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IN REPLY REFER TO:

January 15, 1996

Matthew R. Costa
P. O. Box 1531
Tampa, FL 33601

VIA FEDERAL EXPRESS

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

ORIGINAL
FILE COPY

ACK Re: Docket No. 960003-GU -- Purchased Gas Adjustment (PGA) Clause
True-Up Projections and Testimony for April 1996 - March 1997.

AFA

APP
CAF Dear Ms. Bayo:

CMU
CTR Enclosed for filing in the above docket on behalf of Peoples Gas System, Inc.
ENC ("Peoples"), please find the original and 15 copies of its Petition for Approval of PGA Factor
3 for Application to Bills to be Rendered During the Period April 1996 Through March 1997.

LEG
LIN Enclosed also for filing on behalf of Peoples, please find 15 copies of the Direct
OPC Testimony of W. Edward Elliott on behalf of Peoples, as well as 15 copies of Composite
RCH Exhibit EE-2 to Mr. Elliott's testimony.

SEC Please acknowledge your receipt and filing of the enclosures by stamping the
WAS duplicate copy of this letter which is enclosed and returning the same to the undersigned.

OTH

RECEIVED & FILED

FPSC BUREAU OF RECORDS

test & sub
DOCUMENT NUMBER-DATE

00486 JAN 16 96

FPSC-RECORDS/REPORTING

petition
DOCUMENT NUMBER-DATE

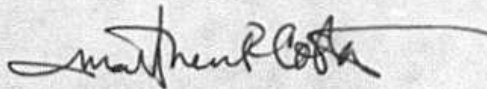
00485 JAN 16 96

FPSC-RECORDS/REPORTING

Blanca S. Bayo, Director
January 15, 1996
Page 2

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew R. Costa". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

MATTHEW R. COSTA

MRC/m
Enclosures

cc: Mr. Hugh M. Grey, III
Ms. Adriene W. Guidry
Mr. W. Edward Elliott
All Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas :
Adjustment (PGA) True-Up :

:

Docket No. 960003-GU
Submitted for Filing:
01-16-96

ORIGINAL
FILE COPY

DIRECT TESTIMONY OF W. EDWARD ELLIOTT
On Behalf of Peoples Gas System, Inc.

DOCUMENT NUMBER-DATE

00486 JAN 16 96

FPSC-RECORDS/REPORTING

1 Q. Please state your name and business address.

2 A. My name is W. Edward Elliott. My business address
3 is Suite 1600, 111 East Madison Street, Tampa,
4 Florida 33602.

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

6 A. I am Manager of Gas Accounting for Peoples Gas
7 System, Inc. ("Peoples").

8 Q. Please summarize your educational background and
9 professional qualifications.

10 A. I graduated from the University of South Florida in
11 1972 with the degree of Bachelor of Arts in
12 Accounting. I have over 7 years of experience in
13 the utility field.

14 Q. What are your primary responsibilities in your
15 present position with Peoples?

16 A. As Manager of Gas Accounting, I am responsible for
17 recording the Company's cost of gas.

18 Q. Have you previously testified in regulatory
19 proceedings?

20 A. Yes. I have just submitted testimony in this docket
21 for the Final PGA True-Up for the period April 1,
22 1994 through March 31, 1995.

23 Q. What is the purpose of your testimony in this
24 docket?

25 A. The purpose of my testimony is to describe

1 generally the components of Peoples' cost of
2 purchased gas, and to explain how Peoples'
3 projected weighted average cost of gas ("WACOG")
4 for the April 1996 through March 1997 period was
5 determined.

6 Q. Please summarize your testimony.

7 A. I will address the following areas:

- 8 1. How Peoples will obtain its gas
9 supplies during the projected period.
- 10 2. Estimates and adjustments used to
11 determine the amount of gas to be
12 purchased from Peoples' various available
13 sources of supply during the projected
14 period.
- 15 3. Projections and assumptions used to
16 estimate the purchase price to be paid by
17 Peoples for such gas supplies.
- 18 4. The components and assumptions used to
19 develop Schedules E-3 (A) through (G) of
20 Composite Exhibit EE-2.
- 21 5. The components and assumptions used to
22 develop Schedule E-1 of Composite
23 Exhibit EE-2, including how Peoples'
24 projected WACOG was determined.

25 Q. Have you prepared or caused to be prepared certain

1 schedules for use in this proceeding?

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

4 Q. Please describe how Peoples will obtain its gas
5 supplies during the projected period of April 1996
6 through March 1997.

7 A. All natural gas delivered through Peoples'
8 distribution system is received through two
9 interstate pipelines. Gas is delivered by Florida
10 Gas Transmission Company ("FGT") and, in Peoples'
11 Jacksonville Division, also by South Georgia
12 Natural Gas Company ("South Georgia").

13 Q. In general, how does Peoples determine its sources
14 of supply?

15 A. Peoples evaluates sources of supply on the basis of
16 its "best value" gas acquisition strategy. For a
17 source of supply to be identified as a "best
18 value," it must offer the best combination of
19 price, reliability of supply and dependable
20 operations, consistent with Peoples' obligation as
21 a public utility to provide safe, adequate and
22 efficient service to the general public. Toward
23 this end, Peoples has developed, and is continuing
24 to enhance, a portfolio of supply sources which
25 reflect a balance between cost, reliability and

1 operational flexibility. Peoples obtains its gas
2 entirely from third party supplies which include
3 both firm and interruptible purchases, various
4 pricing mechanisms and purchase periods, and
5 include spot, short term and long term
6 arrangements.

7 Q. Could Peoples purchase all third party supplies in
8 advance for a long term at the lowest available
9 fixed price in order to avoid rising gas prices and
10 provide increased stability to its cost of gas?

11 A. No. Peoples' requirements for system supply gas at
12 its gate stations vary significantly, not only from
13 season to season or month to month, but from day to
14 day as well. Often, the demand for gas on the
15 Peoples system can vary dramatically within a month
16 from the lowest to the highest requirement of its
17 customers. In addition, since Peoples transports a
18 large portion of its throughput of gas for end-user
19 customers who purchase their own supplies directly
20 from producers and marketers, Peoples receives
21 large quantities of transportation gas purchased by
22 its transportation customers for delivery to
23 Peoples' gate stations on a relatively uniform
24 basis from day to day within a month, while the
25 actual takes of gas out of the Peoples system by

1 its transporting customers at their end-use meters
2 can and does vary significantly from day to day.
3 Since a significant portion of the total
4 throughput volumes is received by Peoples at a
5 uniform daily rate, Peoples is forced to increase
6 or decrease the purchases of its own system supply
7 volumes by significant increments in order to
8 maintain a balance between receipts and deliveries
9 of gas each day. As a consequence, Peoples must
10 buy a significant portion of its total system
11 requirements under swing contract arrangements, and
12 meet