)	-1.3%	-1.5%	182.8%	154.7%	154.7%					
1987	37500	8,899	0	0	0	0.0%	-1.2%	-1.4%	177.8%	151.1%	151.1%				
1988	37500	800	0	0	0	0.0%	0.0%	-1.2%	-1.4%	177.3%	150.7%	150.7%			
1989	37500	5,355	0	0	0	0.0%	0.0%	0.0%	-1.2%	-1.4%	174.5%	148.6%	148.6%		
1990	37500	39,447	0	1,168	(1,168)	-3.0%	-2.6%	-2.6%	-2.1%	-1.5%	-1.6%	155.7%	134.6%	134.6%	
1991	37500	17,731	0	0	0	0.0%	-2.0%	-1.9%	-1.8%	-1.6%	-1.4%	-1.5%	148.6%	129.2%	129.2%
1992	37500	31,850	0	0	0	0.0%	0.0%	-1.3%	-1.2%	-1.2%	-1.1%	-1.2%	-1.3%	137.4%	120.5%
1993	37500	426,455	0	5,556	(5,556)	-1.3%	-1.2%	-1.2%	-1.3%	-1.3%	-1.3%	-1.3%	-1.3%	-1.3%	67.7%
1994	37500	366,517	0	21,090	(21,090)	-5.8%	-3.4%	-3.2%	-3.2%	-3.2%	-3.1%	-3.1%	-3.1%	-2.8%	-2.8%
1995	37500	249,511	883	15,305	(14,423)	-5.8%	-5.8%	-3.9%	-3.8%	-3.8%	-3.7%	-3.7%	-3.7%	-3.7%	-3.4%
1996	37500	106,990	0	10,320	(10,320)	-9.6%	-6.9%	-6.3%	-4.5%	-4.4%	-4.3%	-4.2%	-4.2%	-4.2%	-4.2%
1997	37500	463,947	0	8,426	(8,426)	-1.8%	-3.3%	-4.0%	-4.6%	-3.7%	-3.6%	-3.6%	-3.6%	-3.6%	-3.6%
1998	37500	256,057	15,662	4,200	11,462	4.5%	0.4%	-0.9%	-2.0%	-3.0%	-2.6%	-2.5%	-2.5%	-2.5%	-2.5%
1999	37500	1,166,778	491,932	0	491,932	42.2%	35.4%	26.2%	24.3%	21.0%	17.2%	14.6%	14.5%	14.4%	14.2%
2000	37500	414,293	327,043	0	327,043	78.9%	51.8%	45.2%	35.7%	33.7%	30.0%	25.7%	22.3%	22.1%	22.0%
2001	37500	3,938,933	3,002,010	33,431	2,968,579	75.4%	75.7%	68.6%	65.8%	60.7%	59.6%	57.1%	53.8%	50.6%	50.4%
2002	37500	72,292	(28,526)	0	(28,526)	-39.5%	73.3%	73.8%	67.2%	64.5%	59.6%	58.4%	56.0%	52.8%	49.7%
2003	37500	124,298	0	12,866	(12,866)	-10.4%	-21.1%	70.8%	71.5%	65.5%	62.9%	58.2%	57.1%	54.8%	51.7%
2004	37500	2,232,687	1,570,854	21,668	1,549,187	69.4%	65.2%	62.1%	70.3%	70.8%	66.6%	64.7%	61.1%	60.3%	58.4%
2005	37500	1,152	0	0	0	0.0%	69.4%	65.1%	62.0%	70.3%	70.8%	66.6%	64.7%	61.1%	60.2%
2006	37500	47,704	4,102	13,161	(9,059)	-19.0%	-18.5%	67.5%	63.5%	60.5%	69.6%	70.2%	66.1%	64.2%	60.7%
2007	37500	107,654	46,766	14,948	31,818	29.6%	14.6%	14.5%	65.8%	62.0%	59.2%	69.0%	69.6%	65.6%	63.7%
2008	37500	461,866	0	1,358	(1,358)	-0.3%	5.3%	3.5%	3.5%	55.1%	52.4%	50.2%	64.4%	65.2%	62.1%
2009	37500	0	0	(0)	0	NA	-0.3%	5.3%	3.5%	3.5%	55.1%	52.4%	50.2%	64.4%	65.2%
2010	37500	1,000	0	705	(705)	-70.5%	-70.5%	-0.4%	5.2%	3.3%	3.3%	55.0%	52.3%	50.1%	64.4%
2011	37500	13,686	0	0	0	0.0%	-4.8%	-4.8%	-0.4%	5.1%	3.3%	3.3%	54.8%	52.1%	49.9%
2012	37500	0	0	0	0	NA	0.0%	-4.8%	-4.8%	-0.4%	5.1%	3.3%	3.3%	54.8%	52.1%
2013	37500	15,480	0	0	0	0.0%	0.0%	0.0%	-2.3%	-2.3%	-0.4%	5.0%	3.2%	3.2%	54.5%
2014	37500	0	0	0	0	NA	0.0%	0.0%	0.0%	-2.3%	-2.3%	-0.4%	5.0%	3.2%	3.2%
2015	37500	0	(4,872)	0	(4,872)	NA	NA	-31.5%	-31.5%	-16.7%	-18.5%	-18.5%	-1.4%	4.1%	2.4%
2016	37500	3,246,899	0	5,908	(5,908)	-0.2%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.4%	-0.4%	-0.3%	0.5%
2017	37500	19,345	0	1,127	(1,127)	-5.8%	-0.2%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%
2018	37500	2,640	0	0	0	0.0%	-5.1%	-0.2%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%

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	Mains Steel														
1982	37600	0	0	0	0	NA									
1983	37600	175,315	0	91,313	(91,313)	-52.1%	-52.1%								
1984	37600	227,739	22,978	157,214	(134,236)	-58.9%	-56.0%	-56.0%							
1985	37600	743,355	0	208,173	(208,173)	-28.0%	-35.3%	-37.8%	-37.8%						
1986	37600	752,938	0	359,296	(359,296)	-47.7%	-37.9%	-40.7%	-41.8%	-41.8%					
1987	37600	646,379	858	586,376	(585,518)	-90.6%	-67.5%	-53.8%	-54.3%	-54.2%	-54.2%				
1988	37600	884,959	0	196,114	(196,114)	-22.2%	-51.0%	-49.9%	-44.6%	-45.6%	-45.9%	-45.9%			
1989	37600	441,557	0	142,859	(142,859)	-32.4%	-25.6%	-46.9%	-47.1%	-43.0%	-44.0%	-44.4%	-44.4%		
1990	37600	416,907	0	181,517	(181,517)	-43.5%	-37.8%	-29.9%	-46.3%	-46.6%	-43.1%	-43.9%	-44.3%	-44.3%	
1991	37600	1,343,860	0	463,572	(463,572)	-34.5%	-36.6%	-35.8%	-31.9%	-42.0%	-43.0%	-40.9%	-41.6%	-41.9%	-41.9%
1992	37600	797,476	0	468,865	(468,865)	-58.8%	-43.5%	-43.5%	-41.9%	-37.4%	-45.0%	-45.4%	-43.2%	-43.8%	-44.0%
1993	37600	477,332	0	523,810	(523,810)	-109.7%	-77.9%	-55.6%	-54.0%	-51.2%	-45.3%	-51.2%	-50.7%	-48.1%	-48.5%
1994	37600	409,778	2,925	520,722	(517,798)	-126.4%	-117.4%	-89.7%	-65.2%	-62.6%	-59.1%	-52.3%	-56.8%	-55.7%	-52.8%
1995	37600	916,062	0	429,056	(429,056)	-46.8%	-71.4%	-81.6%	-74.6%	-60.9%	-59.3%	-56.8%	-51.4%	-55.4%	-54.6%
1996	37600	661,804	0	305,662	(305,662)	-46.2%	-46.6%	-63.0%	-72.1%	-68.8%	-58.8%	-57.5%	-55.5%	-50.9%	-54.5%
1997	37600	287,165	0	273,474	(273,474)	-95.2%	-61.0%	-54.1%	-67.1%	-74.5%	-71.0%	-60.9%	-59.6%	-57.5%	-52.8%
1998	37600	286,318	1,082	270,096	(269,014)	-94.0%	-94.6%	-68.7%	-59.4%	-70.1%	-76.3%	-72.7%	-62.8%	-61.3%	-59.2%
1999	37600	387,750	546	153,574	(153,028)	-39.5%	-62.6%	-72.4%	-61.7%	-56.3%	-66.1%	-72.1%	-69.6%	-61.1%	-59.9%
2000	37600	324,671	0	160,003	(160,003)	-49.3%	-43.9%	-58.3%	-66.5%	-59.6%	-55.5%	-64.4%	-70.2%	-68.2%	-60.5%
2001	37600	573,089	0	115,141	(115,141)	-20.1%	-30.6%	-33.3%	-44.4%	-52.2%	-50.6%	-49.6%	-57.8%	-63.5%	-62.8%
2002	37600	757,736	1,500	529,831	(528,331)	-69.7%	-48.4%	-48.5%	-46.8%	-52.6%	-57.3%	-55.0%	-53.3%	-59.8%	-64.5%
2003	37600	1,814,915	2,778	384,752	(381,974)	-21.0%	-35.4%	-32.6%	-34.2%	-34.7%	-38.8%	-42.4%	-42.9%	-43.5%	-48.8%
2004	37600	824,732	3,807	943,077	(939,270)	-113.9%	-50.1%	-54.4%	-49.5%	-49.5%	-48.6%	-51.3%	-53.7%	-52.8%	-52.0%
2005	37600	2,473,978	214,563	713,685	(499,122)	-20.2%	-43.6%	-35.6%	-40.0%	-38.2%	-38.8%	-38.8%	-40.9%	-42.9%	-43.2%
2006	37600	399,265	(2,000)	863,334	(865,334)	-216.7%	-47.5%	-62.3%	-48.7%	-51.3%	-48.6%	-48.7%	-48.2%	-49.9%	-51.5%
2007	37600	1,121,402	0	484,426	(484,426)	-43.2%	-88.8%	-46.3%	-57.9%	-47.8%	-50.0%	-47.9%	-47.9%	-47.6%	-49.0%
2008	37600	788,094	3,709	923,222	(919,513)	-116.7%	-73.5%	-98.3%	-57.9%	-66.1%	-55.1%	-56.5%	-54.1%	-53.9%	-53.3%
2009	37600	567,754	0	1,559,848	(1,559,848)	-274.7%	-182.9%	-119.6%	-133.1%	-80.9%	-85.3%	-70.7%	-70.6%	-67.5%	-66.9%
2010	37600	1,634,371	0	626,270	(626,270)	-38.3%	-99.3%	-103.9%	-87.3%	-98.8%	-70.9%	-75.5%	-65.2%	-65.5%	-63.2%
2011	37600	2,094,044	1,785	1,084,462	(1,082,677)	-51.7%	-45.8%	-76.1%	-82.4%	-75.3%	-83.8%	-66.5%	-70.4%	-62.8%	-63.2%
2012	37600	620,339	1,997	1,988,232	(1,986,235)	-320.2%	-113.1%	-85.0%	-106.9%	-108.2%	-97.6%	-104.1%	-82.7%	-85.2%	-75.7%
2013	37600	2,047,155	142,855	1,218,327	(1,075,472)	-52.5%	-114.8%	-87.0%	-74.6%	-90.9%	-93.5%	-87.2%	-92.7%	-77.5%	-79.9%
2014	37600	3,013,651	90,483	2,610,960	(2,520,477)	-83.6%	-71.1%	-98.3%	-85.7%	-77.5%	-88.7%	-90.8%	-86.3%	-90.5%	-78.7%
2015	37600	2,271,521	(10,637)	2,412,467	(2,423,104)	-106.7%	-93.5%	-82.1%	-100.7%	-90.5%	-83.2%	-92.0%	-93.5%	-89.5%	-93.0%
2016	37600	2,372,504	4,328	2,341,064	(2,336,735)	-98.5%	-102.5%	-95.1%	-86.1%	-100.2%	-92.0%	-85.8%	-93.1%	-94.3%	-90.8%
2017	37600	2,476,063	17,636	2,896,000	(2,878,364)	-116.2%	-107.6%	-107.3%	-100.2%	-92.2%	-103.3%	-96.0%	-90.3%	-96.4%	-97.3%
2018	37600	812,701	(2,721)	3,257,889	(3,260,610)	-401.2%	-186.7%	-149.7%	-137.4%	-122.6%	-111.6%	-121.1%	-111.8%	-104.9%	-110.3%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Mains Plastic														
1982	37602	0	0	0	0	NA									
1983	37602	0	0	0	0	NA	NA								
1984	37602	0	0	0	0	NA	NA	NA							
1985	37602	0	0	0	0	NA	NA	NA	NA						
1986	37602	43,956	0	1,917	(1,917)	-4.4%	-4.4%	-4.4%	-4.4%	-4.4%					
1987	37602	26,484	0	4,901	(4,901)	-18.5%	-9.7%	-9.7%	-9.7%	-9.7%	-9.7%				
1988	37602	55,509	0	3,560	(3,560)	-6.4%	-10.3%	-8.2%	-8.2%	-8.2%	-8.2%	-8.2%			
1989	37602	56,308	0	3,076	(3,076)	-5.5%	-5.9%	-8.3%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%		
1990	37602	29,802	0	7,283	(7,283)	-24.4%	-12.0%	-9.8%	-11.2%	-9.8%	-9.8%	-9.8%	-9.8%	-9.8%	
1991	37602	226,052	0	14,275	(14,275)	-6.3%	-8.4%	-7.9%	-7.7%	-8.4%	-8.0%	-8.0%	-8.0%	-8.0%	-8.0%
1992	37602	139,310	0	2,404	(2,404)	-1.7%	-4.6%	-6.1%	-6.0%	-6.0%	-6.7%	-6.5%	-6.5%	-6.5%	-6.5%
1993	37602	87,167	0	2,727	(2,727)	-3.1%	-2.3%	-4.3%	-5.5%	-5.5%	-5.6%	-6.2%	-6.0%	-6.0%	-6.0%
1994	37602	153,861	0	50,289	(50,289)	-32.7%	-22.0%	-14.6%	-11.5%	-12.1%	-11.6%	-11.2%	-11.4%	-11.0%	-11.0%
1995	37602	293,240	0	16,479	(16,479)	-5.6%	-14.9%	-13.0%	-10.7%	-9.6%	-10.1%	-9.8%	-9.6%	-9.8%	-9.6%
1996	37602	137,264	0	3,916	(3,916)	-2.9%	-4.7%	-12.1%	-10.9%	-9.4%	-8.7%	-9.1%	-8.9%	-8.8%	-9.0%
1997	37602	246,454	0	14,513	(14,513)	-5.9%	-4.8%	-5.2%	-10.3%	-9.6%	-8.5%	-8.2%	-8.5%	-8.4%	-8.3%
1998	37602	88,266	1,894	13,856	(11,962)	-13.6%	-7.9%	-6.4%	-6.1%	-10.6%	-9.9%	-8.9%	-8.5%	-8.8%	-8.7%
1999	37602	166,171	0	8,944	(8,944)	-5.4%	-8.2%	-7.1%	-6.2%	-6.0%	-9.8%	-9.3%	-8.5%	-8.2%	-8.5%
2000	37602	81,733	0	29,048	(29,048)	-35.5%	-15.3%	-14.9%	-11.1%	-9.5%	-8.4%	-11.6%	-11.0%	-10.1%	-9.5%
2001	37602	47,608	0	1,230	(1,230)	-2.6%	-23.4%	-13.3%	-13.3%	-10.4%	-9.1%	-8.1%	-11.2%	-10.7%	-9.8%
2002	37602	189,847	0	91,822	(91,822)	-48.4%	-39.2%	-38.3%	-27.0%	-24.9%	-19.2%	-16.9%	-14.2%	-16.2%	-15.5%
2003	37602	497,814	0	30,774	(30,774)	-6.2%	-17.8%	-16.8%	-18.7%	-16.5%	-16.2%	-14.3%	-13.2%	-11.9%	-13.6%
2004	37602	671,568	0	145,453	(145,453)	-21.7%	-15.1%	-19.7%	-19.1%	-20.0%	-18.6%	-18.3%	-16.8%	-15.9%	-14.6%
2005	37602	479,226	101,532	41,780	59,753	12.5%	-7.4%	-7.1%	-11.3%	-11.1%	-12.1%	-11.6%	-11.7%	-11.1%	-10.7%
2006	37602	130,237	10,000	205,657	(195,657)	-150.2%	-22.3%	-22.0%	-17.5%	-20.5%	-20.1%	-20.7%	-19.6%	-19.3%	-18.1%
2007	37602	685,402	0	202,999	(202,999)	-29.6%	-48.9%	-26.2%	-24.6%	-20.9%	-22.9%	-22.5%	-22.9%	-21.9%	-21.7%
2008	37602	644,690	2,250	291,493	(289,243)	-44.9%	-37.0%	-47.1%	-32.4%	-29.6%	-25.9%	-27.2%	-26.8%	-27.0%	-26.0%
2009	37602	544,276	0	458,324	(458,324)	-84.2%	-62.9%	-50.7%	-57.2%	-43.7%	-39.0%	-34.6%	-35.2%	-34.8%	-34.9%
2010	37602	262,591	0	187,338	(187,338)	-71.3%	-80.0%	-64.4%	-53.2%	-58.8%	-46.4%	-41.5%	-37.0%	-37.6%	-37.2%
2011	37602	902,909	0	289,941	(289,941)	-32.1%	-41.0%	-54.7%	-52.0%	-47.0%	-51.2%	-42.9%	-39.6%	-36.1%	-36.6%
2012	37602	108,509	3,450	575,508	(572,058)	-527.2%	-85.2%	-82.4%	-82.9%	-73.0%	-63.5%	-67.0%	-56.8%	-51.5%	-46.9%
2013	37602	916,856	230,547	711,990	(481,443)	-52.5%	-102.7%	-69.7%	-69.9%	-72.7%	-67.4%	-61.0%	-63.8%	-56.0%	-51.7%
2014	37602	358,235	20,559	498,669	(478,110)	-133.5%	-75.3%	-110.7%	-79.7%	-78.8%	-79.8%	-73.7%	-66.9%	-69.3%	-61.5%
2015	37602	543,219	1,248	677,922	(676,674)	-124.6%	-128.1%	-90.0%	-114.6%	-88.3%	-86.8%	-86.5%	-80.2%	-73.2%	-75.2%
2016	37602	684,017	11,504	1,029,700	(1,018,197)	-148.9%	-138.1%	-137.1%	-106.1%	-123.6%	-100.1%	-98.1%	-96.3%	-89.6%	-82.4%
2017	37602	2,232,796	20,285	713,916	(693,632)	-31.1%	-58.7%	-69.0%	-75.1%	-70.7%	-80.9%	-73.3%	-73.2%	-74.1%	-71.5%
2018	37602	316,879	(21,180)	1,448,986	(1,470,167)	-464.0%	-84.9%	-98.4%	-102.2%	-104.9%	-95.4%	-104.5%	-93.7%	-92.8%	-92.1%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Meas & Reg Station Eqp Gen														
1982	37800	0	0	0	0	NA									
1983	37800	135,876	0	5,340	(5,340)	-3.9%	-3.9%								
1984	37800	827	0	139	(139)	-16.9%	-4.0%	-4.0%							
1985	37800	25,421	0	531	(531)	-2.1%	-2.6%	-3.7%	-3.7%						
1986	37800	8,230	0	2,063	(2,063)	-25.1%	-7.7%	-7.9%	-4.7%	-4.7%					
1987	37800	15,709	0	1,766	(1,766)	-11.2%	-16.0%	-8.8%	-9.0%	-5.3%	-5.3%				
1988	37800	355	0	3,653	(3,653)	-1029.2%	-33.7%	-30.8%	-16.1%	-16.1%	-7.2%	-7.2%			
1989	37800	16,793	0	2,804	(2,804)	-16.7%	-37.7%	-25.0%	-25.0%	-16.3%	-16.3%	-8.0%	-8.0%		
1990	37800	9,776	0	5,760	(5,760)	-58.9%	-32.2%	-45.4%	-32.8%	-31.5%	-21.7%	-21.7%	-10.4%	-10.4%	
1991	37800	16,837	0	9,792	(9,792)	-58.2%	-58.4%	-42.3%	-50.3%	-40.0%	-38.2%	-28.3%	-28.2%	-13.9%	-13.9%
1992	37800	20,553	0	0	0	0.0%	-26.2%	-33.0%	-28.7%	-34.2%	-29.7%	-29.3%	-23.2%	-23.2%	-12.7%
1993	37800	945	0	0	0	0.0%	0.0%	-25.5%	-32.3%	-28.3%	-33.7%	-29.4%	-29.0%	-23.0%	-23.0%
1994	37800	37,553	0	1,906	(1,906)	-5.1%	-5.0%	-3.2%	-15.4%	-20.4%	-19.8%	-23.3%	-21.7%	-21.9%	-18.6%
1995	37800	103,051	0	2,020	(2,020)	-2.0%	-2.8%	-2.8%	-2.4%	-7.7%	-10.3%	-10.8%	-12.6%	-12.5%	-13.0%
1996	37800	3,064	0	445	(445)	-14.5%	-2.3%	-3.0%	-3.0%	-2.6%	-7.8%	-10.4%	-10.9%	-12.6%	-12.5%
1997	37800	12,142	0	1,952	(1,952)	-16.1%	-15.8%	-3.7%	-4.1%	-4.0%	-3.6%	-8.3%	-10.7%	-11.2%	-12.8%
1998	37800	5,104	0	0	0	0.0%	-11.3%	-11.8%	-3.6%	-3.9%	-3.9%	-3.5%	-8.1%	-10.5%	-10.9%
1999	37800	0	0	0	0	NA	0.0%	-11.3%	-11.8%	-3.6%	-3.9%	-3.9%	-3.5%	-8.1%	-10.5%
2000	37800	53,965	0	0	0	0.0%	0.0%	0.0%	-2.7%	-3.2%	-2.5%	-2.9%	-2.9%	-2.7%	-6.4%
2001	37800	53,369	0	5,204	(5,204)	-9.8%	-4.8%	-4.8%	-4.6%	-5.7%	-6.0%	-4.2%	-4.3%	-4.3%	-4.0%
2002	37800	33,445	0	11,699	(11,699)	-35.0%	-19.5%	-12.0%	-12.0%	-11.6%	-11.9%	-12.0%	-8.1%	-7.7%	-7.7%
2003	37800	132,328	0	17,391	(17,391)	-13.1%	-17.5%	-15.6%	-12.6%	-12.6%	-12.3%	-12.5%	-12.5%	-9.8%	-9.4%
2004	37800	19,641	0	1,566	(1,566)	-8.0%	-12.5%	-16.5%	-15.0%	-12.2%	-12.2%	-12.0%	-12.2%	-12.2%	-9.7%
2005	37800	51,630	499	34,991	(34,492)	-66.8%	-50.6%	-26.3%	-27.5%	-24.2%	-20.4%	-20.4%	-20.1%	-20.0%	-19.9%
2006	37800	40,483	0	23,215	(23,215)	-57.3%	-62.6%	-53.0%	-31.4%	-31.8%	-28.3%	-24.3%	-24.3%	-24.0%	-23.8%
2007	37800	35,202	0	8,441	(8,441)	-24.0%	-41.8%	-52.0%	-46.1%	-30.5%	-31.0%	-27.9%	-24.3%	-24.3%	-24.0%
2008	37800	6,556	506	3,824	(3,318)	-50.6%	-28.2%	-42.5%	-51.9%	-46.3%	-30.9%	-31.4%	-28.3%	-24.7%	-24.7%
2009	37800	33,078	42	28,935	(28,893)	-87.3%	-81.3%	-54.3%	-55.4%	-58.9%	-53.6%	-36.8%	-36.6%	-33.1%	-29.2%
2010	37800	15,679	0	937	(937)	-6.0%	-61.2%	-59.9%	-45.9%	-49.5%	-54.4%	-49.9%	-35.3%	-35.3%	-32.1%
2011	37800	54,491	0	29,775	(29,775)	-54.6%	-43.8%	-57.7%	-57.3%	-49.2%	-51.0%	-54.4%	-50.9%	-38.0%	-37.8%
2012	37800	18,915	0	656	(656)	-3.5%	-41.5%	-35.2%	-49.3%	-49.4%	-43.9%	-46.6%	-50.7%	-47.6%	-36.4%
2013	37800	45,853	0	40,821	(40,821)	-89.0%	-64.0%	-59.7%	-53.5%	-60.2%	-59.8%	-53.8%	-54.4%	-56.5%	-53.5%
2014	37800	1,414	36	26,307	(26,271)	-1858.0%	-141.9%	-102.4%	-80.8%	-72.2%	-75.2%	-74.3%	-65.9%	-64.5%	-64.9%
2015	37800	76,233	0	31,075	(31,075)	-40.8%	-73.9%	-79.5%	-69.4%	-65.3%	-60.9%	-64.5%	-64.1%	-59.2%	-59.0%
2016	37800	70,893	0	43,603	(43,603)	-61.5%	-50.8%	-68.0%	-72.9%	-66.8%	-64.3%	-61.1%	-63.8%	-63.6%	-59.7%
2017	37800	399,642	0	447,220	(447,220)	-111.9%	-104.3%	-95.5%	-100.0%	-99.2%	-96.2%	-92.8%	-90.8%	-90.7%	-90.3%
2018	37800	38,873	0	109,871	(109,871)	-282.6%	-127.0%	-117.9%	-107.9%	-112.1%	-110.4%	-107.3%	-103.3%	-101.1%	-100.5%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Ciry Gate														
1982	37900	0	0	0	0	NA									
1983	37900	12,612	0	0	0	0.0%	0.0%								
1984	37900	19,542	0	1,659	(1,659)	-8.5%	-5.2%	-5.2%							
1985	37900	9,899	0	0	0	0.0%	-5.6%	-3.9%	-3.9%						
1986	37900	9,823	0	637	(637)	-6.5%	-3.2%	-5.8%	-4.4%	-4.4%					
1987	37900	24,435	0	283	(283)	-1.2%	-2.7%	-2.1%	-4.1%	-3.4%	-3.4%				
1988	37900	31,689	0	1,767	(1,767)	-5.6%	-3.7%	-4.1%	-3.5%	-4.6%	-4.0%	-4.0%			
1989	37900	0	0	0	0	NA	-5.6%	-3.7%	-4.1%	-3.5%	-4.6%	-4.0%	-4.0%		
1990	37900	66,705	0	19,009	(19,009)	-28.5%	-28.5%	-21.1%	-17.1%	-16.4%	-15.2%	-14.4%	-13.4%	-13.4%	
1991	37900	4,753	0	2,432	(2,432)	-51.2%	-30.0%	-30.0%	-22.5%	-18.4%	-17.6%	-16.4%	-15.5%	-14.4%	-14.4%
1992	37900	10,834	0	0	0	0.0%	-15.6%	-26.1%	-26.1%	-20.4%	-17.0%	-16.3%	-15.3%	-14.5%	-13.6%
1993	37900	33,564	0	1,011	(1,011)	-3.0%	-2.3%	-7.0%	-19.4%	-19.4%	-16.4%	-14.2%	-13.8%	-13.1%	-12.7%
1994	37900	29,019	0	1,224	(1,224)	-4.2%	-3.6%	-3.0%	-6.0%	-16.3%	-16.3%	-14.4%	-12.8%	-12.5%	-11.9%
1995	37900	41,471	0	1,211	(1,211)	-2.9%	-3.5%	-3.3%	-3.0%	-4.9%	-13.4%	-13.4%	-12.2%	-11.1%	-10.9%
1996	37900	8,694	0	0	0	0.0%	-2.4%	-3.1%	-3.1%	-2.8%	-4.6%	-12.8%	-12.8%	-11.8%	-10.7%
1997	37900	15,510	0	0	0	0.0%	0.0%	-1.8%	-2.6%	-2.7%	-2.5%	-4.1%	-11.8%	-11.8%	-11.0%
1998	37900	26,897	0	0	0	0.0%	0.0%	0.0%	-1.3%	-2.0%	-2.2%	-2.1%	-3.4%	-10.5%	-10.5%
1999	37900	31,093	0	0	0	0.0%	0.0%	0.0%	0.0%	-1.0%	-1.6%	-1.9%	-1.7%	-2.9%	-9.3%
2000	37900	69,091	0	6,430	(6,430)	-9.3%	-6.4%	-5.1%	-4.5%	-4.3%	-4.0%	-4.0%	-3.9%	-3.7%	-4.5%
2001	37900	77,129	0	0	0	0.0%	-4.4%	-3.6%	-3.1%	-2.9%	-2.8%	-2.8%	-3.0%	-3.0%	-2.9%
2002	37900	45,126	0	12,287	(12,287)	-27.2%	-10.1%	-9.8%	-8.4%	-7.5%	-7.1%	-6.8%	-6.3%	-6.1%	-5.9%
2003	37900	14,902	0	55,629	(55,629)	-373.3%	-113.1%	-49.5%	-36.0%	-31.3%	-28.1%	-26.6%	-25.8%	-22.9%	-21.4%
2004	37900	42,763	0	12,022	(12,022)	-28.1%	-117.3%	-77.8%	-44.4%	-34.7%	-30.8%	-28.1%	-26.8%	-26.1%	-23.5%
2005	37900	14,896	0	20,348	(20,348)	-136.6%	-56.1%	-121.3%	-85.2%	-51.5%	-40.4%	-36.2%	-33.2%	-31.6%	-30.8%
2006	37900	25,710	797	45,893	(45,096)	-175.4%	-161.2%	-92.9%	-135.4%	-101.4%	-65.9%	-52.4%	-47.3%	-43.7%	-41.8%
2007	37900	1,185	0	0	0	0.0%	-167.7%	-156.6%	-91.6%	-133.8%	-100.6%	-65.6%	-52.2%	-47.2%	-43.5%
2008	37900	0	0	0	0	NA	0.0%	-167.7%	-156.6%	-91.6%	-133.8%	-100.6%	-65.6%	-52.2%	-47.2%
2009	37900	8,454	0	6,136	(6,136)	-72.6%	-72.6%	-63.7%	-144.9%	-142.5%	-89.9%	-129.0%	-99.0%	-65.8%	-52.8%
2010	37900	20,727	0	0	0	0.0%	-21.0%	-21.0%	-20.2%	-91.4%	-100.9%	-73.5%	-108.2%	-87.2%	-60.4%
2011	37900	0	0	0	0	NA	0.0%	-21.0%	-21.0%	-20.2%	-91.4%	-100.9%	-73.5%	-108.2%	-87.2%
2012	37900	0	0	10	(10)	NA	NA	0.0%	-21.1%	-21.1%	-20.2%	-91.4%	-100.9%	-73.5%	-108.2%
2013	37900	155,322	0	21,657	(21,657)	-13.9%	-13.9%	-13.9%	-12.3%	-15.1%	-15.1%	-15.0%	-34.5%	-41.2%	-39.1%
2014	37900	23,034	0	45,252	(45,252)	-196.5%	-37.5%	-37.5%	-37.5%	-33.6%	-35.2%	-35.2%	-35.0%	-50.4%	-55.5%
2015	37900	6,131	(699)	5,882	(6,581)	-107.3%	-177.7%	-39.8%	-39.8%	-39.8%	-35.8%	-37.3%	-37.3%	-37.1%	-51.9%
2016	37900	7,170	0	0	0	0.0%	-49.5%	-142.7%	-38.3%	-38.4%	-38.4%	-34.6%	-36.1%	-36.1%	-35.9%
2017	37900	58,098	0	12,113	(12,113)	-20.8%	-18.6%	-26.2%	-67.7%	-34.3%	-34.3%	-34.3%	-31.7%	-32.9%	-32.9%
2018	37900	16,369	0	0	0	0.0%	-16.3%	-14.8%	-21.3%	-57.7%	-32.2%	-32.2%	-32.2%	-29.8%	-31.1%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Services Steel														
1982	38000	0	0	0	0	NA									
1983	38000	183,514	0	206,045	(206,045)	-112.3%	-112.3%								
1984	38000	147,311	0	249,398	(249,398)	-169.3%	-137.7%	-137.7%							
1985	38000	310,179	0	330,739	(330,739)	-106.6%	-126.8%	-122.6%	-122.6%						
1986	38000	202,642	0	373,071	(373,071)	-184.1%	-137.2%	-144.4%	-137.4%	-137.4%					
1987	38000	344,097	0	433,790	(433,790)	-126.1%	-147.6%	-132.8%	-138.1%	-134.1%	-134.1%				
1988	38000	395,452	0	312,431	(312,431)	-79.0%	-100.9%	-118.8%	-115.8%	-121.4%	-120.4%	-120.4%			
1989	38000	360,595	0	358,704	(358,704)	-99.5%	-88.8%	-100.4%	-113.4%	-112.1%	-116.9%	-116.5%	-116.5%		
1990	38000	550,333	0	642,375	(642,375)	-116.7%	-109.9%	-100.5%	-105.9%	-114.4%	-113.3%	-116.9%	-116.5%	-116.5%	
1991	38000	570,207	0	648,317	(648,317)	-113.7%	-115.2%	-111.4%	-104.5%	-107.9%	-114.3%	-113.4%	-116.2%	-116.0%	-116.0%
1992	38000	490,957	0	586,487	(586,487)	-119.5%	-116.4%	-116.5%	-113.4%	-107.6%	-110.0%	-115.1%	-114.3%	-116.7%	-116.5%
1993	38000	332,529	0	405,151	(405,151)	-121.8%	-120.4%	-117.7%	-117.4%	-114.6%	-109.4%	-111.3%	-115.8%	-115.0%	-117.2%
1994	38000	217,950	0	231,747	(231,747)	-106.3%	-115.7%	-117.5%	-116.1%	-116.3%	-113.9%	-109.2%	-110.9%	-115.2%	-114.5%
1995	38000	782,018	0	606,899	(606,899)	-77.6%	-83.9%	-93.3%	-100.4%	-103.5%	-106.0%	-105.3%	-102.5%	-104.5%	-108.3%
1996	38000	854,832	0	1,172,221	(1,172,221)	-137.1%	-108.7%	-108.4%	-110.5%	-112.1%	-112.4%	-113.0%	-111.8%	-109.0%	-110.2%
1997	38000	541,094	0	790,854	(790,854)	-146.2%	-140.6%	-118.0%	-116.9%	-117.5%	-117.8%	-117.2%	-117.1%	-115.8%	-112.9%
1998	38000	173,029	0	608,529	(608,529)	-351.7%	-196.0%	-163.9%	-135.2%	-132.8%	-131.5%	-129.8%	-127.4%	-126.1%	-124.2%
1999	38000	289,592	0	467,339	(467,339)	-161.4%	-232.6%	-186.0%	-163.5%	-138.1%	-135.7%	-134.2%	-132.2%	-129.8%	-128.3%
2000	38000	480,238	7,231	777,965	(770,734)	-160.5%	-160.8%	-195.9%	-177.7%	-162.9%	-141.5%	-139.2%	-137.6%	-135.5%	-132.9%
2001	38000	467,567	4,325	852,871	(848,546)	-181.5%	-170.8%	-168.6%	-191.1%	-178.6%	-166.0%	-146.7%	-144.4%	-142.6%	-140.1%
2002	38000	493,516	1,028	716,516	(715,489)	-145.0%	-162.7%	-162.0%	-161.9%	-179.1%	-171.8%	-162.8%	-146.5%	-144.5%	-142.9%
2003	38000	505,854	3,291	716,577	(713,286)	-141.0%	-143.0%	-155.2%	-156.5%	-157.2%	-171.1%	-166.6%	-159.9%	-145.9%	-144.1%
2004	38000	677,742	0	979,873	(979,873)	-144.6%	-143.1%	-143.6%	-151.9%	-153.4%	-154.2%	-165.3%	-162.4%	-157.6%	-145.7%
2005	38000	618,691	0	976,036	(976,036)	-157.8%	-150.9%	-148.1%	-147.4%	-153.2%	-154.3%	-154.9%	-164.0%	-161.8%	-157.6%
2006	38000	584,933	79,890	868,366	(788,476)	-134.8%	-146.6%	-145.9%	-144.8%	-144.9%	-150.0%	-151.3%	-152.0%	-160.1%	-158.5%
2007	38000	492,903	650	1,163,317	(1,162,667)	-235.9%	-181.0%	-172.5%	-164.6%	-160.4%	-158.2%	-161.0%	-160.9%	-161.0%	-167.9%
2008	38000	207,489	950	589,778	(588,828)	-283.8%	-250.1%	-197.6%	-184.7%	-174.1%	-168.7%	-165.4%	-167.3%	-166.6%	-166.3%
2009	38000	152,641	1,150	537,477	(536,327)	-351.4%	-312.4%	-268.2%	-213.9%	-197.0%	-184.0%	-177.3%	-173.0%	-174.0%	-172.6%
2010	38000	112,304	2,365	381,369	(379,004)	-337.5%	-345.5%	-318.4%	-276.3%	-222.9%	-204.3%	-190.1%	-182.7%	-177.8%	-178.2%
2011	38000	146,544	3,300	250,277	(246,977)	-168.5%	-241.8%	-282.5%	-282.9%	-262.1%	-218.2%	-202.0%	-189.0%	-182.1%	-177.5%
2012	38000	137,975	228	264,639	(264,411)	-191.6%	-179.7%	-224.4%	-259.7%	-266.3%	-254.3%	-216.2%	-201.5%	-189.1%	-182.5%
2013	38000	332,898	25,735	1,275,715	(1,249,980)	-375.5%	-321.6%	-285.3%	-293.3%	-303.4%	-299.6%	-279.8%	-240.7%	-222.2%	-207.1%
2014	38000	244,565	(10,811)	886,730	(897,541)	-367.0%	-371.9%	-337.1%	-308.5%	-311.8%	-317.2%	-312.0%	-291.5%	-253.5%	-233.9%
2015	38000	297,928	84	1,613,138	(1,613,054)	-541.4%	-462.8%	-429.6%	-397.2%	-368.3%	-365.6%	-364.1%	-353.9%	-326.5%	-285.1%
2016	38000	234,251	756	1,563,699	(1,562,943)	-667.2%	-596.8%	-524.4%	-479.8%	-447.9%	-418.5%	-412.5%	-406.9%	-393.2%	-360.3%
2017	38000	381,692	(668)	1,346,846	(1,347,514)	-353.0%	-472.5%	-495.0%	-468.0%	-447.3%	-425.7%	-404.4%	-400.5%	-396.8%	-386.4%
2018	38000	416,204	342	1,583,618	(1,583,276)	-380.4%	-367.3%	-435.4%	-459.1%	-444.8%	-432.7%	-416.5%	-399.9%	-396.8%	-394.0%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Services Plastic														
1982	38002	0	0	0	0	NA									
1983	38002	0	0	0	0	NA	NA								
1984	38002	0	0	0	0	NA	NA	NA							
1985	38002	0	0	0	0	NA	NA	NA	NA						
1986	38002	45,611	0	16,985	(16,985)	-37.2%	-37.2%	-37.2%	-37.2%	-37.2%					
1987	38002	131,199	0	26,553	(26,553)	-20.2%	-24.6%	-24.6%	-24.6%	-24.6%	-24.6%				
1988	38002	112,531	0	36,705	(36,705)	-32.6%	-26.0%	-27.7%	-27.7%	-27.7%	-27.7%	-27.7%			
1989	38002	97,768	0	41,261	(41,261)	-42.2%	-37.1%	-30.6%	-31.4%	-31.4%	-31.4%	-31.4%	-31.4%		
1990	38002	288,900	0	75,877	(75,877)	-26.3%	-30.3%	-30.8%	-28.6%	-29.2%	-29.2%	-29.2%	-29.2%	-29.2%	
1991	38002	90,158	0	39,374	(39,374)	-43.7%	-30.4%	-32.8%	-32.8%	-30.5%	-30.9%	-30.9%	-30.9%	-30.9%	-30.9%
1992	38002	170,656	0	52,351	(52,351)	-30.7%	-35.2%	-30.5%	-32.3%	-32.3%	-30.5%	-30.9%	-30.9%	-30.9%	-30.9%
1993	38002	190,979	0	78,159	(78,159)	-40.9%	-36.1%	-37.6%	-33.2%	-34.2%	-34.0%	-32.4%	-32.6%	-32.6%	-32.6%
1994	38002	211,639	0	68,989	(68,989)	-32.6%	-36.5%	-34.8%	-36.0%	-33.1%	-33.9%	-33.8%	-32.4%	-32.6%	-32.6%
1995	38002	313,763	0	111,070	(111,070)	-35.4%	-34.3%	-36.0%	-35.0%	-35.8%	-33.6%	-34.2%	-34.1%	-33.0%	-33.1%
1996	38002	423,720	0	181,676	(181,676)	-42.9%	-39.7%	-38.1%	-38.6%	-37.6%	-37.9%	-36.0%	-36.3%	-36.1%	-35.1%
1997	38002	435,204	0	231,345	(231,345)	-53.2%	-48.1%	-44.7%	-42.8%	-42.6%	-41.4%	-41.6%	-39.5%	-39.6%	-39.3%
1998	38002	185,300	0	178,635	(178,635)	-96.4%	-66.1%	-56.7%	-51.7%	-49.2%	-48.3%	-46.7%	-46.6%	-44.0%	-44.0%
1999	38002	387,396	0	167,283	(167,283)	-43.2%	-60.4%	-57.3%	-53.0%	-49.8%	-48.0%	-47.4%	-46.1%	-46.0%	-43.9%
2000	38002	674,251	9,840	253,791	(243,950)	-36.2%	-38.7%	-47.3%	-48.8%	-47.6%	-46.0%	-45.0%	-44.7%	-43.9%	-43.9%
2001	38002	580,262	0	473,654	(473,654)	-81.6%	-57.2%	-53.9%	-58.2%	-57.2%	-55.0%	-52.9%	-51.6%	-51.0%	-50.0%
2002	38002	521,547	5,810	365,973	(360,163)	-69.1%	-75.7%	-60.7%	-57.5%	-60.6%	-59.4%	-57.3%	-55.3%	-54.0%	-53.4%
2003	38002	587,084	1,200	398,674	(397,474)	-67.7%	-68.3%	-72.9%	-62.4%	-59.7%	-62.0%	-60.9%	-58.9%	-57.1%	-55.9%
2004	38002	852,872	0	485,315	(485,315)	-56.9%	-61.3%	-63.4%	-67.5%	-61.0%	-59.1%	-60.9%	-60.1%	-58.5%	-57.1%
2005	38002	1,066,268	0	619,725	(619,725)	-58.1%	-57.6%	-60.0%	-61.5%	-64.8%	-60.3%	-58.8%	-60.3%	-59.7%	-58.4%
2006	38002	877,404	84,016	646,922	(562,906)	-64.2%	-60.8%	-59.6%	-61.0%	-62.1%	-64.6%	-60.9%	-59.7%	-60.9%	-60.3%
2007	38002	1,000,686	200	810,935	(810,735)	-81.0%	-73.1%	-67.7%	-65.3%	-65.6%	-66.0%	-67.6%	-64.2%	-62.9%	-63.9%
2008	38002	369,362	200	329,789	(329,589)	-89.2%	-83.2%	-75.8%	-70.1%	-67.4%	-67.4%	-67.6%	-69.0%	-65.6%	-64.3%
2009	38002	436,476	450	250,016	(249,566)	-57.2%	-71.9%	-76.9%	-72.8%	-68.6%	-66.4%	-66.6%	-66.8%	-68.2%	-65.1%
2010	38002	287,525	800	135,765	(134,965)	-46.9%	-53.1%	-65.3%	-72.8%	-70.3%	-67.1%	-65.3%	-65.5%	-65.8%	-67.2%
2011	38002	446,705	3,520	139,107	(135,587)	-30.4%	-36.8%	-44.4%	-55.2%	-65.4%	-65.0%	-63.4%	-62.4%	-62.9%	-63.4%
2012	38002	440,713	1,734	302,097	(300,363)	-68.2%	-49.1%	-48.6%	-50.9%	-58.1%	-65.8%	-65.4%	-63.8%	-62.8%	-63.3%
2013	38002	1,041,969	179,410	1,259,996	(1,080,586)	-103.7%	-93.1%	-78.6%	-74.5%	-71.6%	-73.8%	-75.6%	-73.5%	-70.8%	-69.1%
2014	38002	961,628	(94,189)	942,884	(1,037,073)	-107.8%	-105.7%	-98.9%	-88.3%	-84.6%	-81.3%	-82.0%	-81.8%	-79.2%	-75.9%
2015	38002	396,792	834	1,313,550	(1,312,716)	-330.8%	-173.0%	-142.9%	-131.3%	-117.6%	-111.9%	-106.0%	-104.5%	-100.2%	-95.1%
2016	38002	457,508	4,042	1,842,229	(1,838,187)	-401.8%	-368.8%	-230.6%	-184.4%	-168.8%	-152.3%	-144.8%	-136.2%	-132.7%	-123.8%
2017	38002	604,050	7,355	804,334	(796,979)	-131.9%	-248.2%	-270.7%	-206.0%	-175.2%	-163.1%	-149.5%	-143.1%	-135.7%	-132.6%
2018	38002	531,881	(6,106)	2,282,616	(2,288,722)	-430.3%	-271.6%	-309.0%	-313.4%	-246.4%	-209.2%	-195.2%	-180.1%	-172.7%	-163.7%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
Meters															
1982	38100	0	0	0	0	NA									
1983	38100	81,635	1,523	2,194	(671)	-0.8%	-0.8%								
1984	38100	45,579	5,184	2,116	3,068	6.7%	1.9%	1.9%							
1985	38100	74,256	2,111	558	1,553	2.1%	3.9%	2.0%	2.0%						
1986	38100	43,032	0	13	(13)	0.0%	1.3%	2.8%	1.6%	1.6%					
1987	38100	59,375	1,232	26	1,206	2.0%	1.2%	1.6%	2.6%	1.7%	1.7%				
1988	38100	87,915	1,624	0	1,624	1.8%	1.9%	1.5%	1.7%	2.4%	1.7%	1.7%			
1989	38100	69,842	3,620	0	3,620	5.2%	3.3%	3.0%	2.5%	2.4%	2.9%	2.2%	2.2%		
1990	38100	77,318	460	19	441	0.6%	2.8%	2.4%	2.3%	2.0%	2.0%	2.5%	2.0%	2.0%	
1991	38100	248,848	5,198	134	5,064	2.0%	1.7%	2.3%	2.2%	2.2%	2.0%	2.0%	2.3%	2.0%	2.0%
1992	38100	94,844	1,167	0	1,167	1.2%	1.8%	1.6%	2.1%	2.1%	2.1%	1.9%	1.9%	2.2%	1.9%
1993	38100	102,400	435	0	435	0.4%	0.8%	1.5%	1.4%	1.8%	1.8%	1.8%	1.7%	1.8%	2.0%
1994	38100	275,148	8,383	0	8,383	3.0%	2.3%	2.1%	2.1%	1.9%	2.2%	2.2%	2.2%	2.1%	2.1%
1995	38100	544,009	12,193	0	12,193	2.2%	2.5%	2.3%	2.2%	2.2%	2.1%	2.2%	2.2%	2.2%	2.1%
1996	38100	409,136	6,050	0	6,050	1.5%	1.9%	2.2%	2.0%	2.0%	2.0%	1.9%	2.1%	2.0%	2.0%
1997	38100	419,216	7,214	438	6,776	1.6%	1.5%	1.8%	2.0%	1.9%	1.9%	1.9%	1.9%	2.0%	2.0%
1998	38100	233,145	8,712	(440)	9,152	3.9%	2.4%	2.1%	2.1%	2.3%	2.2%	2.1%	2.1%	2.1%	2.2%
1999	38100	190,609	2,294	89,539	(87,244)	-45.8%	-18.4%	-8.5%	-5.2%	-3.0%	-2.2%	-2.0%	-1.9%	-1.5%	-1.4%
2000	38100	1,287,523	21,308	320,124	(298,816)	-23.2%	-26.1%	-22.0%	-17.4%	-14.3%	-11.4%	-10.2%	-9.9%	-9.6%	-8.9%
2001	38100	2,931,914	234,946	335,983	(101,036)	-3.4%	-9.5%	-11.0%	-10.3%	-9.3%	-8.5%	-7.5%	-7.1%	-6.9%	-6.8%
2002	38100	2,202,143	56,424	0	56,424	2.6%	-0.9%	-5.3%	-6.5%	-6.2%	-5.7%	-5.3%	-4.8%	-4.6%	-4.5%
2003	38100	1,708,007	79,653	0	79,653	4.7%	3.5%	0.5%	-3.2%	-4.2%	-4.0%	-3.7%	-3.5%	-3.2%	-3.0%
2004	38100	1,015,209	0	16,120	(16,120)	-1.6%	2.3%	2.4%	0.2%	-3.1%	-3.9%	-3.7%	-3.5%	-3.3%	-3.0%
2005	38100	1,409,305	0	19,104	(19,104)	-1.4%	-1.5%	1.1%	1.6%	0.0%	-2.8%	-3.6%	-3.4%	-3.2%	-3.1%
2006	38100	716,585	282,594	30,732	251,862	35.1%	10.9%	6.9%	6.1%	5.0%	2.5%	-0.4%	-1.2%	-1.1%	-1.0%
2007	38100	986,293	119,444	36,159	83,285	8.4%	19.7%	10.2%	7.3%	6.5%	5.4%	3.1%	0.3%	-0.4%	-0.3%
2008	38100	1,053,002	73,413	36,591	36,822	3.5%	5.9%	13.5%	8.5%	6.5%	6.0%	5.2%	3.1%	0.5%	-0.1%
2009	38100	1,384,946	85,461	19,102	66,359	4.8%	4.2%	5.4%	10.6%	7.6%	6.1%	5.8%	5.1%	3.3%	0.9%
2010	38100	1,277,694	96,854	24,821	72,033	5.6%	5.2%	4.7%	5.5%	9.4%	7.2%	6.1%	5.8%	5.2%	3.5%
2011	38100	1,482,135	87,095	37,778	49,317	3.3%	4.4%	4.5%	4.3%	5.0%	8.1%	6.5%	5.6%	5.5%	5.0%
2012	38100	1,859,797	148,350	18,595	129,755	7.0%	5.4%	5.4%	5.3%	5.0%	5.4%	7.9%	6.6%	5.8%	5.7%
2013	38100	1,117,326	102,487	2,497	99,990	8.9%	7.7%	6.3%	6.1%	5.9%	5.6%	5.9%	8.0%	6.8%	6.1%
2014	38100	1,411,970	82,741	20,996	61,745	4.4%	6.4%	6.6%	5.8%	5.8%	5.6%	5.4%	5.7%	7.5%	6.6%
2015	38100	1,076,328	66,485	24,118	42,367	3.9%	4.2%	5.7%	6.1%	5.5%	5.5%	5.4%	5.2%	5.5%	7.2%
2016	38100	1,409,544	55,631	14,995	40,636	2.9%	3.3%	3.7%	4.9%	5.4%	5.1%	5.1%	5.1%	5.0%	5.2%
2017	38100	5,376,689	12,329	15,201	(2,871)	-0.1%	0.6%	1.0%	1.5%	2.3%	3.0%	3.1%	3.3%	3.4%	3.4%
2018	38100	620,815	8,730	973	7,757	1.2%	0.1%	0.6%	1.0%	1.5%	2.3%	2.9%	3.0%	3.2%	3.3%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Meter Installations														
1982	38200	0	0	0	0	NA									
1983	38200	0	0	3,333	(3,333)	NA	NA								
1984	38200	8,956	0	2,136	(2,136)	-23.9%	-61.1%	-61.1%							
1985	38200	11,330	0	2,296	(2,296)	-20.3%	-21.8%	-38.3%	-38.3%						
1986	38200	8,632	0	1,522	(1,522)	-17.6%	-19.1%	-20.6%	-32.1%	-32.1%					
1987	38200	31,603	0	1,189	(1,189)	-3.8%	-6.7%	-9.7%	-11.8%	-17.3%	-17.3%				
1988	38200	20,670	0	879	(879)	-4.3%	-4.0%	-5.9%	-8.1%	-9.9%	-14.0%	-14.0%			
1989	38200	21,164	0	1,659	(1,659)	-7.8%	-6.1%	-5.1%	-6.4%	-8.1%	-9.5%	-12.7%	-12.7%		
1990	38200	90,988	0	2,798	(2,798)	-3.1%	-4.0%	-4.0%	-4.0%	-4.6%	-5.6%	-6.5%	-8.2%	-8.2%	
1991	38200	0	0	1,343	(1,343)	NA	-4.6%	-5.2%	-5.0%	-4.8%	-5.4%	-6.3%	-7.1%	-8.9%	-8.9%
1992	38200	75,139	0	958	(958)	-1.3%	-3.1%	-3.1%	-3.6%	-3.7%	-3.7%	-4.2%	-4.9%	-5.5%	-6.7%
1993	38200	33,344	0	0	0	0.0%	-0.9%	-2.1%	-2.6%	-3.1%	-3.2%	-3.2%	-3.7%	-4.3%	-4.9%
1994	38200	3,410	0	1,185	(1,185)	-34.7%	-3.2%	-1.9%	-3.1%	-3.1%	-3.5%	-3.6%	-3.6%	-4.0%	-4.7%
1995	38200	264,745	0	65,766	(65,766)	-24.8%	-25.0%	-22.2%	-18.0%	-18.4%	-15.4%	-15.1%	-14.6%	-14.0%	-14.1%
1996	38200	356,536	0	84,543	(84,543)	-23.7%	-24.2%	-24.3%	-23.0%	-20.8%	-21.0%	-19.0%	-18.7%	-18.4%	-17.9%
1997	38200	318,756	0	52,291	(52,291)	-16.4%	-20.3%	-21.6%	-21.6%	-20.9%	-19.5%	-19.6%	-18.3%	-18.1%	-17.8%
1998	38200	214,458	0	40,516	(40,516)	-18.9%	-17.4%	-19.9%	-21.1%	-21.1%	-20.5%	-19.4%	-19.5%	-18.4%	-18.2%
1999	38200	436,444	0	56,572	(56,572)	-13.0%	-14.9%	-15.4%	-17.6%	-18.8%	-18.9%	-18.5%	-17.7%	-17.8%	-17.1%
2000	38200	350,795	47	54,418	(54,371)	-15.5%	-14.1%	-15.1%	-15.4%	-17.2%	-18.2%	-18.3%	-18.0%	-17.3%	-17.4%
2001	38200	484,230	0	238,397	(238,397)	-49.2%	-35.1%	-27.5%	-26.2%	-24.5%	-24.4%	-24.4%	-24.4%	-24.1%	-23.4%
2002	38200	750,382	0	271,345	(271,345)	-36.2%	-41.3%	-35.6%	-30.7%	-29.6%	-27.9%	-27.4%	-27.2%	-27.2%	-26.9%
2003	38200	590,062	0	265,620	(265,620)	-45.0%	-40.1%	-42.5%	-38.1%	-33.9%	-32.8%	-31.1%	-30.4%	-30.0%	-30.0%
2004	38200	596,890	0	137,974	(137,974)	-23.1%	-34.0%	-34.8%	-37.7%	-34.9%	-31.9%	-31.1%	-29.9%	-29.3%	-29.0%
2005	38200	816,016	0	117,763	(117,763)	-14.4%	-18.1%	-26.0%	-28.8%	-31.8%	-30.2%	-28.4%	-27.9%	-27.1%	-26.8%
2006	38200	0	0	0	0	NA	-14.4%	-18.1%	-26.0%	-28.8%	-31.8%	-30.2%	-28.4%	-27.9%	-27.1%
2007	38200	1,096,852	43,043	262,646	(219,603)	-20.0%	-20.0%	-17.6%	-18.9%	-23.9%	-26.3%	-28.9%	-27.9%	-26.6%	-26.3%
2008	38200	468,673	0	123,257	(123,257)	-26.3%	-21.9%	-21.9%	-19.3%	-20.1%	-24.2%	-26.3%	-28.6%	-27.7%	-26.6%
2009	38200	331,593	0	120,444	(120,444)	-36.3%	-30.5%	-24.4%	-24.4%	-21.4%	-21.7%	-25.2%	-27.0%	-29.1%	-28.2%
2010	38200	296,704	0	93,364	(93,364)	-31.5%	-34.0%	-30.7%	-25.4%	-25.4%	-22.4%	-22.5%	-25.7%	-27.3%	-29.2%
2011	38200	496,128	0	109,587	(109,587)	-22.1%	-25.6%	-28.8%	-28.0%	-24.8%	-24.8%	-22.4%	-22.5%	-25.3%	-26.8%
2012	38200	324,995	0	55,536	(55,536)	-17.1%	-20.1%	-23.1%	-26.1%	-26.2%	-23.9%	-23.9%	-21.9%	-22.1%	-24.8%
2013	38200	410,617	0	157,128	(157,128)	-38.3%	-28.9%	-26.2%	-27.2%	-28.8%	-28.3%	-25.7%	-25.7%	-23.5%	-23.5%
2014	38200	313,884	508	82,829	(82,320)	-26.2%	-33.1%	-28.1%	-26.2%	-27.0%	-28.4%	-28.1%	-25.7%	-25.7%	-23.7%
2015	38200	319,303	0	210,018	(210,018)	-65.8%	-46.2%	-43.1%	-36.9%	-33.0%	-32.8%	-33.2%	-32.1%	-28.9%	-28.9%
2016	38200	276,889	0	177,346	(177,346)	-64.0%	-65.0%	-51.6%	-47.5%	-41.5%	-37.0%	-36.3%	-36.3%	-34.9%	-31.1%
2017	38200	174,265	0	118,799	(118,799)	-68.2%	-65.6%	-65.7%	-54.3%	-49.9%	-44.0%	-39.3%	-38.4%	-38.2%	-36.6%
2018	38200	225,374	0	114,263	(114,263)	-50.7%	-58.3%	-60.7%	-62.3%	-53.7%	-50.0%	-44.8%	-40.3%	-39.4%	-39.1%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	House Regulators														
1982	38300	0	0	0	0	NA									
1983	38300	5,748	0	0	0	0.0%	0.0%								
1984	38300	1,335	0	115	(115)	-8.6%	-1.6%	-1.6%							
1985	38300	5,002	0	86	(86)	-1.7%	-3.2%	-1.7%	-1.7%						
1986	38300	28,764	0	11	(11)	0.0%	-0.3%	-0.6%	-0.5%	-0.5%					
1987	38300	7,213	504	0	504	7.0%	1.4%	1.0%	0.7%	0.6%	0.6%				
1988	38300	6,841	0	0	0	0.0%	3.6%	1.2%	0.8%	0.6%	0.5%	0.5%			
1989	38300	22,589	0	0	0	0.0%	0.0%	1.4%	0.8%	0.6%	0.4%	0.4%	0.4%		
1990	38300	6,231	0	0	0	0.0%	0.0%	0.0%	1.2%	0.7%	0.5%	0.4%	0.3%	0.3%	
1991	38300	197,321	10	0	10	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
1992	38300	76,352	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%	0.1%
1993	38300	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%
1994	38300	89,686	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
1995	38300	42,817	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
1996	38300	121,246	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
1997	38300	5,692	0	1,598	(1,598)	-28.1%	-1.3%	-0.9%	-0.6%	-0.6%	-0.5%	-0.3%	-0.3%	-0.3%	-0.3%
1998	38300	216,655	0	20	(20)	0.0%	-0.7%	-0.5%	-0.4%	-0.3%	-0.3%	-0.3%	-0.2%	-0.2%	-0.2%
1999	38300	0	0	0	0	NA	0.0%	-0.7%	-0.5%	-0.4%	-0.3%	-0.3%	-0.3%	-0.2%	-0.2%
2000	38300	306,995	0	0	0	0.0%	0.0%	0.0%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
2001	38300	0	0	0	0	NA	0.0%	0.0%	0.0%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
2002	38300	38,383	0	210	(210)	-0.5%	-0.5%	-0.1%	-0.1%	0.0%	-0.3%	-0.3%	-0.2%	-0.2%	-0.2%
2003	38300	78,471	433	7,252	(6,818)	-8.7%	-6.0%	-6.0%	-1.7%	-1.7%	-1.1%	-1.3%	-1.1%	-1.1%	-1.0%
2004	38300	91,630	0	2,074	(2,074)	-2.3%	-5.2%	-4.4%	-4.4%	-1.8%	-1.8%	-1.2%	-1.5%	-1.2%	-1.2%
2005	38300	90,468	0	(1,100)	1,100	1.2%	-0.5%	-3.0%	-2.7%	-2.7%	-1.3%	-1.3%	-1.0%	-1.2%	-1.0%
2006	38300	85,790	30,974	(240)	31,214	36.4%	18.3%	11.3%	6.8%	6.0%	6.0%	3.4%	3.4%	2.6%	2.4%
2007	38300	84,798	1,186	(228)	1,414	1.7%	19.1%	12.9%	9.0%	5.8%	5.2%	5.2%	3.2%	3.2%	2.5%
2008	38300	72,529	1,064	0	1,064	1.5%	1.6%	13.9%	10.4%	7.7%	5.1%	4.7%	4.7%	3.0%	3.0%
2009	38300	77,810	633	0	633	0.8%	1.1%	1.3%	10.7%	8.6%	6.6%	4.6%	4.2%	4.2%	2.8%
2010	38300	41,037	759	0	759	1.8%	1.2%	1.3%	1.4%	9.7%	8.0%	6.3%	4.4%	4.1%	4.1%
2011	38300	50,209	121	0	121	0.2%	1.0%	0.9%	1.1%	1.2%	8.5%	7.2%	5.8%	4.1%	3.8%
2012	38300	31,209	154	1,094	(940)	-3.0%	-1.0%	0.0%	0.3%	0.6%	0.9%	7.7%	6.6%	5.3%	3.8%
2013	38300	64,926	130	2,397	(2,267)	-3.5%	-3.3%	-2.1%	-1.2%	-0.6%	-0.2%	0.2%	6.3%	5.5%	4.5%
2014	38300	53,156	469	2,108	(1,640)	-3.1%	-3.3%	-3.2%	-2.4%	-1.6%	-1.0%	-0.6%	-0.2%	5.4%	4.8%
2015	38300	64,582	0	0	0	0.0%	-1.4%	-2.1%	-2.3%	-1.8%	-1.3%	-0.9%	-0.5%	-0.2%	4.8%
2016	38300	85,597	0	687	(687)	-0.8%	-0.5%	-1.1%	-1.7%	-1.8%	-1.5%	-1.2%	-0.9%	-0.5%	-0.2%
2017	38300	81,929	0	0	0	0.0%	-0.4%	-0.3%	-0.8%	-1.3%	-1.5%	-1.3%	-1.0%	-0.7%	-0.5%
2018	38300	64,155	0	(1)	1	0.0%	0.0%	-0.3%	-0.2%	-0.7%	-1.1%	-1.2%	-1.1%	-0.9%	-0.7%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
House Regulator Installs															
1982	38400	0	0	0	0	NA									
1983	38400	0	0	0	0	NA	NA								
1984	38400	2,671	0	0	0	0.0%	0.0%	0.0%							
1985	38400	1,821	0	0	0	0.0%	0.0%	0.0%	0.0%						
1986	38400	4,907	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%					
1987	38400	17,156	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
1988	38400	8,208	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
1989	38400	12,127	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
1990	38400	20,586	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
1991	38400	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1992	38400	7,520	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1993	38400	6,015	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1994	38400	3,586	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1995	38400	76,352	0	20,383	(20,383)	-26.7%	-25.5%	-23.7%	-21.8%	-21.8%	-17.9%	-16.2%	-15.2%	-13.5%	-13.0%
1996	38400	106,344	0	22,907	(22,907)	-21.5%	-23.7%	-23.2%	-22.5%	-21.7%	-21.7%	-19.6%	-18.6%	-18.0%	-16.8%
1997	38400	86,862	0	17,728	(17,728)	-20.4%	-21.0%	-22.6%	-22.3%	-21.9%	-21.3%	-21.3%	-19.9%	-19.1%	-18.6%
1998	38400	33,156	0	4,680	(4,680)	-14.1%	-18.7%	-20.0%	-21.7%	-21.4%	-21.0%	-20.5%	-20.5%	-19.3%	-18.6%
1999	38400	29,590	0	12,996	(12,996)	-43.9%	-28.2%	-23.7%	-22.8%	-23.7%	-23.4%	-23.0%	-22.5%	-22.5%	-21.3%
2000	38400	78,823	47	43,910	(43,862)	-55.6%	-52.4%	-43.5%	-34.7%	-30.5%	-29.8%	-29.6%	-29.1%	-28.6%	-28.6%
2001	38400	113,213	0	327,387	(327,387)	-289.2%	-193.3%	-173.4%	-152.7%	-119.0%	-95.9%	-85.8%	-85.2%	-84.3%	-83.1%
2002	38400	188,389	0	259,359	(259,359)	-137.7%	-194.5%	-165.8%	-157.0%	-146.3%	-125.7%	-108.3%	-99.5%	-99.0%	-98.2%
2003	38400	124,423	0	115,682	(115,682)	-93.0%	-119.9%	-164.9%	-147.8%	-142.1%	-134.6%	-119.4%	-105.8%	-98.5%	-98.1%
2004	38400	163,583	0	105,439	(105,439)	-64.5%	-76.8%	-100.9%	-137.0%	-127.4%	-123.9%	-118.9%	-108.4%	-98.4%	-93.0%
2005	38400	212,432	0	61,527	(61,527)	-29.0%	-44.4%	-56.5%	-78.7%	-108.4%	-103.7%	-101.7%	-98.7%	-92.1%	-85.5%
2006	38400	0	0	0	0	NA	-29.0%	-44.4%	-56.5%	-78.7%	-108.4%	-103.7%	-101.7%	-98.7%	-92.1%
2007	38400	369,613	13,324	92,255	(78,931)	-21.4%	-21.4%	-24.1%	-33.0%	-41.6%	-58.7%	-80.9%	-79.3%	-78.5%	-76.9%
2008	38400	231,216	0	66,549	(66,549)	-28.8%	-24.2%	-24.2%	-25.5%	-32.0%	-38.9%	-53.3%	-72.3%	-71.5%	-70.9%
2009	38400	175,395	0	43,322	(43,322)	-24.7%	-27.0%	-24.3%	-24.3%	-25.3%	-30.9%	-36.9%	-49.9%	-67.0%	-66.5%
2010	38400	162,024	0	41,965	(41,965)	-25.9%	-25.3%	-26.7%	-24.6%	-24.6%	-25.4%	-30.3%	-35.7%	-47.5%	-63.2%
2011	38400	213,519	0	41,280	(41,280)	-19.3%	-22.2%	-23.0%	-24.7%	-23.6%	-23.6%	-24.5%	-28.7%	-33.6%	-44.2%
2012	38400	134,372	0	15,834	(15,834)	-11.8%	-16.4%	-19.4%	-20.8%	-22.8%	-22.4%	-22.4%	-23.3%	-27.4%	-31.9%
2013	38400	163,022	0	80,013	(80,013)	-49.1%	-32.2%	-26.8%	-26.6%	-26.2%	-26.8%	-25.4%	-25.4%	-25.8%	-29.3%
2014	38400	123,370	24	82,318	(82,294)	-66.7%	-56.7%	-42.3%	-34.6%	-32.8%	-31.4%	-30.9%	-28.6%	-28.6%	-28.7%
2015	38400	78,463	0	167,548	(167,548)	-213.5%	-123.8%	-90.4%	-69.2%	-54.3%	-49.0%	-45.0%	-42.0%	-37.4%	-37.4%
2016	38400	96,592	0	164,667	(164,667)	-170.5%	-189.8%	-138.9%	-107.2%	-85.7%	-68.2%	-61.1%	-55.5%	-51.1%	-44.8%
2017	38400	48,988	0	119,932	(119,932)	-244.8%	-195.5%	-201.8%	-153.8%	-120.4%	-97.7%	-78.2%	-69.9%	-63.3%	-57.7%
2018	38400	63,894	0	109,386	(109,386)	-171.2%	-203.1%	-188.1%	-195.0%	-156.5%	-126.0%	-104.4%	-84.7%	-75.9%	-68.8%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Meas & Reg Station Eqp Ind														
1982	38500	0	0	0	0	NA									
1983	38500	0	0	0	0	NA	NA								
1984	38500	0	0	0	0	NA	NA	NA							
1985	38500	6,677	0	0	0	0.0%	0.0%	0.0%	0.0%						
1986	38500	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%					
1987	38500	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%				
1988	38500	0	0	0	0	NA	NA	NA	0.0%	0.0%	0.0%	0.0%			
1989	38500	0	0	0	0	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%		
1990	38500	0	0	0	0	NA	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	
1991	38500	0	0	0	0	NA	NA	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%
1992	38500	39,689	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1993	38500	17,719	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1994	38500	36,092	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1995	38500	35,099	0	410	(410)	-1.2%	-0.6%	-0.5%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%
1996	38500	36,253	0	0	0	0.0%	-0.6%	-0.4%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
1997	38500	0	0	0	0	NA	0.0%	-0.6%	-0.4%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
1998	38500	0	0	0	0	NA	NA	0.0%	-0.6%	-0.4%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%
1999	38500	1,472	0	1,122	(1,122)	-76.3%	-76.3%	-76.3%	-3.0%	-2.1%	-1.4%	-1.2%	-0.9%	-0.9%	-0.9%
2000	38500	7,066	0	0	0	0.0%	-13.1%	-13.1%	-13.1%	-2.5%	-1.9%	-1.3%	-1.1%	-0.9%	-0.9%
2001	38500	3,314	0	0	0	0.0%	0.0%	-9.5%	-9.5%	-9.5%	-2.3%	-1.8%	-1.3%	-1.1%	-0.9%
2002	38500	233,528	0	0	0	0.0%	0.0%	0.0%	-0.5%	-0.5%	-0.5%	-0.4%	-0.5%	-0.4%	-0.4%
2003	38500	290,162	0	14,096	(14,096)	-4.9%	-2.7%	-2.7%	-2.6%	-2.8%	-2.8%	-2.8%	-2.7%	-2.6%	-2.4%
2004	38500	111,126	0	1,579	(1,579)	-1.4%	-3.9%	-2.5%	-2.5%	-2.4%	-2.6%	-2.6%	-2.6%	-2.5%	-2.4%
2005	38500	0	0	0	0	NA	-1.4%	-3.9%	-2.5%	-2.5%	-2.4%	-2.6%	-2.6%	-2.6%	-2.5%
2006	38500	31,947	0	0	0	0.0%	0.0%	-1.1%	-3.6%	-2.4%	-2.3%	-2.3%	-2.5%	-2.5%	-2.5%
2007	38500	0	0	0	0	NA	0.0%	0.0%	-1.1%	-3.6%	-2.4%	-2.3%	-2.3%	-2.5%	-2.5%
2008	38500	51,692	0	0	0	0.0%	0.0%	0.0%	0.0%	-0.8%	-3.2%	-2.2%	-2.2%	-2.2%	-2.3%
2009	38500	43,640	0	160	(160)	-0.4%	-0.2%	-0.2%	-0.1%	-0.1%	-0.7%	-3.0%	-2.1%	-2.1%	-2.0%
2010	38500	43,836	0	825	(825)	-1.9%	-1.1%	-0.7%	-0.7%	-0.6%	-0.6%	-0.9%	-2.9%	-2.1%	-2.1%
2011	38500	194,354	0	20,154	(20,154)	-10.4%	-8.8%	-7.5%	-6.3%	-6.3%	-5.8%	-5.8%	-4.8%	-4.8%	-3.7%
2012	38500	91,079	0	6,348	(6,348)	-7.0%	-9.3%	-8.3%	-7.4%	-6.5%	-6.5%	-6.0%	-6.0%	-5.1%	-5.0%
2013	38500	137,301	0	667	(667)	-0.5%	-3.1%	-6.4%	-6.0%	-5.5%	-5.0%	-5.0%	-4.7%	-4.7%	-4.2%
2014	38500	85,237	0	421	(421)	-0.5%	-0.5%	-2.4%	-5.4%	-5.1%	-4.8%	-4.4%	-4.4%	-4.2%	-4.2%
2015	38500	23,703	0	730	(730)	-3.1%	-1.1%	-0.7%	-2.4%	-5.3%	-5.1%	-4.7%	-4.4%	-4.4%	-4.2%
2016	38500	52,754	0	1,134	(1,134)	-2.1%	-2.4%	-1.4%	-1.0%	-2.4%	-5.0%	-4.8%	-4.5%	-4.2%	-4.2%
2017	38500	244	0	51	(51)	-20.8%	-2.2%	-2.5%	-1.4%	-1.0%	-2.4%	-5.0%	-4.8%	-4.5%	-4.2%
2018	38500	1,181	0	0	0	0.0%	-3.6%	-2.2%	-2.5%	-1.4%	-1.0%	-2.4%	-5.0%	-4.8%	-4.5%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Other Equipment														
1982	38700	0	0	0	0	NA									
1983	38700	5,361	0	0	0	0.0%	0.0%								
1984	38700	5,402	0	(992)	992	18.4%	9.2%	9.2%							
1985	38700	8,431	0	0	0	0.0%	7.2%	5.2%	5.2%						
1986	38700	11,642	0	27	(27)	-0.2%	-0.1%	3.8%	3.1%	3.1%					
1987	38700	13,928	0	0	0	0.0%	-0.1%	-0.1%	2.4%	2.2%	2.2%				
1988	38700	8,123	0	0	0	0.0%	0.0%	-0.1%	-0.1%	2.0%	1.8%	1.8%			
1989	38700	13,833	0	0	0	0.0%	0.0%	0.0%	-0.1%	0.0%	1.6%	1.4%	1.4%		
1990	38700	23,245	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	1.1%	1.1%	
1991	38700	66,452	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%	0.6%
1992	38700	46,567	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%
1993	38700	17,636	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
1994	38700	29,835	0	457	(457)	-1.5%	-1.0%	-0.5%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
1995	38700	74,531	0	0	0	0.0%	-0.4%	-0.4%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
1996	38700	13,331	0	0	0	0.0%	0.0%	-0.4%	-0.3%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%	-0.1%
1997	38700	5,063	0	0	0	0.0%	0.0%	0.0%	-0.4%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
1998	38700	63,155	0	0	0	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.2%	-0.2%	-0.1%	-0.1%	-0.1%
1999	38700	65,404	65	0	65	0.1%	0.1%	0.0%	0.0%	0.0%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%
2000	38700	120,495	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.1%	-0.1%
2001	38700	47,514	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.1%
2002	38700	12,377	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
2003	38700	4,758	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%
2004	38700	61,154	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2005	38700	9,753	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2006	38700	41,928	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007	38700	21,823	0	(446)	446	2.0%	0.7%	0.6%	0.3%	0.3%	0.3%	0.2%	0.1%	0.1%	0.1%
2008	38700	11,012	0	0	0	0.0%	1.4%	0.6%	0.5%	0.3%	0.3%	0.3%	0.2%	0.1%	0.1%
2009	38700	3,407	0	0	0	0.0%	0.0%	1.2%	0.6%	0.5%	0.3%	0.3%	0.3%	0.2%	0.1%
2010	38700	26,324	0	0	0	0.0%	0.0%	0.0%	0.7%	0.4%	0.4%	0.3%	0.2%	0.2%	0.2%
2011	38700	361,008	0	0	0	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
2012	38700	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
2013	38700	9,922	0	1,270	(1,270)	-12.8%	-12.8%	-0.3%	-0.3%	-0.3%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%
2014	38700	0	0	0	0	NA	-12.8%	-12.8%	-0.3%	-0.3%	-0.3%	-0.3%	-0.2%	-0.2%	-0.2%
2015	38700	0	0	0	0	NA	NA	-12.8%	-12.8%	-0.3%	-0.3%	-0.3%	-0.3%	-0.2%	-0.2%
2016	38700	0	0	0	0	NA	NA	NA	-12.8%	-12.8%	-0.3%	-0.3%	-0.3%	-0.3%	-0.2%
2017	38700	8,048	0	0	0	0.0%	0.0%	0.0%	0.0%	-7.1%	-7.1%	-0.3%	-0.3%	-0.3%	-0.3%
2018	38700	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	-7.1%	-7.1%	-0.3%	-0.3%	-0.3%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
Structures & Improvements															
1982	39000	0	0	0	0	NA									
1983	39000	1,683	0	0	0	0.0%	0.0%								
1984	39000	788,044	0	0	0	0.0%	0.0%	0.0%							
1985	39000	9,194	838	(40)	878	9.6%	0.1%	0.1%	0.1%						
1986	39000	24,212	0	0	0	0.0%	2.6%	0.1%	0.1%	0.1%					
1987	39000	13,387	0	0	0	0.0%	0.0%	1.9%	0.1%	0.1%	0.1%				
1988	39000	53,826	0	0	0	0.0%	0.0%	0.0%	0.9%	0.1%	0.1%	0.1%			
1989	39000	53,872	0	0	0	0.0%	0.0%	0.0%	0.0%	0.6%	0.1%	0.1%	0.1%		
1990	39000	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.6%	0.1%	0.1%	0.1%	
1991	39000	1,234	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.1%	0.1%	0.1%
1992	39000	15,394	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.1%	0.1%
1993	39000	417,561	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
1994	39000	57,327	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
1995	39000	168,045	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1996	39000	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1997	39000	17,337	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1998	39000	16,848	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1999	39000	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2000	39000	241,599	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2001	39000	57,584	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2002	39000	59,146	0	140	(140)	-0.2%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2003	39000	22,061	0	0	0	0.0%	-0.2%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2004	39000	1,095	0	0	0	0.0%	0.0%	-0.2%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2005	39000	39,043	0	0	0	0.0%	0.0%	0.0%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
2006	39000	0	0	0	0	NA	0.0%	0.0%	0.0%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
2007	39000	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	-0.1%	-0.1%	0.0%	0.0%	0.0%
2008	39000	0	0	0	0	NA	NA	NA	0.0%	0.0%	0.0%	-0.1%	-0.1%	0.0%	0.0%
2009	39000	0	0	0	0	NA	NA	NA	NA	0.0%	0.0%	0.0%	-0.1%	-0.1%	0.0%
2010	39000	0	0	0	0	NA	NA	NA	NA	NA	0.0%	0.0%	0.0%	-0.1%	-0.1%
2011	39000	0	0	0	0	NA	NA	NA	NA	NA	NA	0.0%	0.0%	0.0%	-0.1%
2012	39000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	0.0%	0.0%	0.0%
2013	39000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	0.0%	0.0%
2014	39000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0%
2015	39000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2016	39000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2017	39000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2018	39000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
Structures & Improvements - Leasehold															
1982	39002	0	0	0	0	NA									
1983	39002	0	0	0	0	NA	NA								
1984	39002	0	0	0	0	NA	NA	NA							
1985	39002	0	0	0	0	NA	NA	NA	NA						
1986	39002	0	0	0	0	NA	NA	NA	NA	NA					
1987	39002	0	0	0	0	NA	NA	NA	NA	NA	NA				
1988	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
1989	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
1990	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
1991	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1993	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1994	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1995	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1996	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1997	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1998	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1999	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2000	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2001	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2002	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2003	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2004	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2005	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2006	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2007	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2008	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2009	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2010	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2011	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2012	39002	50,789	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2013	39002	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2014	39002	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2015	39002	0	0	0	0	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2016	39002	0	0	0	0	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2017	39002	0	0	0	0	NA	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%
2018	39002	0	0	0	0	NA	NA	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Office Furniture														
1982	39100	0	0	0	0	NA									
1983	39100	6,524	100	0	100	1.5%	1.5%								
1984	39100	27,686	426	0	426	1.5%	1.5%	1.5%							
1985	39100	6,625	550	29	521	7.9%	2.8%	2.6%	2.6%						
1986	39100	10,696	6	0	6	0.1%	3.0%	2.1%	2.0%	2.0%					
1987	39100	17,956	2,249	(60)	2,309	12.9%	8.1%	8.0%	5.2%	4.8%	4.8%				
1988	39100	2,839	0	0	0	0.0%	11.1%	7.4%	7.4%	5.0%	4.6%	4.6%			
1989	39100	111,084	335	0	335	0.3%	0.3%	2.0%	1.9%	2.1%	2.0%	2.0%	2.0%		
1990	39100	17,409	10,721	0	10,721	61.6%	8.6%	8.4%	9.0%	8.4%	8.3%	7.4%	7.2%	7.2%	
1991	39100	82,461	773	0	773	0.9%	11.5%	5.6%	5.5%	6.1%	5.8%	5.9%	5.5%	5.4%	5.4%
1992	39100	43,362	588	54	534	1.2%	1.0%	8.4%	4.9%	4.8%	5.3%	5.1%	5.2%	4.9%	4.8%
1993	39100	53,388	1,501	629	872	1.6%	1.5%	1.2%	6.6%	4.3%	4.3%	4.7%	4.6%	4.6%	4.4%
1994	39100	29,520	296	0	296	1.0%	1.4%	1.3%	1.2%	5.8%	4.0%	4.0%	4.4%	4.3%	4.4%
1995	39100	148,236	0	0	0	0.0%	0.2%	0.5%	0.6%	0.7%	3.5%	2.8%	2.8%	3.1%	3.1%
1996	39100	6,933	0	0	0	0.0%	0.0%	0.2%	0.5%	0.6%	0.7%	3.5%	2.7%	2.7%	3.1%
1997	39100	1,136,006	16,900	0	16,900	1.5%	1.5%	1.3%	1.3%	1.3%	1.3%	1.3%	2.0%	1.9%	1.9%
1998	39100	58,598	4,500	0	4,500	7.7%	1.8%	1.8%	1.6%	1.6%	1.6%	1.6%	1.5%	2.2%	2.1%
1999	39100	7,326	0	0	0	0.0%	6.8%	1.8%	1.8%	1.6%	1.6%	1.6%	1.6%	1.5%	2.2%
2000	39100	33,137	0	0	0	0.0%	0.0%	4.5%	1.7%	1.7%	1.5%	1.5%	1.5%	1.5%	1.5%
2001	39100	230,656	0	0	0	0.0%	0.0%	0.0%	1.4%	1.5%	1.5%	1.3%	1.3%	1.3%	1.3%
2002	39100	10,919	0	0	0	0.0%	0.0%	0.0%	0.0%	1.3%	1.4%	1.4%	1.3%	1.3%	1.3%
2003	39100	24,582	443	0	443	1.8%	1.2%	0.2%	0.1%	0.1%	1.4%	1.5%	1.4%	1.3%	1.3%
2004	39100	229,658	0	0	0	0.0%	0.2%	0.2%	0.1%	0.1%	0.1%	0.8%	1.3%	1.3%	1.2%
2005	39100	293	0	0	0	0.0%	0.0%	0.2%	0.2%	0.1%	0.1%	0.1%	0.8%	1.3%	1.3%
2006	39100	102,624	0	0	0	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.7%	1.2%
2007	39100	212,091	0	0	0	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.5%
2008	39100	18,018	1,378	(60)	1,438	8.0%	0.6%	0.4%	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%
2009	39100	25,422	0	0	0	0.0%	3.3%	0.6%	0.4%	0.4%	0.2%	0.3%	0.3%	0.2%	0.2%
2010	39100	131,339	0	0	0	0.0%	0.0%	0.8%	0.4%	0.3%	0.3%	0.2%	0.3%	0.2%	0.2%
2011	39100	253,922	0	0	0	0.0%	0.0%	0.0%	0.3%	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%
2012	39100	0	0	0	0	NA	0.0%	0.0%	0.0%	0.3%	0.2%	0.2%	0.2%	0.1%	0.2%
2013	39100	10,296	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.2%	0.2%	0.2%	0.1%
2014	39100	925,722	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
2015	39100	576,000	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
2016	39100	62,307	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
2017	39100	148,249	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
2018	39100	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Computer Equipment														
1982	39101	0	0	0	0	NA									
1983	39101	0	0	0	0	NA	NA								
1984	39101	33,905	32,832	0	32,832	96.8%	96.8%	96.8%							
1985	39101	165,994	63,000	0	63,000	38.0%	47.9%	47.9%	47.9%						
1986	39101	0	6	0	6	NA	38.0%	47.9%	47.9%	47.9%					
1987	39101	962	0	0	0	0.0%	0.6%	37.7%	47.7%	47.7%	47.7%				
1988	39101	6,388	0	0	0	0.0%	0.0%	0.1%	36.3%	46.2%	46.2%	46.2%			
1989	39101	5,139	0	0	0	0.0%	0.0%	0.0%	0.0%	35.3%	45.1%	45.1%	45.1%		
1990	39101	20,297	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	31.7%	41.2%	41.2%	41.2%	
1991	39101	784,814	50	0	50	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.4%	9.4%	9.4%	9.4%
1992	39101	48,505	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.1%	9.0%	9.0%
1993	39101	220,270	50	0	50	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	7.5%
1994	39101	336,486	5,007	0	5,007	1.5%	0.9%	0.8%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	4.3%
1995	39101	314,567	2,275	0	2,275	0.7%	1.1%	0.8%	0.8%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
1996	39101	192,789	2,000	0	2,000	1.0%	0.8%	1.1%	0.9%	0.8%	0.5%	0.5%	0.5%	0.5%	0.5%
1997	39101	855,434	25	0	25	0.0%	0.2%	0.3%	0.5%	0.5%	0.5%	0.3%	0.3%	0.3%	0.3%
1998	39101	1,482,517	0	0	0	0.0%	0.0%	0.1%	0.2%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%
1999	39101	842,919	0	0	0	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
2000	39101	3,744,370	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
2001	39101	214,478	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
2002	39101	197,975	750	0	750	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
2003	39101	852,699	0	0	0	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
2004	39101	1,807,994	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2005	39101	152,735	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2006	39101	1,659,588	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007	39101	177,909	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2008	39101	534,815	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2009	39101	386,348	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2010	39101	1,776,939	1,620	0	1,620	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2011	39101	556,685	0	0	0	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2012	39101	25,064	0	0	0	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2013	39101	24,961	0	0	0	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
2014	39101	2,222,120	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2015	39101	933,953	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2016	39101	1,697,739	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2017	39101	1,052,914	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2018	39101	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Office Equipment														
1982	39102	0	0	0	0	NA									
1983	39102	0	0	0	0	NA	NA								
1984	39102	0	0	0	0	NA	NA	NA							
1985	39102	0	0	0	0	NA	NA	NA	NA						
1986	39102	2,583	10	27	(17)	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%					
1987	39102	39,149	2,021	0	2,021	5.2%	4.8%	4.8%	4.8%	4.8%	4.8%				
1988	39102	4,486	128	0	128	2.9%	4.9%	4.6%	4.6%	4.6%	4.6%	4.6%			
1989	39102	48,430	375	0	375	0.8%	1.0%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%		
1990	39102	8,804	1,084	0	1,084	12.3%	2.5%	2.6%	3.6%	3.5%	3.5%	3.5%	3.5%	3.5%	
1991	39102	65,896	6,532	0	6,532	9.9%	10.2%	6.5%	6.4%	6.1%	6.0%	6.0%	6.0%	6.0%	6.0%
1992	39102	19,687	0	0	0	0.0%	7.6%	8.1%	5.6%	5.5%	5.4%	5.4%	5.4%	5.4%	5.4%
1993	39102	6,870	1,390	0	1,390	20.2%	5.2%	8.6%	8.9%	6.3%	6.2%	6.0%	5.9%	5.9%	5.9%
1994	39102	14,233	0	0	0	0.0%	6.6%	3.4%	7.4%	7.8%	5.7%	5.6%	5.6%	5.5%	5.5%
1995	39102	95,066	200	0	200	0.2%	0.2%	1.4%	1.2%	4.0%	4.4%	3.7%	3.7%	3.9%	3.8%
1996	39102	5,380	0	0	0	0.0%	0.2%	0.2%	1.3%	1.1%	3.9%	4.3%	3.6%	3.6%	3.8%
1997	39102	151,024	4,200	0	4,200	2.8%	2.7%	1.7%	1.7%	2.1%	2.0%	3.4%	3.7%	3.3%	3.3%
1998	39102	46,696	0	0	0	0.0%	2.1%	2.1%	1.5%	1.4%	1.8%	1.7%	3.0%	3.2%	3.0%
1999	39102	13,506	0	0	0	0.0%	0.0%	2.0%	1.9%	1.4%	1.4%	1.7%	1.6%	2.9%	3.1%
2000	39102	49,498	0	0	0	0.0%	0.0%	0.0%	1.6%	1.6%	1.2%	1.2%	1.5%	1.4%	2.6%
2001	39102	10,004	0	0	0	0.0%	0.0%	0.0%	0.0%	1.6%	1.5%	1.2%	1.1%	1.5%	1.4%
2002	39102	23,966	0	2,614	(2,614)	-10.9%	-7.7%	-3.1%	-2.7%	-1.8%	0.5%	0.5%	0.5%	0.4%	0.8%
2003	39102	23,741	0	0	0	0.0%	-5.5%	-4.5%	-2.4%	-2.2%	-1.6%	0.5%	0.5%	0.4%	0.4%
2004	39102	25,375	0	0	0	0.0%	0.0%	-3.6%	-3.1%	-2.0%	-1.8%	-1.4%	0.5%	0.5%	0.4%
2005	39102	0	0	0	0	NA	0.0%	0.0%	-3.6%	-3.1%	-2.0%	-1.8%	-1.4%	0.5%	0.5%
2006	39102	57,077	0	0	0	0.0%	0.0%	0.0%	0.0%	-2.0%	-1.9%	-1.4%	-1.3%	-1.0%	0.4%
2007	39102	166,618	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	-0.9%	-0.9%	-0.7%	-0.7%	-0.6%
2008	39102	26,158	122	0	122	0.5%	0.1%	0.0%	0.0%	0.0%	0.0%	-0.8%	-0.7%	-0.7%	-0.6%
2009	39102	0	0	0	0	NA	0.5%	0.1%	0.0%	0.0%	0.0%	0.0%	-0.8%	-0.7%	-0.7%
2010	39102	9,757	405	0	405	4.2%	4.2%	1.5%	0.3%	0.2%	0.2%	0.2%	0.2%	-0.6%	-0.6%
2011	39102	74,390	0	0	0	0.0%	0.5%	0.5%	0.5%	0.2%	0.2%	0.2%	0.1%	0.1%	-0.5%
2012	39102	0	0	0	0	NA	0.0%	0.5%	0.5%	0.5%	0.2%	0.2%	0.2%	0.1%	0.1%
2013	39102	10,565	0	0	0	0.0%	0.0%	0.0%	0.4%	0.4%	0.4%	0.2%	0.2%	0.2%	0.1%
2014	39102	86,959	0	0	0	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.3%	0.1%	0.1%	0.1%
2015	39102	0	(427)	0	(427)	NA	-0.5%	-0.4%	-0.4%	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
2016	39102	79,264	0	0	0	0.0%	-0.5%	-0.3%	-0.2%	-0.2%	-0.2%	0.0%	0.0%	0.0%	0.0%
2017	39102	14,760	250	(14)	264	1.8%	0.3%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	0.1%	0.1%	0.1%
2018	39102	0	0	0	0	NA	1.8%	0.3%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	0.1%	0.1%

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Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Vehicles up to 1/2 Tons														
1982	39201	0	0	0	0	NA									
1983	39201	166,003	28,775	809	27,966	16.8%	16.8%								
1984	39201	124,674	18,800	596	18,204	14.6%	15.9%	15.9%							
1985	39201	287,318	44,191	1,529	42,662	14.8%	14.8%	15.4%	15.4%						
1986	39201	297,937	30,357	962	29,395	9.9%	12.3%	12.7%	13.5%	13.5%					
1987	39201	240,698	18,875	945	17,930	7.4%	8.8%	10.9%	11.4%	12.2%	12.2%				
1988	39201	561,138	63,748	1,460	62,287	11.1%	10.0%	10.0%	11.0%	11.3%	11.8%	11.8%			
1989	39201	428,535	46,459	385	46,074	10.8%	10.9%	10.3%	10.2%	10.9%	11.2%	11.6%	11.6%		
1990	39201	657,392	60,200	5,533	54,667	8.3%	9.3%	9.9%	9.6%	9.6%	10.2%	10.4%	10.8%	10.8%	
1991	39201	531,274	13,459	5,747	7,712	1.5%	5.2%	6.7%	7.8%	7.8%	8.0%	8.7%	8.9%	9.3%	9.3%
1992	39201	776,700	68,731	2,424	66,307	8.5%	5.7%	6.5%	7.3%	8.0%	8.0%	8.1%	8.6%	8.8%	9.2%
1993	39201	1,104,709	82,950	613	82,337	7.5%	7.9%	6.5%	6.9%	7.3%	7.9%	7.8%	8.0%	8.4%	8.5%
1994	39201	424,224	24,375	2,022	22,353	5.3%	6.8%	7.4%	6.3%	6.7%	7.1%	7.6%	7.6%	7.7%	8.1%
1995	39201	887,705	81,520	1,938	79,582	9.0%	7.8%	7.6%	7.8%	6.9%	7.1%	7.5%	7.8%	7.8%	7.9%
1996	39201	954,679	116,335	961	115,374	12.1%	10.6%	9.6%	8.9%	8.8%	8.0%	8.0%	8.2%	8.5%	8.4%
1997	39201	1,275,003	94,006	2,669	91,337	7.2%	9.3%	9.2%	8.7%	8.4%	8.4%	7.8%	7.9%	8.0%	8.3%
1998	39201	3,581,288	417,029	1,962	415,067	11.6%	10.4%	10.7%	10.5%	10.2%	9.8%	9.7%	9.2%	9.2%	9.2%
1999	39201	706,927	74,901	0	74,901	10.6%	11.4%	10.4%	10.7%	10.5%	10.2%	9.9%	9.8%	9.3%	9.3%
2000	39201	522,316	57,785	0	57,785	11.1%	10.8%	11.4%	10.5%	10.7%	10.5%	10.3%	9.9%	9.8%	9.4%
2001	39201	1,297,856	152,136	21,890	130,246	10.0%	10.3%	10.4%	11.1%	10.4%	10.6%	10.5%	10.2%	9.9%	9.8%
2002	39201	1,442,695	163,841	2,583	161,258	11.2%	10.6%	10.7%	10.7%	11.1%	10.5%	10.7%	10.6%	10.3%	10.1%
2003	39201	284,213	20,300	0	20,300	7.1%	10.5%	10.3%	10.4%	10.4%	11.0%	10.4%	10.6%	10.5%	10.3%
2004	39201	1,085,562	82,937	6,737	76,200	7.0%	7.0%	9.2%	9.4%	9.6%	9.8%	10.5%	10.1%	10.2%	10.2%
2005	39201	982,523	109,041	13,370	95,670	9.7%	8.3%	8.2%	9.3%	9.5%	9.6%	9.7%	10.4%	10.0%	10.2%
2006	39201	784,816	49,560	7,811	41,749	5.3%	7.8%	7.5%	7.5%	8.6%	8.9%	9.1%	9.3%	10.0%	9.7%
2007	39201	1,418,712	65,208	(3,275)	68,483	4.8%	5.0%	6.5%	6.6%	6.6%	7.7%	8.1%	8.3%	8.5%	9.4%
2008	39201	728,319	46,895	0	46,895	6.4%	5.4%	5.4%	6.5%	6.6%	6.6%	7.6%	8.0%	8.2%	8.4%
2009	39201	529,153	38,640	0	38,640	7.3%	6.8%	5.8%	5.7%	6.6%	6.6%	6.7%	7.6%	7.9%	8.1%
2010	39201	818,735	71,765	0	71,765	8.8%	8.2%	7.6%	6.5%	6.3%	6.9%	6.9%	6.9%	7.7%	8.0%
2011	39201	879,941	70,315	0	70,315	8.0%	8.4%	8.1%	7.7%	6.8%	6.5%	7.1%	7.1%	7.1%	7.7%
2012	39201	216,259	59,807	(2,151)	61,958	28.6%	12.1%	10.7%	9.9%	9.1%	7.8%	7.4%	7.8%	7.7%	7.7%
2013	39201	1,087,859	109,689	(3,985)	113,674	10.4%	13.5%	11.3%	10.6%	10.1%	9.5%	8.3%	7.9%	8.2%	8.0%
2014	39201	560,132	60,870	43	60,827	10.9%	10.6%	12.7%	11.2%	10.6%	10.2%	9.6%	8.5%	8.2%	8.4%
2015	39201	248,255	57,615	5,200	52,415	21.1%	14.0%	12.0%	13.7%	12.0%	11.3%	10.8%	10.2%	9.0%	8.6%
2016	39201	712,141	98,524	57,904	40,620	5.7%	9.7%	10.1%	10.3%	11.7%	10.8%	10.4%	10.1%	9.6%	8.7%
2017	39201	440,796	40,802	(9,236)	50,038	11.4%	7.9%	10.2%	10.4%	10.4%	11.6%	10.9%	10.5%	10.2%	9.8%
2018	39201	410,072	101,224	12,393	88,830	21.7%	16.3%	11.5%	12.8%	12.3%	11.7%	12.7%	11.8%	11.4%	11.0%

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RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
Vehicles from to 1/2 - 1 Tons															
1982	39202	0	0	0	0	NA									
1983	39202	168,805	14,025	1,622	12,403	7.3%	7.3%								
1984	39202	59,581	15,501	904	14,597	24.5%	11.8%	11.8%							
1985	39202	202,664	17,981	288	17,693	8.7%	12.3%	10.4%	10.4%						
1986	39202	136,151	17,350	308	17,042	12.5%	10.3%	12.4%	10.9%	10.9%					
1987	39202	126,088	8,200	166	8,034	6.4%	9.6%	9.2%	10.9%	10.1%	10.1%				
1988	39202	87,817	7,100	0	7,100	8.1%	7.1%	9.2%	9.0%	10.5%	9.8%	9.8%			
1989	39202	0	0	0	0	NA	8.1%	7.1%	9.2%	9.0%	10.5%	9.8%	9.8%		
1990	39202	0	0	0	0	NA	NA	8.1%	7.1%	9.2%	9.0%	10.5%	9.8%	9.8%	
1991	39202	0	0	0	0	NA	NA	NA	8.1%	7.1%	9.2%	9.0%	10.5%	9.8%	9.8%
1992	39202	0	0	0	0	NA	NA	NA	NA	8.1%	7.1%	9.2%	9.0%	10.5%	9.8%
1993	39202	0	0	0	0	NA	NA	NA	NA	NA	8.1%	7.1%	9.2%	9.0%	10.5%
1994	39202	0	0	0	0	NA	NA	NA	NA	NA	NA	8.1%	7.1%	9.2%	9.0%
1995	39202	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	8.1%	7.1%	9.2%
1996	39202	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	8.1%	7.1%
1997	39202	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	8.1%
1998	39202	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1999	39202	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2000	39202	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2001	39202	0	4,800	0	4,800	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2002	39202	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2003	39202	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2004	39202	14,250	2,000	196	1,805	12.7%	12.7%	12.7%	46.3%	46.3%	46.3%	46.3%	46.3%	46.3%	46.3%
2005	39202	130,505	11,000	1,135	9,865	7.6%	8.1%	8.1%	8.1%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%
2006	39202	90,006	8,000	431	7,569	8.4%	7.9%	8.2%	8.2%	8.2%	10.2%	10.2%	10.2%	10.2%	10.2%
2007	39202	506,219	25,874	0	25,874	5.1%	5.6%	6.0%	6.1%	6.1%	6.1%	6.7%	6.7%	6.7%	6.7%
2008	39202	435,202	33,596	0	33,596	7.7%	6.3%	6.5%	6.6%	6.7%	6.7%	6.7%	7.1%	7.1%	7.1%
2009	39202	161,786	12,435	0	12,435	7.7%	7.7%	6.5%	6.7%	6.7%	6.8%	6.8%	6.8%	7.2%	7.2%
2010	39202	565,575	39,866	0	39,866	7.0%	7.2%	7.4%	6.7%	6.8%	6.8%	6.9%	6.9%	6.9%	7.1%
2011	39202	634,938	38,558	0	38,558	6.1%	6.5%	6.7%	6.9%	6.5%	6.6%	6.6%	6.7%	6.7%	6.7%
2012	39202	209,215	35,671	(1,941)	37,612	18.0%	9.0%	8.2%	8.2%	8.1%	7.5%	7.5%	7.5%	7.5%	7.5%
2013	39202	391,622	4,024	227	3,797	1.0%	6.9%	6.5%	6.7%	6.7%	6.9%	6.6%	6.7%	6.7%	6.7%
2014	39202	268,551	29,693	167	29,526	11.0%	5.0%	8.2%	7.3%	7.2%	7.2%	7.3%	7.0%	7.0%	7.0%
2015	39202	425,515	83,280	2,970	80,310	18.9%	15.8%	10.5%	11.7%	9.8%	9.2%	9.1%	8.9%	8.4%	8.4%
2016	39202	733,059	92,806	55,187	37,618	5.1%	10.2%	10.3%	8.3%	9.3%	8.5%	8.3%	8.3%	8.2%	7.8%
2017	39202	705,208	123,015	(14,172)	137,186	19.5%	12.2%	13.7%	13.3%	11.4%	11.9%	10.8%	10.3%	10.2%	9.9%
2018	39202	542,596	92,728	23,478	69,249	12.8%	16.5%	12.3%	13.5%	13.2%	11.7%	12.1%	11.1%	10.6%	10.5%

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Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
Airplane															
1982	39203	0	0	0	0	NA									
1983	39203	0	0	0	0	NA	NA								
1984	39203	0	0	0	0	NA	NA	NA							
1985	39203	233,886	150,000	0	150,000	64.1%	64.1%	64.1%	64.1%						
1986	39203	0	0	0	0	NA	64.1%	64.1%	64.1%	64.1%					
1987	39203	0	0	0	0	NA	NA	64.1%	64.1%	64.1%	64.1%				
1988	39203	0	0	0	0	NA	NA	NA	64.1%	64.1%	64.1%	64.1%			
1989	39203	0	0	0	0	NA	NA	NA	NA	64.1%	64.1%	64.1%	64.1%		
1990	39203	0	0	0	0	NA	NA	NA	NA	NA	64.1%	64.1%	64.1%	64.1%	
1991	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	64.1%	64.1%	64.1%	64.1%
1992	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	64.1%	64.1%	64.1%
1993	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	64.1%	64.1%
1994	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	64.1%
1995	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1996	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1997	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1998	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1999	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2000	39203	1,356,103	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2001	39203	3,923,281	4,170,000	0	4,170,000	106.3%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%
2002	39203	0	0	0	0	NA	106.3%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%
2003	39203	0	0	0	0	NA	NA	106.3%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%
2004	39203	0	0	0	0	NA	NA	NA	106.3%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%
2005	39203	0	0	0	0	NA	NA	NA	NA	106.3%	79.0%	79.0%	79.0%	79.0%	79.0%
2006	39203	0	0	0	0	NA	NA	NA	NA	NA	106.3%	79.0%	79.0%	79.0%	79.0%
2007	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	106.3%	79.0%	79.0%	79.0%
2008	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	106.3%	79.0%	79.0%
2009	39203	6,091,018	1,800,001	461	1,799,540	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	59.6%	52.5%
2010	39203	0	0	0	0	NA	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	59.6%
2011	39203	0	0	0	0	NA	NA	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
2012	39203	0	0	0	0	NA	NA	NA	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
2013	39203	0	0	0	0	NA	NA	NA	NA	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
2014	39203	0	0	0	0	NA	NA	NA	NA	NA	29.5%	29.5%	29.5%	29.5%	29.5%
2015	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	29.5%	29.5%	29.5%	29.5%
2016	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	29.5%	29.5%	29.5%
2017	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	29.5%	29.5%
2018	39203	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	29.5%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Trailers & Other														
1982	39204	0	0	0	0	NA									
1983	39204	0	1,503	0	1,503	NA	NA								
1984	39204	2,494	0	0	0	0.0%	60.3%	60.3%							
1985	39204	3,943	550	0	550	13.9%	8.5%	31.9%	31.9%						
1986	39204	868	0	26	(26)	-3.0%	10.9%	7.2%	27.7%	27.7%					
1987	39204	4,879	0	0	0	0.0%	-0.5%	5.4%	4.3%	16.6%	16.6%				
1988	39204	2,321	0	0	0	0.0%	0.0%	-0.3%	4.4%	3.6%	14.0%	14.0%			
1989	39204	0	0	0	0	NA	0.0%	0.0%	-0.3%	4.4%	3.6%	14.0%	14.0%		
1990	39204	0	0	0	0	NA	NA	0.0%	0.0%	-0.3%	4.4%	3.6%	14.0%	14.0%	
1991	39204	12,261	200	0	200	1.6%	1.6%	1.6%	1.4%	1.0%	0.9%	3.0%	2.7%	8.3%	8.3%
1992	39204	3,050	2,350	0	2,350	77.0%	16.7%	16.7%	16.7%	14.5%	11.3%	10.8%	11.2%	10.3%	15.3%
1993	39204	0	0	0	0	NA	77.0%	16.7%	16.7%	16.7%	14.5%	11.3%	10.8%	11.2%	10.3%
1994	39204	1,656	0	0	0	0.0%	0.0%	49.9%	15.0%	15.0%	15.0%	13.2%	10.6%	10.1%	10.6%
1995	39204	899	0	0	0	0.0%	0.0%	0.0%	41.9%	14.3%	14.3%	14.3%	12.6%	10.2%	9.7%
1996	39204	1,361	0	0	0	0.0%	0.0%	0.0%	0.0%	33.7%	13.3%	13.3%	13.3%	11.8%	9.6%
1997	39204	4,218	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	21.0%	10.9%	10.9%	10.9%	9.9%
1998	39204	6,399	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.4%	8.5%	8.5%	8.5%
1999	39204	21,724	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.0%	4.9%	4.9%
2000	39204	8,417	1,700	0	1,700	20.2%	5.6%	4.7%	4.2%	4.0%	4.0%	3.8%	3.8%	8.5%	7.1%
2001	39204	12,978	3,300	0	3,300	25.4%	23.4%	11.6%	10.1%	9.3%	9.1%	8.9%	8.7%	8.7%	12.1%
2002	39204	6,476	1,950	0	1,950	30.1%	27.0%	24.9%	14.0%	12.4%	11.5%	11.3%	11.1%	10.8%	10.8%
2003	39204	0	0	0	0	NA	30.1%	27.0%	24.9%	14.0%	12.4%	11.5%	11.3%	11.1%	10.8%
2004	39204	1,967	0	0	0	0.0%	0.0%	23.1%	24.5%	23.3%	13.5%	12.0%	11.2%	10.9%	10.8%
2005	39204	7,725	1,000	413	587	7.6%	6.1%	6.1%	15.7%	20.0%	20.1%	12.7%	11.5%	10.8%	10.6%
2006	39204	9,935	2,609	114	2,495	25.1%	17.5%	15.7%	15.7%	19.3%	21.3%	21.1%	14.5%	13.3%	12.6%
2007	39204	1,137	0	(150)	150	13.2%	23.9%	17.2%	15.6%	15.6%	19.0%	21.1%	20.9%	14.5%	13.3%
2008	39204	15,410	2,358	0	2,358	15.3%	15.2%	18.9%	16.3%	15.5%	15.5%	17.7%	19.5%	19.6%	14.6%
2009	39204	6,739	800	0	800	11.9%	14.3%	14.2%	17.5%	15.6%	14.9%	14.9%	16.9%	18.7%	18.8%
2010	39204	0	0	0	0	NA	11.9%	14.3%	14.2%	17.5%	15.6%	14.9%	14.9%	16.9%	18.7%
2011	39204	15,847	1,013	0	1,013	6.4%	6.4%	8.0%	11.0%	11.0%	13.9%	13.0%	12.6%	12.6%	14.3%
2012	39204	0	0	0	0	NA	6.4%	6.4%	8.0%	11.0%	11.0%	13.9%	13.0%	12.6%	12.6%
2013	39204	4,303	2,900	(33)	2,933	68.2%	68.2%	19.6%	19.6%	17.7%	16.8%	16.7%	18.3%	16.9%	16.4%
2014	39204	0	0	0	0	NA	68.2%	68.2%	19.6%	19.6%	17.7%	16.8%	16.7%	18.3%	16.9%
2015	39204	2,293	50	0	50	2.2%	2.2%	45.2%	45.2%	17.8%	17.8%	16.4%	16.0%	16.0%	17.6%
2016	39204	0	0	0	0	NA	2.2%	2.2%	45.2%	45.2%	17.8%	17.8%	16.4%	16.0%	16.0%
2017	39204	6,854	4,675	0	4,675	68.2%	68.2%	51.7%	51.7%	56.9%	56.9%	29.6%	29.6%	26.3%	23.0%
2018	39204	1,397	0	0	0	0.0%	56.7%	56.7%	44.8%	44.8%	51.6%	51.6%	28.2%	28.2%	25.3%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Vehicles over 1 Ton														
1982	39205	0	0	0	0	NA									
1983	39205	0	0	0	0	NA	NA								
1984	39205	0	0	0	0	NA	NA	NA							
1985	39205	0	0	0	0	NA	NA	NA	NA						
1986	39205	36,397	3,650	0	3,650	10.0%	10.0%	10.0%	10.0%	10.0%					
1987	39205	14,988	1,900	0	1,900	12.7%	10.8%	10.8%	10.8%	10.8%	10.8%				
1988	39205	135,020	6,628	(95)	6,722	5.0%	5.7%	6.6%	6.6%	6.6%	6.6%	6.6%			
1989	39205	35,318	1,300	0	1,300	3.7%	4.7%	5.4%	6.1%	6.1%	6.1%	6.1%	6.1%		
1990	39205	26,187	2,550	(149)	2,699	10.3%	6.5%	5.5%	6.0%	6.6%	6.6%	6.6%	6.6%	6.6%	
1991	39205	65,112	4,150	0	4,150	6.4%	7.5%	6.4%	5.7%	6.1%	6.5%	6.5%	6.5%	6.5%	6.5%
1992	39205	19,001	1,500	0	1,500	7.9%	6.7%	7.6%	6.6%	5.8%	6.2%	6.6%	6.6%	6.6%	6.6%
1993	39205	30,344	1,500	0	1,500	4.9%	6.1%	6.2%	7.0%	6.3%	5.7%	6.1%	6.5%	6.5%	6.5%
1994	39205	16,790	600	0	600	3.6%	4.5%	5.4%	5.9%	6.6%	6.1%	5.6%	5.9%	6.3%	6.3%
1995	39205	22,211	0	0	0	0.0%	1.5%	3.0%	4.1%	5.1%	5.8%	5.5%	5.3%	5.6%	6.0%
1996	39205	117,864	3,500	0	3,500	3.0%	2.5%	2.6%	3.0%	3.4%	4.1%	4.7%	4.6%	4.7%	4.9%
1997	39205	123,975	11,695	0	11,695	9.4%	6.3%	5.8%	5.6%	5.6%	5.7%	5.8%	6.1%	5.9%	5.7%
1998	39205	202,522	16,250	0	16,250	8.0%	8.6%	7.1%	6.7%	6.6%	6.5%	6.6%	6.6%	6.7%	6.6%
1999	39205	101,742	16,350	0	16,350	16.1%	10.7%	10.3%	8.8%	8.4%	8.3%	8.1%	8.1%	7.9%	8.0%
2000	39205	67,392	17,260	0	17,260	25.6%	19.9%	13.4%	12.4%	10.6%	10.2%	10.1%	9.8%	9.8%	9.5%
2001	39205	136,136	12,750	0	12,750	9.4%	14.7%	15.2%	12.3%	11.8%	10.4%	10.1%	9.9%	9.8%	9.7%
2002	39205	179,161	12,010	0	12,010	6.7%	7.9%	11.0%	12.0%	10.9%	10.6%	9.7%	9.4%	9.3%	9.2%
2003	39205	32,517	3,500	0	3,500	10.8%	7.3%	8.1%	11.0%	12.0%	10.9%	10.6%	9.7%	9.5%	9.4%
2004	39205	88,243	4,100	720	3,380	3.8%	5.7%	6.3%	7.3%	9.7%	10.8%	10.1%	10.0%	9.2%	9.0%
2005	39205	37,911	3,762	430	3,332	8.8%	5.3%	6.4%	6.6%	7.4%	9.6%	10.7%	10.0%	10.0%	9.2%
2006	39205	115,142	11,517	552	10,965	9.5%	9.3%	7.3%	7.7%	7.3%	7.8%	9.6%	10.5%	10.0%	9.9%
2007	39205	42,687	2,200	0	2,200	5.2%	8.3%	8.4%	7.0%	7.4%	7.1%	7.6%	9.4%	10.2%	9.8%
2008	39205	174,207	6,374	0	6,374	3.7%	4.0%	5.9%	6.2%	5.7%	6.1%	6.2%	6.8%	8.2%	9.0%
2009	39205	131,294	3,016	0	3,016	2.3%	3.1%	3.3%	4.9%	5.2%	5.0%	5.3%	5.6%	6.1%	7.4%
2010	39205	85,721	3,950	0	3,950	4.6%	3.2%	3.4%	3.6%	4.8%	5.1%	4.9%	5.2%	5.5%	6.0%
2011	39205	39,347	1,708	0	1,708	4.3%	4.5%	3.4%	3.5%	3.6%	4.8%	5.0%	4.9%	5.1%	5.4%
2012	39205	80,511	0	0	0	0.0%	1.4%	2.8%	2.6%	2.9%	3.1%	4.2%	4.5%	4.4%	4.6%
2013	39205	153,544	7,838	(208)	8,045	5.2%	3.4%	3.6%	3.8%	3.4%	3.5%	3.6%	4.4%	4.6%	4.5%
2014	39205	110,493	3,430	0	3,430	3.1%	4.3%	3.3%	3.4%	3.6%	3.4%	3.4%	3.5%	4.3%	4.4%
2015	39205	32,789	515	0	515	1.6%	2.8%	4.0%	3.2%	3.3%	3.5%	3.3%	3.3%	3.4%	4.2%
2016	39205	48,484	3,780	0	3,780	7.8%	5.3%	4.0%	4.6%	3.7%	3.8%	3.9%	3.6%	3.6%	3.7%
2017	39205	0	0	0	0	NA	7.8%	5.3%	4.0%	4.6%	3.7%	3.8%	3.9%	3.6%	3.6%
2018	39205	65,865	1,536	0	1,536	2.3%	2.3%	4.6%	4.0%	3.6%	4.2%	3.5%	3.6%	3.7%	3.5%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Stores Equipment														
1982	39300	0	0	0	0	NA									
1983	39300	0	0	0	0	NA	NA								
1984	39300	0	0	0	0	NA	NA	NA							
1985	39300	0	0	0	0	NA	NA	NA	NA						
1986	39300	0	0	0	0	NA	NA	NA	NA	NA					
1987	39300	2,517	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
1988	39300	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
1989	39300	71	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
1990	39300	175	140	0	140	80.1%	57.0%	57.0%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	
1991	39300	18,135	0	0	0	0.0%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
1992	39300	146	0	0	0	0.0%	0.0%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%
1993	39300	0	0	0	0	NA	0.0%	0.0%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%
1994	39300	7,711	0	0	0	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
1995	39300	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%	0.5%	0.5%	0.5%
1996	39300	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%	0.5%	0.5%
1997	39300	0	0	0	0	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%	0.5%
1998	39300	0	0	0	0	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%
1999	39300	4,490	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
2000	39300	2,207	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2001	39300	8,777	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2002	39300	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2003	39300	3,562	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2004	39300	4,610	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2005	39300	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2006	39300	710	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007	39300	6,850	2,500	0	2,500	36.5%	33.1%	33.1%	20.5%	15.9%	15.9%	10.2%	9.4%	8.0%	8.0%
2008	39300	0	0	0	0	NA	36.5%	33.1%	33.1%	20.5%	15.9%	15.9%	10.2%	9.4%	8.0%
2009	39300	0	0	0	0	NA	NA	36.5%	33.1%	33.1%	20.5%	15.9%	15.9%	10.2%	9.4%
2010	39300	0	0	0	0	NA	NA	NA	36.5%	33.1%	33.1%	20.5%	15.9%	15.9%	10.2%
2011	39300	40,334	0	0	0	0.0%	0.0%	0.0%	0.0%	5.3%	5.2%	5.2%	4.8%	4.5%	4.5%
2012	39300	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	5.3%	5.2%	5.2%	4.8%	4.5%
2013	39300	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	5.3%	5.2%	5.2%	4.8%
2014	39300	8,579	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.5%	4.4%	4.4%
2015	39300	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.5%	4.4%
2016	39300	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.5%
2017	39300	0	0	0	0	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2018	39300	0	0	0	0	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Tools, Shop, & Garage Equip														
1982	39400	0	0	0	0	NA									
1983	39400	3,779	0	0	0	0.0%	0.0%								
1984	39400	6,141	2,784	0	2,784	45.3%	28.1%	28.1%							
1985	39400	5,312	0	16	(16)	-0.3%	24.2%	18.2%	18.2%						
1986	39400	24,845	0	26	(26)	-0.1%	-0.1%	7.6%	6.8%	6.8%					
1987	39400	18,401	138	13	125	0.7%	0.2%	0.2%	5.2%	4.9%	4.9%				
1988	39400	24,611	242	0	242	1.0%	0.9%	0.5%	0.4%	3.9%	3.7%	3.7%			
1989	39400	10,360	0	0	0	0.0%	0.7%	0.7%	0.4%	0.4%	3.5%	3.3%	3.3%		
1990	39400	35,980	2,318	0	2,318	6.4%	5.0%	3.6%	3.0%	2.3%	2.2%	4.3%	4.2%	4.2%	
1991	39400	183,016	0	0	0	0.0%	1.1%	1.0%	1.0%	1.0%	0.9%	0.9%	1.8%	1.7%	1.7%
1992	39400	71,298	0	0	0	0.0%	0.0%	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%	1.4%	1.4%
1993	39400	55,646	0	0	0	0.0%	0.0%	0.0%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	1.2%
1994	39400	72,183	1,500	44	1,456	2.0%	1.1%	0.7%	0.4%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%
1995	39400	132,934	2,230	0	2,230	1.7%	1.8%	1.4%	1.1%	0.7%	1.1%	1.1%	1.1%	1.1%	1.0%
1996	39400	9,891	0	0	0	0.0%	1.6%	1.7%	1.4%	1.1%	0.7%	1.1%	1.1%	1.0%	1.0%
1997	39400	36,813	0	0	0	0.0%	0.0%	1.2%	1.5%	1.2%	1.0%	0.7%	1.0%	1.0%	1.0%
1998	39400	215,521	2,505	0	2,505	1.2%	1.0%	1.0%	1.2%	1.3%	1.2%	1.0%	0.8%	1.0%	1.0%
1999	39400	54,914	904	0	904	1.6%	1.3%	1.1%	1.1%	1.3%	1.4%	1.2%	1.1%	0.9%	1.1%
2000	39400	341,351	250	0	250	0.1%	0.3%	0.6%	0.6%	0.6%	0.7%	0.9%	0.8%	0.7%	0.6%
2001	39400	104,131	900	0	900	0.9%	0.3%	0.4%	0.6%	0.6%	0.6%	0.8%	0.9%	0.8%	0.8%
2002	39400	24,553	5,250	612	4,638	18.9%	4.3%	1.2%	1.3%	1.2%	1.2%	1.2%	1.2%	1.3%	1.2%
2003	39400	59,557	7	0	7	0.0%	5.5%	2.9%	1.1%	1.1%	1.2%	1.1%	1.1%	1.2%	1.2%
2004	39400	241,662	0	0	0	0.0%	0.0%	1.4%	1.3%	0.8%	0.8%	0.9%	0.9%	0.8%	0.9%
2005	39400	19,082	1,000	543	457	2.4%	0.2%	0.1%	1.5%	1.3%	0.8%	0.8%	0.9%	0.9%	0.9%
2006	39400	48,810	500	121	379	0.8%	1.2%	0.3%	0.2%	1.4%	1.3%	0.8%	0.8%	0.9%	0.9%
2007	39400	34,017	0	0	0	0.0%	0.5%	0.8%	0.2%	0.2%	1.3%	1.2%	0.8%	0.8%	0.9%
2008	39400	96,316	7,642	0	7,642	7.9%	5.9%	4.5%	4.3%	1.9%	1.7%	2.5%	2.2%	1.5%	1.5%
2009	39400	53,995	51	10	41	0.1%	5.1%	4.2%	3.5%	3.4%	1.7%	1.5%	2.3%	2.1%	1.4%
2010	39400	46,371	0	0	0	0.0%	0.0%	3.9%	3.3%	2.9%	2.9%	1.6%	1.4%	2.1%	1.9%
2011	39400	534,589	0	0	0	0.0%	0.0%	0.0%	1.1%	1.0%	1.0%	1.0%	0.8%	0.8%	1.1%
2012	39400	1,083	0	0	0	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	0.8%	0.8%
2013	39400	23,460	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	0.8%
2014	39400	1,681,666	0	8,991	(8,991)	-0.5%	-0.5%	-0.5%	-0.4%	-0.4%	-0.4%	-0.1%	-0.1%	0.0%	0.0%
2015	39400	0	0	0	0	NA	-0.5%	-0.5%	-0.5%	-0.4%	-0.4%	-0.4%	-0.1%	-0.1%	0.0%
2016	39400	362,760	0	5,908	(5,908)	-1.6%	-1.6%	-0.7%	-0.7%	-0.7%	-0.6%	-0.6%	-0.5%	-0.3%	-0.3%
2017	39400	104,357	2,000	0	2,000	1.9%	-0.8%	-0.8%	-0.6%	-0.6%	-0.6%	-0.5%	-0.5%	-0.5%	-0.2%
2018	39400	0	0	0	0	NA	1.9%	-0.8%	-0.8%	-0.6%	-0.6%	-0.6%	-0.5%	-0.5%	-0.5%

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Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
CNG Station Equipment															
2007	39401	4,718	0	0	0	0.0%									
2008	39401	148,696	0	0	0	0.0%	0.0%								
2009	39401	0	0	0	0	NA	0.0%	0.0%							
2010	39401	0	0	0	0	NA	NA	0.0%	0.0%						
2011	39401	0	0	0	0	NA	NA	NA	0.0%	0.0%					
2012	39401	0	0	0	0	NA	NA	NA	NA	0.0%	0.0%				
2013	39401	0	0	0	0	NA	NA	NA	NA	NA	0.0%	0.0%			
2014	39401	0	0	0	0	NA	NA	NA	NA	NA	NA	0.0%	0.0%		
2015	39401	10,941	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2016	39401	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2017	39401	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2018	39401	0	0	0	0	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Laboratory Equipment														
1982	39500	0	0	0	0	NA									
1983	39500	0	0	0	0	NA	NA								
1984	39500	0	0	0	0	NA	NA	NA							
1985	39500	0	0	0	0	NA	NA	NA	NA						
1986	39500	0	0	0	0	NA	NA	NA	NA	NA					
1987	39500	206	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
1988	39500	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
1989	39500	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
1990	39500	1,094	240	0	240	21.9%	21.9%	21.9%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	
1991	39500	952	0	0	0	0.0%	11.7%	11.7%	11.7%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%
1992	39500	0	0	0	0	NA	0.0%	11.7%	11.7%	11.7%	10.6%	10.6%	10.6%	10.6%	10.6%
1993	39500	2,706	0	0	0	0.0%	0.0%	0.0%	5.0%	5.0%	5.0%	4.8%	4.8%	4.8%	4.8%
1994	39500	25,920	100	0	100	0.4%	0.3%	0.3%	0.3%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
1995	39500	15,558	0	0	0	0.0%	0.2%	0.2%	0.2%	0.2%	0.7%	0.7%	0.7%	0.7%	0.7%
1996	39500	0	0	0	0	NA	0.0%	0.2%	0.2%	0.2%	0.2%	0.7%	0.7%	0.7%	0.7%
1997	39500	0	0	0	0	NA	NA	0.0%	0.2%	0.2%	0.2%	0.2%	0.7%	0.7%	0.7%
1998	39500	107,074	0	0	0	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
1999	39500	24,918	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%
2000	39500	92,639	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2001	39500	0	13,000	0	13,000	NA	14.0%	11.1%	5.8%	5.8%	5.8%	5.4%	4.9%	4.9%	4.9%
2002	39500	0	0	0	0	NA	NA	14.0%	11.1%	5.8%	5.8%	5.8%	5.4%	4.9%	4.9%
2003	39500	0	0	0	0	NA	NA	NA	14.0%	11.1%	5.8%	5.8%	5.8%	5.4%	4.9%
2004	39500	0	0	0	0	NA	NA	NA	NA	14.0%	11.1%	5.8%	5.8%	5.8%	5.4%
2005	39500	0	0	0	0	NA	NA	NA	NA	NA	14.0%	11.1%	5.8%	5.8%	5.8%
2006	39500	79,289	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	16.4%	7.6%	6.6%	4.3%	4.3%
2007	39500	3,844	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.6%	7.4%	6.5%	4.2%
2008	39500	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.6%	7.4%	6.5%
2009	39500	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.6%	7.4%
2010	39500	0	0	0	0	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.6%
2011	39500	0	0	0	0	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2012	39500	0	0	0	0	NA	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%
2013	39500	0	0	0	0	NA	NA	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%
2014	39500	46,445	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2015	39500	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2016	39500	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2017	39500	0	0	0	0	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2018	39500	0	0	0	0	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
Power Operated Equipment															
1982	39600	0	0	0	0	NA									
1983	39600	21,938	800	0	800	3.6%	3.6%								
1984	39600	31,318	1,250	0	1,250	4.0%	3.8%	3.8%							
1985	39600	39,634	5,250	76	5,174	13.1%	9.1%	7.8%	7.8%						
1986	39600	61,945	1,100	42	1,058	1.7%	6.1%	5.6%	5.3%	5.3%					
1987	39600	69,613	3,920	25	3,895	5.6%	3.8%	5.9%	5.6%	5.4%	5.4%				
1988	39600	44,382	1,010	0	1,010	2.3%	4.3%	3.4%	5.2%	5.0%	4.9%	4.9%			
1989	39600	7,000	4,611	0	4,611	65.9%	10.9%	7.9%	5.8%	7.1%	6.7%	6.5%	6.5%		
1990	39600	102,775	13,386	0	13,386	13.0%	16.4%	12.3%	10.2%	8.4%	9.0%	8.5%	8.2%	8.2%	
1991	39600	52,596	1,300	0	1,300	2.5%	9.5%	11.9%	9.8%	8.8%	7.5%	8.1%	7.7%	7.5%	7.5%
1992	39600	72,845	0	0	0	0.0%	1.0%	6.4%	8.2%	7.3%	6.9%	6.1%	6.8%	6.6%	6.4%
1993	39600	11,042	1,450	0	1,450	13.1%	1.7%	2.0%	6.7%	8.4%	7.5%	7.1%	6.3%	6.9%	6.7%
1994	39600	107,274	400	0	400	0.4%	1.6%	1.0%	1.3%	4.8%	6.0%	5.6%	5.6%	5.1%	5.7%
1995	39600	103,843	3,550	0	3,550	3.4%	1.9%	2.4%	1.8%	1.9%	4.5%	5.4%	5.1%	5.2%	4.8%
1996	39600	37,342	800	0	800	2.1%	3.1%	1.9%	2.4%	1.9%	1.9%	4.3%	5.2%	4.9%	5.0%
1997	39600	121,856	6,400	0	6,400	5.3%	4.5%	4.1%	3.0%	3.3%	2.8%	2.7%	4.5%	5.2%	5.0%
1998	39600	241,681	17,300	0	17,300	7.2%	6.5%	6.1%	5.6%	4.6%	4.8%	4.3%	4.2%	5.2%	5.7%
1999	39600	128,900	5,331	0	5,331	4.1%	6.1%	5.9%	5.6%	5.3%	4.6%	4.7%	4.3%	4.2%	5.1%
2000	39600	57,532	4,600	0	4,600	8.0%	5.3%	6.4%	6.1%	5.9%	5.5%	4.8%	4.9%	4.5%	4.4%
2001	39600	128,927	4,000	0	4,000	3.1%	4.6%	4.4%	5.6%	5.5%	5.4%	5.1%	4.6%	4.7%	4.3%
2002	39600	124,966	34,100	51	34,049	27.2%	15.0%	13.7%	10.9%	9.6%	8.9%	8.6%	8.0%	7.3%	7.3%
2003	39600	59,551	400	0	400	0.7%	18.7%	12.3%	11.6%	9.7%	8.9%	8.3%	8.1%	7.6%	6.9%
2004	39600	78,615	5,500	109	5,391	6.9%	4.2%	15.1%	11.2%	10.8%	9.3%	8.7%	8.2%	8.0%	7.6%
2005	39600	11,695	400	56	344	2.9%	6.4%	4.1%	14.6%	10.9%	10.6%	9.2%	8.6%	8.2%	7.9%
2006	39600	196,129	25,531	1,599	23,932	12.2%	11.7%	10.4%	8.7%	13.6%	11.4%	11.1%	9.9%	9.3%	8.8%
2007	39600	56,504	4,700	0	4,700	8.3%	11.3%	11.0%	10.0%	8.6%	13.0%	11.1%	10.8%	9.8%	9.2%
2008	39600	24,190	6,780	0	6,780	28.0%	14.2%	12.8%	12.4%	11.2%	9.7%	13.7%	11.7%	11.4%	10.3%
2009	39600	10,298	0	0	0	0.0%	19.7%	12.6%	12.3%	12.0%	10.9%	9.5%	13.5%	11.5%	11.2%
2010	39600	83,274	3,500	0	3,500	4.2%	3.7%	8.7%	8.6%	10.5%	10.3%	9.7%	8.7%	12.3%	10.7%
2011	39600	364,963	12,190	0	12,190	3.3%	3.5%	3.4%	4.7%	5.0%	6.9%	6.9%	6.9%	6.5%	9.0%
2012	39600	0	0	0	0	NA	3.3%	3.5%	3.4%	4.7%	5.0%	6.9%	6.9%	6.9%	6.5%
2013	39600	16,039	6,500	(192)	6,692	41.7%	41.7%	5.0%	4.8%	4.7%	5.8%	6.1%	7.7%	7.6%	7.5%
2014	39600	3,498	5,000	381	4,619	132.1%	57.9%	57.9%	6.1%	5.8%	5.6%	6.7%	6.9%	8.3%	8.2%
2015	39600	0	0	0	0	NA	132.1%	57.9%	57.9%	6.1%	5.8%	5.6%	6.7%	6.9%	8.3%
2016	39600	42,435	1,925	0	1,925	4.5%	4.5%	14.2%	21.4%	21.4%	6.0%	5.7%	5.6%	6.6%	6.7%
2017	39600	154,272	27,462	0	27,462	17.8%	14.9%	14.9%	17.0%	18.8%	18.8%	9.1%	8.5%	8.4%	9.0%
2018	39600	46,265	8,604	0	8,604	18.6%	18.0%	15.6%	15.6%	17.3%	18.8%	18.8%	9.8%	9.1%	9.0%

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Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
	Communication Equipment														
1982	39700	0	0	0	0	NA									
1983	39700	5,088	0	17	(17)	-0.3%	-0.3%								
1984	39700	10,011	0	2,214	(2,214)	-22.1%	-14.8%	-14.8%							
1985	39700	19,866	1	620	(619)	-3.1%	-9.5%	-8.1%	-8.1%						
1986	39700	35,504	0	369	(369)	-1.0%	-1.8%	-4.9%	-4.6%	-4.6%					
1987	39700	15,039	0	396	(396)	-2.6%	-1.5%	-2.0%	-4.5%	-4.2%	-4.2%				
1988	39700	58,759	0	0	0	0.0%	-0.5%	-0.7%	-1.1%	-2.6%	-2.5%	-2.5%			
1989	39700	30,118	200	0	200	0.7%	0.2%	-0.2%	-0.4%	-0.7%	-2.0%	-2.0%	-2.0%		
1990	39700	13,187	0	0	0	0.0%	0.5%	0.2%	-0.2%	-0.4%	-0.7%	-1.9%	-1.8%	-1.8%	
1991	39700	274,248	0	0	0	0.0%	0.0%	0.1%	0.1%	-0.1%	-0.1%	-0.3%	-0.7%	-0.7%	-0.7%
1992	39700	62,948	0	639	(639)	-1.0%	-0.2%	-0.2%	-0.1%	-0.1%	-0.2%	-0.2%	-0.4%	-0.8%	-0.8%
1993	39700	192,126	1,331	0	1,331	0.7%	0.3%	0.1%	0.1%	0.2%	0.1%	0.1%	0.0%	-0.1%	-0.4%
1994	39700	188,240	0	0	0	0.0%	0.4%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	-0.1%
1995	39700	443,675	1,000	(1,659)	2,659	0.6%	0.4%	0.5%	0.4%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%
1996	39700	35,683	0	0	0	0.0%	0.6%	0.4%	0.5%	0.4%	0.3%	0.3%	0.3%	0.3%	0.2%
1997	39700	265,344	2,900	0	2,900	1.1%	1.0%	0.7%	0.6%	0.6%	0.5%	0.4%	0.4%	0.4%	0.4%
1998	39700	305,900	0	827	(827)	-0.3%	0.4%	0.3%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
1999	39700	288,658	0	0	0	0.0%	-0.1%	0.2%	0.2%	0.4%	0.3%	0.4%	0.3%	0.3%	0.3%
2000	39700	795,375	0	0	0	0.0%	0.0%	-0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
2001	39700	336,003	0	0	0	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
2002	39700	28,354	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%
2003	39700	701,618	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
2004	39700	178,959	30,524	390	30,134	16.8%	3.4%	3.3%	2.4%	1.5%	1.3%	1.1%	1.1%	1.1%	1.0%
2005	39700	31,962	0	0	0	0.0%	14.3%	3.3%	3.2%	2.4%	1.5%	1.3%	1.1%	1.1%	1.1%
2006	39700	193,901	0	0	0	0.0%	0.0%	7.4%	2.7%	2.7%	2.0%	1.3%	1.2%	1.0%	1.0%
2007	39700	97,245	0	0	0	0.0%	0.0%	0.0%	6.0%	2.5%	2.4%	1.9%	1.3%	1.1%	1.0%
2008	39700	244,029	0	0	0	0.0%	0.0%	0.0%	0.0%	4.0%	2.1%	2.0%	1.7%	1.2%	1.0%
2009	39700	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	4.0%	2.1%	2.0%	1.7%	1.2%
2010	39700	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	4.0%	2.1%	2.0%	1.7%
2011	39700	189,560	0	93	(93)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	1.8%	1.8%
2012	39700	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	1.8%
2013	39700	32,735	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%
2014	39700	2,158,829	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2015	39700	224,381	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2016	39700	1,430,204	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2017	39700	14,713	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2018	39700	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

PEOPLES GAS TECO
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL 1983-2018

Transaction Year	Description	Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
Miscellaneous Equipment															
1982	39800	0	0	0	0	NA									
1983	39800	0	0	0	0	NA	NA								
1984	39800	873	0	0	0	0.0%	0.0%	0.0%							
1985	39800	0	0	0	0	NA	0.0%	0.0%	0.0%						
1986	39800	4,756	0	2,263	(2,263)	-47.6%	-47.6%	-40.2%	-40.2%	-40.2%					
1987	39800	0	0	0	0	NA	-47.6%	-47.6%	-40.2%	-40.2%	-40.2%				
1988	39800	331	0	0	0	0.0%	0.0%	-44.5%	-44.5%	-38.0%	-38.0%	-38.0%			
1989	39800	0	0	0	0	NA	0.0%	0.0%	-44.5%	-44.5%	-38.0%	-38.0%	-38.0%		
1990	39800	2,321	67	0	67	2.9%	2.9%	2.5%	2.5%	-29.6%	-29.6%	-26.5%	-26.5%	-26.5%	
1991	39800	11,818	0	0	0	0.0%	0.5%	0.5%	0.5%	0.5%	-11.4%	-11.4%	-10.9%	-10.9%	-10.9%
1992	39800	2,199	0	0	0	0.0%	0.0%	0.4%	0.4%	0.4%	0.4%	-10.2%	-10.2%	-9.8%	-9.8%
1993	39800	0	0	0	0	NA	0.0%	0.0%	0.4%	0.4%	0.4%	0.4%	-10.2%	-10.2%	-9.8%
1994	39800	5,260	0	0	0	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.3%	0.3%	-8.2%	-8.2%
1995	39800	2,329	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.3%	0.3%	-7.6%
1996	39800	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.3%	0.3%
1997	39800	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.3%
1998	39800	2,471	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%
1999	39800	6,953	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
2000	39800	52,425	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2001	39800	200	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2002	39800	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2003	39800	192	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2004	39800	16,344	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2005	39800	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2006	39800	2,934	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007	39800	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2008	39800	0	0	0	0	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2009	39800	0	0	0	0	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2010	39800	0	0	0	0	NA	NA	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2011	39800	1,574	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2012	39800	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2013	39800	27,841	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2014	39800	0	0	0	0	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2015	39800	20,472	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2016	39800	115,335	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2017	39800	127,996	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2018	39800	4,362	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

APPENDIX E- Total Company Reserve and RL versus WL Rates

Appendix E

Peoples Gas

Comparison of Book vs Theoretical Reserve
And Accrual Rate RL vs WL
As of December 31, 2020

					Proposed	
Account	Description	Plant Balance	Book Reserve	Theoretical Reserve	Remaining Life Accrual Rate	Whole Life Accrual Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Intangible Plant						
30300	Misc Intangible Plant	815,325	831,067	798,047	0.0%	4.0%
30301	Custom Intangible Plant	48,733,613	17,780,900	17,305,690	6.6%	6.7%
Distribution						
37402	Land Rights	4,268,873	928,144	861,686	1.3%	1.3%
37500	Structures & Improvements	26,284,145	7,108,903	5,689,864	2.8%	3.0%
37600	Mains Steel	548,115,480	205,621,383	158,735,621	2.3%	2.5%
37602	Mains Plastic	659,435,120	198,034,805	114,784,881	1.7%	1.9%
37800	Meas & Reg Station Eqp Gen	18,885,293	4,320,431	4,077,587	2.7%	2.8%
37900	Meas & Reg Station Eqp City	96,523,663	12,806,989	9,626,125	2.1%	2.2%
38000	Services Steel	55,953,817	40,295,122	36,974,007	4.7%	4.8%
38002	Services Plastic	409,505,670	183,234,187	120,018,178	2.9%	3.3%
38100	Meters	78,709,924	29,722,478	29,211,249	5.0%	5.1%
38200	Meter Installations	73,171,228	33,832,634	18,098,334	2.4%	3.0%
38300	House Regulators	17,697,139	8,433,989	5,521,528	1.8%	2.4%
38400	House Regulator Installs	25,563,041	14,231,437	5,544,749	2.0%	2.8%
38500	Meas & Reg Station Eqp Ind	12,194,965	6,942,133	5,705,372	2.3%	2.8%
38700	Other Equipment	9,624,238	4,644,498	2,785,482	3.0%	4.2%
General						
39000	Structures & Improvements	28,184	14,206	4,632	2.4%	4.0%
39201	Vehicles up to 1/2 Tons	12,072,999	5,989,326	4,063,427	7.0%	9.9%
39202	Vehicles from 1/2 - 1 Tons	12,134,491	6,619,614	4,137,904	5.6%	5.9%
39204	Trailers & Other	2,563,258	505,321	352,704	2.9%	3.1%
39205	Vehicles over 1 Ton	1,900,118	999,340	816,893	6.6%	8.0%
39600	Power Operated Equipment	3,203,465	1,926,552	1,092,227	2.7%	5.0%
39100	Office Furniture	5,898,366	1,350,660	1,274,776	5.9%	5.9%
39101	Computer Equipment	4,500,269	3,905,942	2,983,522	11.1%	11.1%
39102	Office Equipment	1,402,780	729,057	175,528	6.7%	6.7%
39300	Stores Equipment	1,283	430	294	4.2%	4.2%
39400	Tools, Shop & Garage Equip	7,462,062	3,426,294	2,784,210	5.6%	5.6%
39401	CNG Station Equipment	16,158,263	2,742,085	2,876,598	5.0%	5.0%
39700	Communication Equipment	3,954,614	3,219,659	2,845,394	7.7%	7.7%
39800	Miscellaneous Equipment	798,818	-86,156	128,270	5.0%	5.0%
33600	RNG Plant				3.5%	3.5%
36400	LNG Plant				3.5%	3.5%
37700	Compressor Equipment				3.0%	3.0%

APPENDIX F - Summary of Plant-in-Service and Accumulated Depreciation

APPENDIX F-1 Summary of Plant-in-Service 2017 – 2021

Annual Status Report

Analysis of Plant in Service Accounts

Company: Peoples Gas System

For the Year Ended December 31, 2016

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:									
30100	Organization	0	12,620	-	-	-	-	-	12,620
30200	Franchise & Consents	4	-	-	-	-	-	-	-
30300	Misc Intangible Plant	0	815,325	-	-	-	-	-	815,325
30301	Custom Intangible Plant	6.7	25,717,580	1,964,359	(1,023,642)	-	-	-	26,658,297
37402	Land Rights	1.3	2,836,412	965,576	-	-	-	-	3,801,988
39002	Structures & Improve Leases	2.5	134,160	-	-	-	-	-	134,160
	Subtotal		29,516,097	2,929,935	(1,023,642)	-	-	-	31,422,390
Depreciable Assets:									
37400	Land Distribution	0	14,138,899	25,013	(44,563)	-	-	-	14,119,349
37500	Structures & Improvements	2.5	19,415,983	5,930,111	(3,246,899)	-	-	-	22,099,196
37600	Mains Steel	2.2	385,317,174	28,159,404	(2,372,504)	-	-	-	411,104,075
37602	Mains Plastic	2.4	401,310,012	34,545,624	(684,017)	229,519	-	-	435,401,138
37800	Meas & Reg Station Eqp Gen	3.3	12,924,984	2,171,072	(70,893)	-	-	-	15,025,163
37900	Meas & Reg Station Eqp City	3.3	34,586,108	6,072,339	(7,170)	-	-	-	40,651,278
38000	Services Steel	3.7	46,376,347	2,733,318	(234,251)	-	-	-	48,875,414
38002	Services Plastic	3.3	247,505,036	20,676,589	(457,508)	-	-	-	267,724,116
38100	Meters	5.9	63,032,755	3,979,156	(1,409,544)	-	-	-	65,602,367
38200	Meter Installations	4.5	49,175,177	3,571,968	(276,889)	-	-	-	52,470,256
38300	House Regulators	3.6	14,633,325	588,525	(85,597)	-	-	-	15,136,254
38400	House Regulator Installs	4.4	19,915,060	1,166,260	(96,592)	-	-	-	20,984,728
38500	Meas & Reg Station Eqp Ind	3.1	9,089,094	599,847	(52,754)	-	-	-	9,636,187
38700	Other Equipment	6.3	5,889,159	557,639	-	-	-	-	6,446,798
39000	Structures & Improvements	2.5	15,791	12,394	-	-	-	-	28,184
39100	Office Furniture	6.7	1,470,244	318,058	(62,307)	-	-	-	1,725,995
39101	Computer Equipment	12.3	5,293,685	645,757	(1,697,739)	-	-	-	4,241,703
39102	Office Equipment	6.7	922,076	24,300	(79,264)	-	-	-	867,112
39201	Vehicles up to 1/2 Tons	11.4	8,035,686	1,165,486	(712,141)	-	-	-	8,489,032
39202	Vehicles from 1/2 - 1 Tons	13	6,569,197	1,305,319	(733,059)	-	-	-	7,141,456
39203	Airplane	0	-	-	-	-	-	-	-
39204	Trailers & Other	4	1,153,494	7,667	-	-	-	-	1,161,161
39205	Vehicles over 1 Ton	7.5	1,769,839	103,796	(48,484)	-	-	-	1,825,151
39300	Stores Equipment	3.9	1,283	-	-	-	-	-	1,283
39400	Tools, Shop & Garage Equip	6.7	6,098,159	652,956	(362,760)	-	-	-	6,388,354.53
39401	CNG Stations	5	7,721	9,193	-	-	-	-	16,913.55
39500	Laboratory Equipment	5	-	-	-	-	-	-	-
39600	Power Operated Equipment	6.3	2,775,668	102,138	(42,435)	-	-	-	2,835,371
39700	Communication Equipment	8.2	4,841,709	159,966	(1,430,204)	-	-	-	3,571,471
39800	Miscellaneous Equipment	6	468,234	57,629	(115,335)	-	-	-	410,528
39900	Other Tangible Property	0	-	-	-	-	-	-	-

Annual Status Report

Analysis of Plant in Service Accounts

Company:

For the Year Ended December 31, 2016

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Total Account 101 and 106*			1,392,247,995	118,271,458	(15,346,550)	229,519	-	-	1,495,402,422
10400	Lease to Others	0.0		12,033,286	-		-	-	12,033,286.03
10500	Property Held for Future Use	0.0	1,939,552	229,519	-	(229,519)	-	-	1,939,552
11400	Acquisition Adjustment	3.0	5,031,897	-	-	-	-	-	5,031,897
	Subtotal		6,971,449	12,262,805	-	(229,519)	-	-	19,004,735
Total Utility Plant **			1,399,219,444	130,534,263	(15,346,550)	-	-	-	1,514,407,157

Note: * The total of ending balances must agree to acct. 101,106, Plant in Service, Line 3, and Line 6, Page 12.

Note: ** The total of ending balances must agree to Line 11, Page 12.

Annual Status Report

Analysis of Plant in Service Accounts

Company: Peoples Gas System

For the Year Ended December 31, 2017

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:									
30100	Organization	0	12,620	-	-	-	-	-	12,620
30200	Franchise & Consents	4	-	-	-	-	-	-	-
30300	Misc Intangible Plant	0	815,325	-	-	-	-	-	815,325
30301	Custom Intangible Plant	6.7	26,658,297	404,638	(119,866)	-	-	-	26,943,069
37402	Land Rights	1.3	3,801,988	2,433,319	-	-	-	-	6,235,307
39002	Structures & Improve Leases	2.5	134,160	-	-	-	-	-	134,160
	Subtotal		31,422,390	2,837,957	(119,866)	-	-	-	34,140,481
Depreciable Assets:									
37400	Land Distribution	0	14,119,349	1,422,968	(2,196)	-	-	-	15,540,121
37500	Structures & Improvements	2.5	22,099,196	844,183	(19,345)	-	-	-	22,924,034
37600	Mains Steel	2.2	411,104,075	26,406,205	(2,476,063)	-	-	-	435,034,216
37602	Mains Plastic	2.4	435,401,138	33,167,844	(2,232,796)	(229,519)	-	-	466,106,667
37800	Meas & Reg Station Eqp Gen	3.3	15,025,163	1,353,247	(399,642)	-	-	-	15,978,768
37900	Meas & Reg Station Eqp City	3.3	40,651,278	9,913,197	(58,098)	-	-	-	50,506,376
38000	Services Steel	3.7	48,875,414	2,568,227	(381,692)	-	-	-	51,061,949
38002	Services Plastic	3.3	267,724,116	27,599,057	(604,050)	-	-	-	294,719,123
38100	Meters	5.9	65,602,367	5,099,075	(5,379,721)	-	-	-	65,321,721
38200	Meter Installations	4.5	52,470,256	3,366,335	(174,265)	-	-	-	55,662,326
38300	House Regulators	3.6	15,136,254	698,935	(81,929)	-	-	-	15,753,260
38400	House Regulator Installs	4.4	20,984,728	1,101,245	(48,988)	-	-	-	22,036,985
38500	Meas & Reg Station Eqp Ind	3.1	9,636,187	354	(244)	-	-	-	9,636,296
38700	Other Equipment	6.3	6,446,798	1,194,981	(8,048)	-	-	-	7,633,730
39000	Structures & Improvements	2.5	28,184	-	-	-	-	-	28,184
39100	Office Furniture	6.7	1,725,995	94,807	(148,249)	-	-	-	1,672,553
39101	Computer Equipment	12.3	4,241,703	7,846	(1,052,914)	-	-	-	3,196,634
39102	Office Equipment	6.7	867,112	477,137	(14,760)	-	-	-	1,329,489
39201	Vehicles up to 1/2 Tons	11.4	8,489,032	689,502	(440,796)	-	-	-	8,737,738
39202	Vehicles from 1/2 - 1 Tons	13	7,141,456	1,159,540	(705,208)	-	-	-	7,595,788
39204	Trailers & Other	4	1,161,161	93,016	(6,854)	-	-	-	1,247,323
39205	Vehicles over 1 Ton	7.5	1,825,151	100,005	-	-	-	-	1,925,155
39300	Stores Equipment	3.9	1,283	-	-	-	-	-	1,283
39400	Tools, Shop & Garage Equip	6.7	6,388,355	259,376	(104,357)	7,721	-	-	6,551,095
39401	CNG Stations	5	16,914	11,989	-	(7,721)	-	-	21,182
39500	Laboratory Equipment	5	-	-	-	-	-	-	-
39600	Power Operated Equipment	6.3	2,835,371	88,106	(154,272)	-	-	-	2,769,205
39700	Communication Equipment	8.2	3,571,471	150,684	(14,713)	-	-	-	3,707,442
39800	Miscellaneous Equipment	6	410,528	(3,294)	(127,996)	-	-	-	279,238
39900	Other Tangible Property	0	-	-	-	-	-	-	-

Annual Status Report

Analysis of Plant in Service Accounts

Company: Peoples Gas System

For the Year Ended December 31, 2017

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Total Account 101 and 106*			1,495,402,422	120,702,523	(14,757,065)	(229,519)	-	-	1,601,118,361
10400	Lease to Others	0.0	12,033,286	-	-	-	-	-	12,033,286
10500	Property Held for Future Use	0.0	1,939,552	(229,519)	-	229,519	-	-	1,939,552
11400	Acquisition Adjustment	3.0	5,031,897	-	-	-	-	-	5,031,897
	Subtotal		19,004,735	(229,519)	-	229,519	-	-	19,004,735
Total Utility Plant **			1,514,407,157	120,473,004	(14,757,065)	-	-	-	1,620,123,096

Note: * The total of ending balances must agree to acct. 101,106, Plant in Service, Line 3, and Line 6, Page 12.

Note: ** The total of ending balances must agree to Line 11, Page 12.

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Annual Status Report
Analysis of Plant in Service Accounts

Company: Peoples Gas System
For the Year Ended December 31, 2018

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:									
30100	Organization	0.0	12,620	-	-	-	-	-	12,620
30200	Franchise & Consents	4.0	-	-	-	-	-	-	-
30300	Misc Intangible Plant	4.0	815,325	-	-	-	-	-	815,325
30301	Custom Intangible Plant	6.7	26,943,069	2,588,549	-	-	-	-	29,531,618
37402	Land Rights	1.3	6,235,307	1,459,656	-	-	-	-	7,694,963
39002	Structures & Improve Leases	2.5	134,160	-	-	-	-	-	134,160
	Subtotal		34,140,481	4,048,205	-	-	-	-	38,188,686
Depreciable Assets:									
37400	Land Distribution	0.0	15,540,121	5,083	-	-	-	-	15,545,204
37500	Structures & Improvements	2.5	22,924,034	482,178	(2,640)	-	-	-	23,403,572
37600	Mains Steel	2.2	435,034,216	25,280,301	(812,701)	-	-	-	459,501,816
37602	Mains Plastic	2.4	466,106,667	48,275,193	(316,879)	-	-	-	514,064,981
37800	Meas & Reg Station Eqp Gen	3.3	15,978,768	1,504,918	(38,873)	-	-	-	17,444,813
37900	Meas & Reg Station Eqp City	3.3	50,506,376	9,239,995	(16,369)	-	-	-	59,730,002
38000	Services Steel	3.7	51,061,949	2,016,713	(416,204)	-	-	-	52,662,457
38002	Services Plastic	3.3	294,719,123	45,169,534	(531,881)	-	-	-	339,356,776
38100	Meters	5.9	65,321,721	3,793,111	(620,815)	-	-	-	68,494,016
38200	Meter Installations	4.5	55,662,326	5,119,569	(225,374)	-	-	-	60,556,520
38300	House Regulators	3.6	15,753,260	600,707	(64,155)	-	-	-	16,289,812
38400	House Regulator Installs	4.4	22,036,985	1,767,520	(63,894)	-	-	-	23,740,612
38500	Meas & Reg Station Eqp Ind	3.1	9,636,296	394,882	(1,181)	-	-	-	10,029,996
38700	Other Equipment	6.3	7,633,730	1,330,746	-	-	-	-	8,964,477
39000	Structures & Improvements	2.5	28,184	-	-	-	-	-	28,184
39100	Office Furniture	6.7	1,672,553	518,003	-	-	-	-	2,190,556
39101	Computer Equipment	12.3	3,196,634	81,380	-	-	-	-	3,278,014
39102	Office Equipment	6.7	1,329,489	16,932	-	-	-	-	1,346,421
39201	Vehicles up to 1/2 Tons	11.4	8,737,738	303,622	(410,072)	-	-	-	8,631,288
39202	Vehicles from 1/2 - 1 Tons	13.0	7,595,788	2,092,636	(542,596)	0	-	-	9,145,828
39204	Trailers & Other	4.0	1,247,323	37,767	(1,397)	-	-	-	1,283,693
39205	Vehicles over 1 Ton	7.5	1,925,155	130,826	(65,865)	-	-	-	1,990,116
39300	Stores Equipment	3.9	1,283	-	-	-	-	-	1,283
39400	Tools, Shop & Garage Equip	6.7	6,551,095	431,092	-	-	-	-	6,982,186
39401	CNG Stations	5.0	21,182	-	-	(8,287)	-	-	12,895
39500	Laboratory Equipment	5.0	-	-	-	-	-	-	-
39600	Power Operated Equipment	6.3	2,769,205	212,537	(46,265)	8,287	-	-	2,943,764
39700	Communication Equipment	8.2	3,707,442	238,711	-	-	-	-	3,946,153
39800	Miscellaneous Equipment	6.0	279,238	3,626	(4,362)	-	-	-	278,502
39900	Other Tangible Property	0.0	-	-	-	-	-	-	-

Annual Status Report
Analysis of Plant in Service Accounts

Company: Peoples Gas System
For the Year Ended December 31, 2018

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Total Account 101 and 106 *			1,601,118,361	153,095,785	(4,181,523)	0	-	-	1,750,032,623
10400	Lease to Others	0.0	12,033,286	-	-	-	-	-	12,033,286
10500	Property Held for Future Use	0.0	1,939,552	-	-	-	-	-	1,939,552
11400	Acquisition Adjustment	3.0	5,031,897	-	-	-	-	-	5,031,897
	Subtotal		19,004,735	-	-	-	-	-	19,004,735
Total Utility Plant **			1,620,123,096	153,095,785	(4,181,523)	0	-	-	1,769,037,358

Note: * The total beginning and ending balances must agree to account 101 and 106, Plant in Service, Line 3 and Line 6, Page 12.

Note: ** The total beginning and ending balances must agree to Line 11, Page 12.

ANNUAL STATUS REPORT - PEOPLES GAS SYSTEM
Plant Balance
Actual 2019
To be filed

Account	Depr Description	PLANT 2018 BOP	Additions	Retirements	Adj / Xfers	PLANT 2019 EOP
10500	10500 - Future Use	1,939,552	-	-	-	1,939,552
11501	11501 - PGS Acq Adj (Reserve)	5,031,897	-	-	-	5,031,897
30100	30100 - Organization	12,620	-	-	-	12,620
30200	30200 - Franchise & Consents	-	-	-	-	-
30300	30300 - Misc Intangible Plant	815,325	-	-	-	815,325
30301	30301 - Custom Intangible Plant	29,531,618	2,643,389	-	-	32,175,007
30302	30302 - SAP Intangible Plant	-	-	-	-	-
37400	37400 - Land Distribution	15,545,204	-	-	-	15,545,204
37402	37402 - Land Rights	7,694,963	(3,426,090)	-	-	4,268,873
37500	37500 - Structures & Improvements	23,403,572	1,746,092	(28,399)	-	25,121,265
37600	37600 - Mains Steel	459,501,816	31,563,473	(1,378,134)	-	489,687,155
37602	37602 - Mains Plastic	514,064,981	66,477,896	(816,334)	-	579,726,542
37800	37800 - Meas & Reg Station Eqp Gen	17,444,813	1,497,858	(57,378)	-	18,885,293
37900	37900 - Meas & Reg Station Eqp City	59,730,002	9,020,779	(300,437)	-	68,450,344
38000	38000 - Services Steel	52,662,457	3,054,567	(219,794)	-	55,497,231
38002	38002 - Services Plastic	339,356,776	47,217,432	(748,602)	-	385,825,605
38100	38100 - Meters	68,494,016	5,998,209	(314,363)	-	74,177,863
38200	38200 - Meter Installations	60,556,520	5,891,498	(329,363)	-	66,118,655
38300	38300 - House Regulators	16,289,812	760,859	(92,270)	-	16,958,401
38400	38400 - House Regulator Installs	23,740,612	1,910,624	(88,196)	-	25,563,041
38500	38500 - Meas & Reg Station Eqp Ind	10,029,996	2,164,968	-	-	12,194,965
38700	38700 - Other Equipment	8,964,477	663,933	(4,172)	-	9,624,238
39000	39000 - Structures & Improvements	28,184	-	-	-	28,184
39002	39002 - Structur & Improv Leasehold	134,160	-	-	-	134,160
39100	39100 - Office Furniture	2,190,556	311,314	-	-	2,501,870
39101	39101 - Computer Equipment	3,278,014	1,222,255	-	-	4,500,269
39102	39102 - Office Equipment	1,346,421	56,359	-	-	1,402,780
39103	39103 - Office Furniture	-	51,333	-	-	51,333
39201	39201 - Vehicles up to 1/2 Tons	8,631,288	672,067	(1,184,562)	-	8,118,793
39202	39202 - Vehicles from 1/2 - 1 Tons	9,145,828	3,597,841	(609,178)	-	12,134,491
39204	39204 - Trailers & Other	1,283,693	730,766	-	-	2,014,458
39205	39205 - Vehicles over 1 Ton	1,990,116	190,649	(280,647)	-	1,900,118
39300	39300 - Stores Equipment	1,283	-	-	-	1,283
39400	39400 - Tools, Shop & Garage Equip	6,982,186	54,968	-	12,895	7,050,049
39401	39401 - CNG Station Equipment	12,895	-	-	(9,659)	3,236
10400	39401 - CNG Station Equipment	12,033,286	1,124,977	-	(3,236)	13,155,027
39500	39500 - Laboratory Equipment	-	-	-	-	-
39600	39600 - Power Operated Equipment	2,943,764	82,755	(5,213)	-	3,021,305
39700	39700 - Communication Equipment	3,946,153	346	-	-	3,946,499
39800	39800 - Miscellaneous Equipment	278,502	(11,512)	(2,930)	-	264,060
39900	39900 - Other Tangible Property	-	-	-	-	-
33600	33600 - Purification Equipment (RNG)	-	-	-	-	-
38601	38601 - Initiative-Gas Heat Pump	-	-	-	-	-
38602	38602 - Initiative-Combined Heat and Power	-	-	-	-	-
36400	36400 - LNG Plant	-	-	-	-	-
37700	37700 - Compressor Station Equipment	-	-	-	-	-
		1,769,037,358	**185,269,606**	**(6,459,972)**	**(0)**	**1,947,846,992**

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ANNUAL STATUS REPORT - PEOPLES GAS SYSTEM
Plant Balance
Forecast 2020

Account	Depr Description	PLANT 2019 BOP	Additions	Retirements	Adj / Xfers	PLANT 2020 EOP
10500	10500 - Future Use	1,939,552	-	-	-	1,939,552
11501	11501 - PGS Acq Adj (Reserve)	5,031,897	-	-	-	5,031,897
30100	30100 - Organization	12,620	-	-	-	12,620
30200	30200 - Franchise & Consents	-	-	-	-	-
30300	30300 - Misc Intangible Plant	815,325	-	-	-	815,325
30301	30301 - Custom Intangible Plant	32,175,007	16,558,606	-	-	48,733,613
30302	30302 - SAP Intangible Plant	-	-	-	-	-
37400	37400 - Land Distribution	15,545,204	-	-	-	15,545,204
37402	37402 - Land Rights	4,268,873	-	-	-	4,268,873
37500	37500 - Structures & Improvements	25,121,265	1,264,000	(101,120)	-	26,284,145
37600	37600 - Mains Steel	489,687,155	63,509,049	(6,349,403)	-	546,846,801
37602	37602 - Mains Plastic	579,726,542	86,639,759	(6,931,181)	-	659,435,120
37800	37800 - Meas & Reg Station Eqp Gen	18,885,293	-	-	-	18,885,293
37900	37900 - Meas & Reg Station Eqp City	68,450,344	30,514,477	(2,441,158)	-	96,523,663
38000	38000 - Services Steel	55,497,231	496,289	(39,703)	-	55,953,817
38002	38002 - Services Plastic	385,825,605	25,739,201	(2,059,136)	-	409,505,670
38100	38100 - Meters	74,177,863	4,926,153	(394,092)	-	78,709,924
38200	38200 - Meter Installations	66,118,655	7,665,840	(613,267)	-	73,171,228
38300	38300 - House Regulators	16,958,401	802,977	(64,238)	-	17,697,139
38400	38400 - House Regulator Installs	25,563,041	-	-	-	25,563,041
38500	38500 - Meas & Reg Station Eqp Ind	12,194,965	-	-	-	12,194,965
38700	38700 - Other Equipment	9,624,238	-	-	-	9,624,238
39000	39000 - Structures & Improvements	28,184	-	-	-	28,184
39002	39002 - Structur & Improv Leasehold	134,160	-	-	-	134,160
39100	39100 - Office Furniture	2,501,870	-	-	-	2,501,870
39101	39101 - Computer Equipment	4,500,269	-	-	-	4,500,269
39102	39102 - Office Equipment	1,402,780	-	-	-	1,402,780
39103	39103 - Office Furniture	51,333	3,345,163	-	-	3,396,496
39201	39201 - Vehicles up to 1/2 Tons	8,118,793	3,954,206	-	-	12,072,999
39202	39202 - Vehicles from 1/2 - 1 Tons	12,134,491	-	-	-	12,134,491
39204	39204 - Trailers & Other	2,014,458	548,800	-	-	2,563,258
39205	39205 - Vehicles over 1 Ton	1,900,118	-	-	-	1,900,118
39300	39300 - Stores Equipment	1,283	-	-	-	1,283
39400	39400 - Tools, Shop & Garage Equip	7,050,049	447,840	(35,827)	-	7,462,062
39401	39401 - CNG Station Equipment	3,236	3,000,000	-	-	3,003,236
10400	39401 - CNG Station Equipment	13,155,027	-	-	-	13,155,027
39500	39500 - Laboratory Equipment	-	-	-	-	-
39600	39600 - Power Operated Equipment	3,021,305	198,000	(15,840)	-	3,203,465
39700	39700 - Communication Equipment	3,946,499	8,820	(706)	-	3,954,614
39800	39800 - Miscellaneous Equipment	264,060	581,258	(46,501)	-	798,818
39900	39900 - Other Tangible Property	-	-	-	-	-
33600	33600 - Purification Equipment (RNG)	-	-	-	-	-
38601	38601 - Initiative-Gas Heat Pump	-	-	-	-	-
38602	38602 - Initiative-Combined Heat and Power	-	-	-	-	-
36400	36400 - LNG Plant	-	-	-	-	-
37700	37700 - Compressor Station Equipment	-	15,858,487	-	-	15,858,487
		1,947,846,992	**266,058,925**	**(19,092,172)**	**-**	**2,194,813,745**

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ANNUAL STATUS REPORT - PEOPLES GAS SYSTEM
Plant Balance
Forecast 2021

Account	Depr Description	PLANT 2020 BOP	Additions	Retirements	Adj / Xfers	PLANT 2021 EOP
10500	10500 - Future Use	1,939,552	-	-	-	1,939,552
11501	11501 - PGS Acq Adj (Reserve)	5,031,897	-	-	-	5,031,897
30100	30100 - Organization	12,620	-	-	-	12,620
30200	30200 - Franchise & Consents	-	-	-	-	-
30300	30300 - Misc Intangible Plant	815,325	-	-	-	815,325
30301	30301 - Custom Intangible Plant	48,733,613	1,171,254	-	3,345,163	53,250,030
30302	30302 - SAP Intangible Plant	-	-	-	-	-
37400	37400 - Land Distribution	15,545,204	-	-	-	15,545,204
37402	37402 - Land Rights	4,268,873	-	-	-	4,268,873
37500	37500 - Structures & Improvements	26,284,145	7,415,480	(593,238)	-	33,106,386
37600	37600 - Mains Steel	546,846,801	36,477,677	(2,918,214)	-	580,406,264
37602	37602 - Mains Plastic	659,435,120	85,376,346	(6,830,108)	-	737,981,359
37800	37800 - Meas & Reg Station Eqp Gen	18,885,293	-	-	-	18,885,293
37900	37900 - Meas & Reg Station Eqp City	96,523,663	7,851,174	(628,094)	-	103,746,743
38000	38000 - Services Steel	55,953,817	-	-	-	55,953,817
38002	38002 - Services Plastic	409,505,670	26,305,463	(2,104,437)	-	433,706,696
38100	38100 - Meters	78,709,924	5,034,529	(402,762)	-	83,341,690
38200	38200 - Meter Installations	73,171,228	7,277,027	(582,162)	-	79,866,093
38300	38300 - House Regulators	17,697,139	820,642	(65,651)	-	18,452,130
38400	38400 - House Regulator Installs	25,563,041	-	-	-	25,563,041
38500	38500 - Meas & Reg Station Eqp Ind	12,194,965	-	-	-	12,194,965
38700	38700 - Other Equipment	9,624,238	-	-	-	9,624,238
39000	39000 - Structures & Improvements	28,184	-	-	-	28,184
39002	39002 - Structur & Improv Leasehold	134,160	-	-	-	134,160
39100	39100 - Office Furniture	2,501,870	-	-	-	2,501,870
39101	39101 - Computer Equipment	4,500,269	-	-	-	4,500,269
39102	39102 - Office Equipment	1,402,780	-	-	-	1,402,780
39103	39103 - Office Furniture	3,396,496	-	-	(3,345,163)	51,333
39201	39201 - Vehicles up to 1/2 Tons	12,072,999	2,245,920	-	-	14,318,919
39202	39202 - Vehicles from 1/2 - 1 Tons	12,134,491	-	-	-	12,134,491
39204	39204 - Trailers & Other	2,563,258	400,000	-	-	2,963,258
39205	39205 - Vehicles over 1 Ton	1,900,118	-	-	-	1,900,118
39300	39300 - Stores Equipment	1,283	-	-	-	1,283
39400	39400 - Tools, Shop & Garage Equip	7,462,062	348,861	(27,909)	-	7,783,014
39401	39401 - CNG Station Equipment	3,003,236	-	-	-	3,003,236
10400	39401 - CNG Station Equipment	13,155,027	-	-	-	13,155,027
39500	39500 - Laboratory Equipment	-	-	-	-	-
39600	39600 - Power Operated Equipment	3,203,465	262,320	(20,986)	-	3,444,800
39700	39700 - Communication Equipment	3,954,614	9,014	(721)	-	3,962,907
39800	39800 - Miscellaneous Equipment	798,818	134,789	(10,783)	-	922,824
39900	39900 - Other Tangible Property	-	-	-	-	-
33600	33600 - Purification Equipment (RNG)	-	28,669,262	-	-	28,669,262
38601	38601 - Initiative-Gas Heat Pump	-	-	-	-	-
38602	38602 - Initiative-Combined Heat and Power	-	-	-	-	-
36400	36400 - LNG Plant	-	21,289,512	-	-	21,289,512
37700	37700 - Compressor Station Equipment	15,858,487	1,367,350	-	-	17,225,837
		2,194,813,745	**232,456,621**	**(14,185,066)**	**-**	**2,413,085,300**

DOCKET NO. _____-GU
EXHIBIT NO. (DAW-1)
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APPENDIX F-2 Summary of Depreciation Reserve 2017 – 2021

Annual Status Report

Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System

For the Year Ended December 31, 2016

Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
30100	Organization	3,116	-	-	-	-	-	-	(3,116)	-
30200	Franchise & Consents	0	-	-	-	-	-	-	-	0
30300	Misc Intangible Plant	757,491	32,613	-	-	-	-	-	(89,489)	700,615
30301	Custom Intangible Plant	12,337,858	1,768,236	(1,023,642)	-	-	-	-	(3,599,775)	9,482,676
37402	Land Rights	654,666	39,067	-	-	-	-	-	(61,971)	631,762
39002	Structures & Improve Leases	10,137	3,354	-	-	-	-	-	(160)	13,331
	Subtotal 108 - 404 *	13,763,268	1,843,270	(1,023,642)	-	-	-	-	(3,754,511)	10,828,385
Items necessary to reconcile the total amortization accrual amount to Acct. 404.3, Amortization Expense, shown on Line 7, Page 8.										
Depreciable Assets:										
37400	Land Distribution	-	-	(44,563)	-	-		-	44,563	-
37500	Structures & Improvements	7,928,741	446,996	(3,246,899)	(5,908)	-	-	-	(244,185)	4,878,745
37600	Mains Steel	218,020,297	8,656,877	(2,372,504)	(2,341,064)	4,328	-	-	(34,075,299)	187,892,635
37602	Mains Plastic	137,184,318	9,979,415	(684,017)	(1,029,700)	11,504	-	-	18,705,272	164,166,792
37800	Meas & Reg Station Eqp Gen	3,080,334	476,120	(70,893)	(43,603)	-	-	-	(307,265)	3,134,694
37900	Meas & Reg Station Eqp City	7,637,719	1,210,695	(7,170)	-	-	-	-	(1,170,882)	7,670,362
38000	Services Steel	51,484,453	1,756,837	(234,251)	(1,563,699)	756	-	-	6,480,107	57,924,202
38002	Services Plastic	134,479,130	8,477,022	(457,508)	(1,842,229)	4,042	-	-	17,759,064	158,419,522
38100	Meters	21,875,201	3,757,854	(1,409,544)	(14,995)	55,631	-	-	(2,228,238)	22,035,909
38200	Meter Installations	25,829,866	2,255,623	(276,889)	(177,346)	-	-	-	(322,391)	27,308,863
38300	House Regulators	6,517,882	535,825	(85,597)	(687)	-	-	-	(585,835)	6,381,588
38400	House Regulator Installs	9,903,729	912,019	(96,592)	(164,667)	-	-	-	117,069	10,671,559
38500	Meas & Reg Station Eqp Ind	5,427,013	282,825	(52,754)	(1,134)	-	-	-	(6,334)	5,649,616
38700	Other Equipment	2,188,642	388,764	-	-	-	-	-	(56,030)	2,521,376
39000	Structures & Improvements	10,886	524	-	-	-	-	-	(22)	11,388
39100	Office Furniture	682,484	109,339	(62,307)	-	-	-	-	214,463	943,979
39101	Computer Equipment	4,204,474	717,610	(1,697,739)	-	-	-	-	(84,876)	3,139,470
39102	Office Equipment	289,367	62,656	(79,264)	-	-	-	-	111,032	383,791
39201	Vehicles up to 1/2 Tons	3,196,303	930,495	(712,141)	(57,904)	98,524	-	-	(68,950)	3,386,327
39202	Vehicles from 1/2 - 1 Tons	3,899,377	865,482	(733,059)	(55,187)	92,806	-	-	(800,600)	3,268,818
39203	Airplane	(0)	-	-	-	-	-	-	0	0
39204	Trailers & Other	211,220	46,140	-	-	-	-	-	(2,517)	254,843
39205	Vehicles over 1 Ton	669,848	130,704	(48,484)	-	3,780	-	-	(12,047)	743,800
39300	Stores Equipment	(4,568)	50	-	-	-	-	-	4,748	230
39400	Tools, Shop & Garage Equip	1,175,008	502,990	(362,760)	(5,908)	-	-	-	418,884	1,728,214
39401	CNG Stations	467	363	-	-	-	-	-	(16,987)	(16,156)
39500	Laboratory Equipment	(14,417)	-	-	-	-	-	-	14,417	0
39600	Power Operated Equipment	1,310,249	175,441	(42,435)	-	1,925	-	-	(71,556)	1,373,623
39700	Communication Equipment	3,064,545	401,844	(1,430,204)	-	-	-	-	(58,690)	1,977,496
39800	Miscellaneous Equipment	320,139	29,289	(115,335)	-	-	-	-	42,160	276,253
39900	Other Tangible Property	-	-	-	-	-	-	-	-	-

Annual Status Report

Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System

For the Year Ended December 31, 2016

Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)										
		-	-	-	-	-	-	-	-	-
Capital Recovery Schedules:										
	Subtotal 108-403 *	664,335,975	44,953,069	(15,346,550)	(7,304,030)	273,296	-	-	44,563	686,956,323
Items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on Line 6, Page 8.										
10400	Lease to Others	-	251,846	-	-	-	-	-	-	251,846
10500	Property Held for Future Use	-	-	-	-	-	-	-	-	-
11400	Acquisition Adjustment	4,260,900	149,146	-	-	-	-	-	-	4,410,046
	Subtotal	4,260,900	400,992	-	-	-	-	-	-	4,661,892
Total Accumulated Reserve**		668,596,875	45,354,061	(15,346,550)	(7,304,030)	273,296	-	-	44,563	691,618,215

Note: * The total of ending balances must agree to Line 17, Page 12.

Note: ** The total of ending balances must agree to Line 32, Page 12.

Per rule 25-7.045(9), there has been no change of plans or utility experience requiring a change of rates, amortization or capital recovery schedule.

Annual Status Report

Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System

For the Year Ended December 31, 2017

Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
30100	Organization	0	-	-	-	-	-	-	-	0
30200	Franchise & Consents	0	-	-	-	-	-	-	-	0
30300	Misc Intangible Plant	700,615	32,613	-	-	-	-	-	-	733,228
30301	Custom Intangible Plant	9,482,676	1,783,374	(119,866)	-	-	-	-	-	11,146,184
37402	Land Rights	631,762	72,915	-	-	-	-	-	-	704,677
39002	Structures & Improve Leases	13,331	3,354	-	-	-	-	-	-	16,685
	Subtotal 108 - 404 *	10,828,385	1,892,256	(119,866)	-	-	-	-	-	12,600,774
Items necessary to reconcile the total amortization accrual amount to Acct. 404.3, Amortization Expense, shown on Line 7, Page 8.										
Depreciable Assets:										
37400	Land Distribution	-	-	(2,196)	(13,268)	-	-	-	-	(15,464)
37500	Structures & Improvements	4,878,745	563,544	(19,345)	(1,127)	-	-	-	-	5,421,818
37600	Mains Steel	187,892,635	9,283,935	(2,476,063)	(2,896,000)	17,636			1,626,119	193,448,262
37602	Mains Plastic	164,166,792	10,744,540	(2,232,796)	(713,916)	20,285	-	-	15,656,532	187,641,436
37800	Meas & Reg Station Eqp Gen	3,134,694	509,617	(399,642)	(447,220)	-	-	-	-	2,797,448
37900	Meas & Reg Station Eqp City	7,670,362	1,429,977	(58,098)	(12,113)	-	-	-	-	9,030,127
38000	Services Steel	57,924,202	1,843,589	(381,692)	(1,346,846)	(668)	-	-	(18,681,052)	39,357,533
38002	Services Plastic	158,419,522	9,261,474	(604,050)	(804,334)	7,355	-	-	1,398,401	167,678,368
38100	Meters	22,035,909	3,812,407	(5,379,721)	(15,201)	12,329	-	-	-	20,465,724
38200	Meter Installations	27,308,863	2,423,126	(174,265)	(118,799)	-	-	-	-	29,438,925
38300	House Regulators	6,381,588	556,518	(81,929)	-	-	-	-	-	6,856,176
38400	House Regulator Installs	10,671,559	947,834	(48,988)	(119,932)	-	-	-	-	11,450,472
38500	Meas & Reg Station Eqp Ind	5,649,616	298,726	(244)	(51)	-	-	-	-	5,948,046
38700	Other Equipment	2,521,376	432,295	(8,048)	-	-	-	-	-	2,945,624
39000	Structures & Improvements	11,388	705	-	-	-	-	-	-	12,092
39100	Office Furniture	943,979	111,189	(148,249)	-	-	-	-	-	906,919
39101	Computer Equipment	3,139,470	424,447	(1,052,914)	-	-	-	-	-	2,511,003
39102	Office Equipment	383,791	84,220	(14,760)	14	250	-	-	-	453,515
39201	Vehicles up to 1/2 Tons	3,386,327	987,579	(440,796)	9,236	40,802	-	-	-	3,983,149
39202	Vehicles from 1/2 - 1 Tons	3,268,818	945,748	(705,208)	14,172	123,015	-	-	-	3,646,544
39204	Trailers & Other	254,843	46,507	(6,854)	-	4,675	-	-	-	299,171
39205	Vehicles over 1 Ton	743,800	143,762	-	-	-	-	-	-	887,562
39300	Stores Equipment	230	50	-	-	-	-	-	-	280
39400	Tools, Shop & Garage Equip	1,728,214	499,737	(104,357)	-	2,000	(107,201)	-	-	2,018,393
39401	CNG Stations	(16,156)	959	-	-	-	-	-	-	(15,197)
39500	Laboratory Equipment	0	-	-	-	-	-	-	-	0
39600	Power Operated Equipment	1,373,623	177,554	(154,272)	-	27,462	-	-	-	1,424,367
39700	Communication Equipment	1,977,496	292,116	(14,713)	-	-	-	-	-	2,254,899
39800	Miscellaneous Equipment	276,253	18,715	(127,996)	-	-	-	-	-	166,973
39900	Other Tangible Property	-	-	-	-	-	-	-	-	-

Annual Status Report

Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System

For the Year Ended December 31, 2017

Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)										
		-	-	-	-	-	-	-	-	-
Capital Recovery Schedules:										
	Subtotal 108-403 *	686,956,323	47,733,128	(14,757,065)	(6,465,386)	255,140	(107,201)	-	-	713,614,938
Items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on Line 6, Page 8.										
10400	Lease to Others	251,846	529,910	-	-	-	107,201	-	-	888,957
10500	Property Held for Future Use	-	-	-	-	-	-	-	-	-
11400	Acquisition Adjustment	4,410,046	149,146	-	-	-	-	-	-	4,559,192
	Subtotal	4,661,892	679,056	-	-	-	107,201	-	-	5,448,149
Total Accumulated Reserve**		691,618,215	48,412,184	(14,757,065)	(6,465,386)	255,140	-	-	-	719,063,088

Note: * The total of ending balances must agree to Line 17, Page 12.

Note: ** The total of ending balances must agree to Line 32, Page 12.

Per rule 25-7.045(9), there has been no change of plans or utility experience requiring a change of rates, amortization or capital recovery schedule.

DOCKET NO. _____-GU
EXHIBIT NO. (DAW-1)
WITNESS: WATSON
DOCUMENT NO. 2
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Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System
For the Year Ended December 31, 2018

Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
30100	Organization	0	-	-	-	-	-	-	-	0
30200	Franchise & Consents	0	-	-	-	-	-	-	-	0
30300	Misc Intangible Plant	733,228	32,613	-	-	-	-	-	-	765,841
30301	Custom Intangible Plant	11,146,184	1,825,419	-	-	-	-	-	-	12,971,602
37402	Land Rights	704,677	93,914	-	-	-	-	-	-	798,591
39002	Structures & Improve Leases	16,685	3,354	-	-	-	-	-	-	20,039
	Subtotal 108 - 404 *	12,600,774	1,955,299	-	-	-	-	-	-	14,556,073
Items necessary to reconcile the total amortization accrual amount to Acct. 404.3, Amortization Expense, shown on Line 7, Page 8.										
Depreciable Assets:										
37400	Land Distribution	(15,464)	-	-	-	-	-	-	-	(15,464)
37500	Structures & Improvements	5,421,818	577,257	(2,640)	-	-	-	-	-	5,996,435
37600	Mains Steel	193,448,262	9,794,595	(812,701)	(3,257,889)	(2,721)	-	-	-	199,169,546
37602	Mains Plastic	187,641,436	11,583,734	(316,879)	(1,448,986)	(21,180)	-	-	-	197,438,125
37800	Meas & Reg Station Eqp Gen	2,797,448	550,001	(38,873)	(109,871)	-	-	-	-	3,198,705
37900	Meas & Reg Station Eqp City	9,030,127	1,799,800	(16,369)	-	-	-	-	-	10,813,558
38000	Services Steel	39,357,533	1,917,184	(416,204)	(1,583,618)	342	-	-	-	39,275,237
38002	Services Plastic	167,678,368	10,276,452	(531,881)	(2,282,616)	(6,106)	-	-	-	175,134,216
38100	Meters	20,465,724	3,939,128	(620,815)	(973)	8,730	-	-	-	23,791,793
38200	Meter Installations	29,438,925	2,598,983	(225,374)	(114,263)	-	-	-	-	31,698,270
38300	House Regulators	6,856,176	574,925	(64,155)	1	-	-	-	-	7,366,948
38400	House Regulator Installs	11,450,472	1,008,772	(63,894)	(109,386)	-	-	-	-	12,285,965
38500	Meas & Reg Station Eqp Ind	5,948,046	300,753	(1,181)	-	-	-	-	-	6,247,619
38700	Other Equipment	2,945,624	522,035	-	-	-	-	-	-	3,467,658
39000	Structures & Improvements	12,092	705	-	-	-	-	-	-	12,797
39100	Office Furniture	906,919	123,835	-	-	-	-	-	-	1,030,754
39101	Computer Equipment	2,511,003	400,123	-	-	-	-	-	-	2,911,126
39102	Office Equipment	453,515	89,402	-	-	-	-	-	-	542,917
39201	Vehicles up to 1/2 Tons	3,983,149	993,850	(410,072)	(12,393)	101,224	0	-	-	4,655,758
39202	Vehicles from 1/2 - 1 Tons	3,646,544	1,084,809	(542,596)	(23,478)	92,728	(0)	-	-	4,258,007
39204	Trailers & Other	299,171	51,130	(1,397)	-	-	-	-	-	348,904
39205	Vehicles over 1 Ton	887,562	148,918	(65,865)	-	1,536	-	-	-	972,152
39300	Stores Equipment	280	50	-	-	-	-	-	-	330
39400	Tools, Shop & Garage Equip	2,018,393	451,209	-	-	-	-	-	-	2,469,601
39401	CNG Stations	(15,197)	623	-	-	-	(449)	-	-	(15,023)
39500	Laboratory Equipment	0	-	-	-	-	-	-	-	0
39600	Power Operated Equipment	1,424,367	178,443	(46,265)	-	8,604	449	-	-	1,565,598
39700	Communication Equipment	2,254,899	318,245	-	-	-	-	-	-	2,573,144
39800	Miscellaneous Equipment	166,973	16,772	(4,362)	-	-	-	-	-	179,383
39900	Other Tangible Property	-	-	-	-	-	-	-	-	-

Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System
For the Year Ended December 31, 2018

Acct. No.	Account Description	Beginning Balance*	Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)										
	108 RWIP Unallocated	-	-	-	-	-	-	-	-	-
Capital Recovery Schedules:										
	Subtotal 108 - 403 *	713,614,938	51,257,032	(4,181,523)	(8,943,473)	183,156	0	-	-	751,930,130
Items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on Line 6, Page 8.										
10400	Lease to Others	888,957	601,824	-	-	-	-	-	-	1,490,782
10500	Property Held for Future Use	-	-	-	-	-	-	-	-	-
11500	Acquisition Adjustment	4,559,192	149,146	-	-	-	-	-	-	4,708,338
	Subtotal	5,448,149	750,970	-	-	-	-	-	-	6,199,120
Total Accumulated Reserve **		719,063,088	52,008,003	(4,181,523)	(8,943,473)	183,156	0	-	-	758,129,250

Per rule 25-7.045(9) , there has been no change of plans or utility experience requiring a change of rates, amortization or capital recovery schedule.

Note: * The total beginning and ending balances must agree to account 108 Depreciation, Line 17, Page 12.

Note: ** The total beginning and ending balances must agree to Line 32, Page 12.

ANNUAL STATUS REPORT - PEOPLES GAS SYSTEM
Reserve Balance
Actual 2019
To be filed

Account	Depr Description	RESERVE 2018 BOP	Depreciation	Retirements	Gross Salvage	Gross COR	Adj / Xfers	RESERVE 2019 EOP	Depr Rate
10500	10500 - Future Use	-	-	-	-	-	-	-	0%
11501	11501 - PGS Acq Adj (Reserve)	4,708,338	149,146	-	-	-	-	4,857,484	0%
30100	30100 - Organization	0	-	-	-	-	-	0	0%
30200	30200 - Franchise & Consents	0	-	-	-	-	-	0	4%
30300	30300 - Misc Intangible Plant	765,841	32,613	-	-	-	-	798,454	4%
30301	30301 - Custom Intangible Plant	12,971,602	1,999,266	-	-	-	-	14,970,868	7%
30302	30302 - SAP Intangible Plant	-	-	-	-	-	-	-	0%
37400	37400 - Land Distribution	(15,464)	-	-	-	(44,760)	-	(60,225)	0%
37402	37402 - Land Rights	798,591	74,057	-	-	-	-	872,648	1%
37500	37500 - Structures & Improvements	5,996,435	604,359	(28,399)	-	-	-	6,572,394	3%
37600	37600 - Mains Steel	199,169,546	8,528,906	(1,378,134)	11,128	(3,809,923)	-	202,521,522	2%
37602	37602 - Mains Plastic	197,438,125	7,607,218	(816,334)	20,975	(1,904,009)	-	202,345,974	1%
37800	37800 - Meas & Reg Station Eqp Gen	3,198,705	593,607	(57,378)	-	(37,718)	-	3,697,216	3%
37900	37900 - Meas & Reg Station Eqp City	10,813,558	2,134,028	(300,437)	-	(7,199)	-	12,639,950	3%
38000	38000 - Services Steel	39,275,237	1,403,959	(219,794)	1,271	(1,546,001)	-	38,914,672	3%
38002	38002 - Services Plastic	175,134,216	8,267,925	(748,602)	25,676	(3,477,518)	-	179,201,697	2%
38100	38100 - Meters	23,791,793	3,190,997	(314,363)	8,270	(1,066)	-	26,675,632	5%
38200	38200 - Meter Installations	31,698,270	1,757,849	(329,363)	3,502	(232,433)	-	32,897,825	3%
38300	38300 - House Regulators	7,366,948	599,711	(92,270)	-	-	-	7,874,389	4%
38400	38400 - House Regulator Installs	12,285,965	1,097,593	(88,196)	8,897	(197,595)	-	13,106,664	4%
38500	38500 - Meas & Reg Station Eqp Ind	6,247,619	316,471	-	-	-	-	6,564,090	3%
38700	38700 - Other Equipment	3,467,658	574,685	(4,172)	-	-	-	4,038,171	6%
39000	39000 - Structures & Improvements	12,797	705	-	-	-	-	13,501	3%
39002	39002 - Structur & Improv Leasehold	20,039	3,354	-	-	-	-	23,393	3%
39100	39100 - Office Furniture	1,030,754	152,280	-	-	-	-	1,183,034	7%
39101	39101 - Computer Equipment	2,911,126	441,283	-	-	-	-	3,352,409	12%
39102	39102 - Office Equipment	542,917	92,154	-	-	-	-	635,070	7%
39103	39103 - Office Furniture	-	-	-	-	-	-	-	0%
39201	39201 - Vehicles up to 1/2 Tons	4,655,758	952,496	(1,184,562)	135,978	(9,351)	-	4,550,319	11%
39202	39202 - Vehicles from 1/2 - 1 Tons	4,258,007	1,367,528	(609,178)	71,722	(45,949)	-	5,042,130	13%
39204	39204 - Trailers & Other	348,904	64,261	-	150	-	-	413,315	4%
39205	39205 - Vehicles over 1 Ton	972,152	142,782	(280,647)	23,515	(971)	-	856,831	8%
39300	39300 - Stores Equipment	330	50	-	-	-	-	380	4%
39400	39400 - Tools, Shop & Garage Equip	2,469,601	470,917	-	-	-	(1,348)	2,939,170	7%
39401	39401 - CNG Station Equipment	(15,023)	1,018	-	-	-	(94,047)	(108,052)	5%
10400	39401 - CNG Station Equipment	1,490,782	638,448	-	-	-	95,395	2,224,624	5%
39500	39500 - Laboratory Equipment	0	-	-	-	-	-	0	5%
39600	39600 - Power Operated Equipment	1,565,598	187,214	(5,213)	135	(2,170)	-	1,745,564	6%
39700	39700 - Communication Equipment	2,573,144	323,611	-	-	-	-	2,896,755	8%
39800	39800 - Miscellaneous Equipment	179,383	16,091	(2,930)	-	-	-	192,545	6%
39900	39900 - Other Tangible Property	-	-	-	-	-	-	-	0%
33600	33600 - Purification Equipment (RNG)	-	-	-	-	-	-	-	6%
38601	38601 - Initiative-Gas Heat Pump	-	-	-	-	-	-	-	8%
38602	38602 - Initiative-Combined Heat and Power	-	-	-	-	-	-	-	7%
36400	36400 - LNG Plant	-	-	-	-	-	-	-	2%
37700	37700 - Compressor Station Equipment	-	-	-	-	-	-	-	N/A
		758,129,250	**43,786,581**	**(6,459,972)**	**311,219**	**(11,316,662)**	**0**	**784,450,415**	

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ANNUAL STATUS REPORT - PEOPLES GAS SYSTEM
Reserve Balance
Forecast 2020

Account	Depr Description	RESERVE 2019 BOP	Depreciation	Retirements	Gross Salvage	Gross COR	Adj / Xfers	RESERVE 2020 EOP	Depr Rate
10500	10500 - Future Use	-	-	-	-	-	-	-	0%
11501	11501 - PGS Acq Adj (Reserve)	4,857,484	149,146	-	-	-	-	5,006,630	0%
30100	30100 - Organization	0	-	-	-	-	-	0	0%
30200	30200 - Franchise & Consents	0	-	-	-	-	-	0	4%
30300	30300 - Misc Intangible Plant	798,454	32,613	-	-	-	-	831,067	4%
30301	30301 - Custom Intangible Plant	14,970,868	2,810,031	-	-	-	-	17,780,900	7%
30302	30302 - SAP Intangible Plant	-	-	-	-	-	-	-	0%
37400	37400 - Land Distribution	(60,225)	-	-	-	-	-	(60,225)	0%
37402	37402 - Land Rights	872,648	55,495	-	-	-	-	928,144	1%
37500	37500 - Structures & Improvements	6,572,394	637,628	(101,120)	-	-	-	7,108,903	3%
37600	37600 - Mains Steel	202,521,522	8,877,925	(6,349,403)	-	(697,340)	-	204,352,704	2%
37602	37602 - Mains Plastic	202,345,974	8,642,856	(6,931,181)	-	(6,022,845)	-	198,034,805	1%
37800	37800 - Meas & Reg Station Eqp Gen	3,697,216	623,215	-	-	-	-	4,320,431	3%
37900	37900 - Meas & Reg Station Eqp City	12,639,950	2,608,197	(2,441,158)	-	-	-	12,806,989	3%
38000	38000 - Services Steel	38,914,672	1,448,864	(39,703)	-	(28,711)	-	40,295,122	3%
38002	38002 - Services Plastic	179,201,697	9,125,554	(2,059,136)	-	(3,033,928)	-	183,234,187	2%
38100	38100 - Meters	26,675,632	3,440,938	(394,092)	-	-	-	29,722,478	5%
38200	38200 - Meter Installations	32,897,825	1,945,011	(613,267)	-	(396,934)	-	33,832,634	3%
38300	38300 - House Regulators	7,874,389	623,838	(64,238)	-	-	-	8,433,989	4%
38400	38400 - House Regulator Installs	13,106,664	1,124,774	-	-	-	-	14,231,437	4%
38500	38500 - Meas & Reg Station Eqp Ind	6,564,090	378,044	-	-	-	-	6,942,133	3%
38700	38700 - Other Equipment	4,038,171	606,327	-	-	-	-	4,644,498	6%
39000	39000 - Structures & Improvements	13,501	705	-	-	-	-	14,206	3%
39002	39002 - Structur & Improv Leasehold	23,393	3,354	-	-	-	-	26,747	3%
39100	39100 - Office Furniture	1,183,034	167,625	-	-	-	-	1,350,660	7%
39101	39101 - Computer Equipment	3,352,409	553,533	-	-	-	-	3,905,942	12%
39102	39102 - Office Equipment	635,070	93,986	-	-	-	-	729,057	7%
39103	39103 - Office Furniture	-	-	-	-	-	-	-	0%
39201	39201 - Vehicles up to 1/2 Tons	4,550,319	1,203,620	-	235,386	-	-	5,989,326	11%
39202	39202 - Vehicles from 1/2 - 1 Tons	5,042,130	1,577,484	-	-	-	-	6,619,614	13%
39204	39204 - Trailers & Other	413,315	92,006	-	-	-	-	505,321	4%
39205	39205 - Vehicles over 1 Ton	856,831	142,509	-	-	-	-	999,340	8%
39300	39300 - Stores Equipment	380	50	-	-	-	-	430	4%
39400	39400 - Tools, Shop & Garage Equip	2,956,044	490,550	(35,827)	-	-	-	3,410,767	7%
39401	39401 - CNG Station Equipment	(129,260)	162	-	-	-	-	(129,098)	5%
10400	39401 - CNG Station Equipment	2,228,959	657,751	-	-	-	-	2,886,710	5%
39500	39500 - Laboratory Equipment	0	-	-	-	-	-	0	5%
39600	39600 - Power Operated Equipment	1,745,564	196,828	(15,840)	-	-	-	1,926,552	6%
39700	39700 - Communication Equipment	2,896,755	323,610	(706)	-	-	-	3,219,659	8%
39800	39800 - Miscellaneous Equipment	192,545	40,527	(46,501)	-	(272,727)	-	(86,156)	6%
39900	39900 - Other Tangible Property	-	-	-	-	-	-	-	0%
33600	33600 - Purification Equipment (RNG)	-	-	-	-	-	-	-	6%
38601	38601 - Initiative-Gas Heat Pump	-	-	-	-	-	-	-	8%
38602	38602 - Initiative-Combined Heat and Power	-	-	-	-	-	-	-	7%
36400	36400 - LNG Plant	-	-	-	-	-	-	-	2%
37700	37700 - Compressor Station Equipment	-	-	-	-	-	-	-	2%
		784,450,415	**48,674,756**	**(19,092,172)**	**235,386**	**(10,452,485)**	**-**	**803,815,900**	

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Reserve Balance
Forecast 2021

Account	Depr Description	RESERVE 2020 BOP	Depreciation	Retirements	Gross Salvage	Gross COR	Adj / Xfers	RESERVE 2021 EOP	Depr Rate
10500	10500 - Future Use	-	-	-	-	-	-	-	0%
11501	11501 - PGS Acq Adj (Reserve)	5,006,630	149,146	-	-	-	-	5,155,775	0%
30100	30100 - Organization	0	-	-	-	-	-	0	0%
30200	30200 - Franchise & Consents	0	-	-	-	-	-	0	4%
30300	30300 - Misc Intangible Plant	831,067	32,613	-	-	-	-	863,680	4%
30301	30301 - Custom Intangible Plant	17,780,900	3,445,464	-	-	-	-	21,226,364	7%
30302	30302 - SAP Intangible Plant	-	-	-	-	-	-	-	0%
37400	37400 - Land Distribution	(60,225)	-	-	-	-	-	(60,225)	0%
37402	37402 - Land Rights	928,144	55,495	-	-	-	-	983,639	1%
37500	37500 - Structures & Improvements	7,108,903	742,457	(593,238)	-	-	-	7,258,121	3%
37600	37600 - Mains Steel	204,352,704	12,678,458	(2,918,214)	-	-	-	214,112,947	2%
37602	37602 - Mains Plastic	198,034,805	11,783,475	(6,830,108)	-	(5,314,842)	-	197,673,330	2%
37800	37800 - Meas & Reg Station Eqp Gen	4,320,431	509,903	-	-	-	-	4,830,334	3%
37900	37900 - Meas & Reg Station Eqp City	12,806,989	2,051,228	(628,094)	-	-	-	14,230,123	2%
38000	38000 - Services Steel	40,295,122	2,629,829	-	-	-	-	42,924,951	5%
38002	38002 - Services Plastic	183,234,187	12,199,833	(2,104,437)	-	(3,100,674)	-	190,228,908	3%
38100	38100 - Meters	29,722,478	4,052,384	(402,762)	-	-	-	33,372,100	5%
38200	38200 - Meter Installations	33,832,634	1,828,949	(582,162)	-	(353,642)	-	34,725,779	2%
38300	38300 - House Regulators	8,433,989	325,363	(65,651)	-	-	-	8,693,701	2%
38400	38400 - House Regulator Installs	14,231,437	332,320	-	-	-	-	14,563,757	1%
38500	38500 - Meas & Reg Station Eqp Ind	6,942,133	280,484	-	-	-	-	7,222,618	2%
38700	38700 - Other Equipment	4,644,498	288,727	-	-	-	-	4,933,225	3%
39000	39000 - Structures & Improvements	14,206	676	-	-	-	-	14,882	2%
39002	39002 - Structur & Improv Leasehold	26,747	3,220	-	-	-	-	29,967	2%
39100	39100 - Office Furniture	1,350,660	102,577	-	-	-	-	1,453,236	4%
39101	39101 - Computer Equipment	3,905,942	499,530	-	-	-	-	4,405,472	11%
39102	39102 - Office Equipment	729,057	103,806	-	-	-	-	832,862	7%
39103	39103 - Office Furniture	-	-	-	-	-	-	-	0%
39201	39201 - Vehicles up to 1/2 Tons	5,989,326	934,796	-	222,380	-	-	7,146,502	7%
39202	39202 - Vehicles from 1/2 - 1 Tons	6,619,614	679,531	-	-	-	-	7,299,146	6%
39204	39204 - Trailers & Other	505,321	81,100	-	-	-	-	586,421	3%
39205	39205 - Vehicles over 1 Ton	999,340	125,408	-	-	-	-	1,124,748	7%
39300	39300 - Stores Equipment	430	46	-	-	-	-	476	4%
39400	39400 - Tools, Shop & Garage Equip	3,426,294	360,822	(27,909)	-	-	-	3,759,207	5%
39401	39401 - CNG Station Equipment	(143,118)	153,165	-	-	-	-	10,047	5%
10400	39401 - CNG Station Equipment	2,885,204	670,906	-	-	-	-	3,556,110	5%
39500	39500 - Laboratory Equipment	0	-	-	-	-	-	0	5%
39600	39600 - Power Operated Equipment	1,926,552	90,855	(20,986)	-	-	-	1,996,422	3%
39700	39700 - Communication Equipment	3,219,659	158,183	(721)	-	-	-	3,377,121	4%
39800	39800 - Miscellaneous Equipment	(86,156)	43,343	(10,783)	-	-	-	(53,596)	5%
39900	39900 - Other Tangible Property	-	-	-	-	-	-	-	0%
33600	33600 - Purification Equipment (RNG)	-	501,712	-	-	-	-	501,712	4%
38601	38601 - Initiative-Gas Heat Pump	-	-	-	-	-	-	-	0%
38602	38602 - Initiative-Combined Heat and Power	-	-	-	-	-	-	-	0%
36400	36400 - LNG Plant	-	371,388	-	-	-	-	371,388	4%
37700	37700 - Compressor Station Equipment	-	512,034	-	-	-	-	512,034	3%
		803,815,900	**58,779,227**	**(14,185,066)**	**222,380**	**(8,769,159)**	**-**	**839,863,283**	

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SCHEDULES 1 – 3

SUMMARY OF RESULTS

SCHEDULE 1

Peoples Gas
Comparison Of Annual Depreciation Accrual

Description	Forecasted Plant Balance 12/31/2020	Approved Annual Accrual Expense	Proposed Annual Accrual Expense	Difference
Intangible Plant	49,548,938	3,265,152	3,216,418	(48,734)
Distribution	2,035,932,594	42,848,562	48,741,524	5,892,962
General	68,786,436	5,787,110	3,675,532	(2,111,578)
Plant added in 2021				
33600 RNG Plant	28,669,262		1,003,424	1,003,424
36400 LNG Plant	21,289,512		745,133	745,133
	17,225,837		516,775	516,775
Total	$2,221,452,580	$51,900,824	$57,898,807	$5,997,983

SCHEDULE 2
Peoples Gas
Comparison of Net Salvage

Account Number	Account Title	Existing	Proposed	Change in Net Salvage
	Distribution Plant			
37402	Land Rights	0	0	0
37500	Structures & Improvements	0	0	0
37600	Mains Steel	-40	-60	-20
37602	Mains Plastic	-25	-40	-15
37800	Meas & Reg Station Eqp Gen	-5	-10	-5
37900	Meas & Reg Station Eqp City	-5	-10	-5
38000	Services Steel	-100	-150	-50
38002	Services Plastic	-55	-80	-25
38100	Meters	5	3	-2
38200	Meter Installations	-20	-30	-10
38300	House Regulators	0	0	0
38400	House Regulator Installs	-20	-30	-10
38500	Meas & Reg Station Eqp Ind	0	-2	-2
38600	Other Property Cust Premise	0	0	0
38700	Other Equipment	0	0	0
	Transportation Equipment			
39201	Vehicles up to 1/2 Tons	10	11	1
39202	Vehicles from 1/2 - 1 Tons	10	11	1
39204	Trailers & Other	20	15	-5
39205	Vehicles over 1 Ton	10	4	-6
	General Plant			
30100	Organization Costs			
30200	Franchise & Consents	0	0	0
30300	Misc Intangible Plant	0	0	0
30301	Custom Intangible Plant	0	0	0
39000	Structures & Improvements	0	0	0
39100	Office Furniture	0	0	0
39101	Computer Equipment	0	0	0
39102	Office Equipment	0	0	0
39300	Stores Equipment	0	0	0
39400	Tools, Shop & Garage Equip	0	0	0
39401	CNC Station Equipment	0	0	0
39500	Laboratory Equipment	0	0	0
39600	Power Operated Equipment	5	10	5
39700	Communication Equipment	0	0	0
39800	Miscellaneous Equipment	0	0	0
33600	RNG Plant	NA	-5	
36400	LNG Plant	NA	-5	
37700	Compressor Equipment	NA	-5	

Schedule 3
Peoples Gas
Comparison of Life Parameter

Account Number	Account Title	Existing Average Service Life	Existing Curve Type	Proposed Average Service Life	Proposed Curve Type	Change In Average Service Life
	Distribution Plant					
37402	Land Rights	75	SQ	75	SQ	0
37500	Structures & Improvements	40	R3	33	L0	-7
37600	Mains Steel	55	R2	65	R1.5	10
37602	Mains Plastic	75	R2	75	R2	0
37800	Meas & Reg Station Eqp Gen	31	R1	40	R1.5	9
37900	Meas & Reg Station Eqp City	31	R1	50	R2.5	19
38000	Services Steel	50	R0.5	52	R0.5	2
38002	Services Plastic	55	R1.5	55	R1.5	0
38100	Meters	21	R1	19	R2	-2
38200	Meter Installations	43	R0.5	44	R1	1
38300	House Regulators	28	R2	42	S1	14
38400	House Regulator Installs	27	R4	47	R1	20
38500	Meas & Reg Station Eqp Ind	32	R4	37	R3	5
38600	Other Property Cust Premise	15	R1	15	R1	0
38700	Other Equipment	16	S2	24	L2	8
	Transportation Equipment					
39201	Vehicles up to 1/2 Tons	8	S1	9	L2.5	1
39202	Vehicles from 1/2 - 1 Tons	7	S1	15	L1.5	8
39204	Trailers & Other	20	S3	27	R2	7
39205	Vehicles over 1 Ton	12	S4	12	L2	0
	General Plant					
30100	Organization Costs	Not Depreciable		Not Depreciable		
30200	Franchise & Consents	25	SQ	25	SQ	0
30300	Misc Intangible Plant	25	SQ	25	SQ	0
30301	Custom Intangible Plant	15	SQ	15	SQ	0
39000	Structures & Improvements	40	R3	25	L0	-15
39100	Office Furniture	15	SQ	17	SQ	2
39101	Computer Equipment	8	SQ	9	SQ	1
39102	Office Equipment	15	SQ	15	SQ	0
39300	Stores Equipment	25	S4	24	SQ	-1
39400	Tools, Shop & Garage Equip	15	SQ	18	SQ	3
39401	CNC Station Equipment	20		20	SQ	0
39500	Laboratory Equipment	20	SQ	20	SQ	0
39600	Power Operated Equipment	15	S4	18	L1.5	3
39700	Communication Equipment	12	SQ	13	SQ	1
39800	Miscellaneous Equipment	17	SQ	20	SQ	3
33600	RNG Plant	NA	NA	30	R2	
36400	LNG Plant	NA	NA	30	R2	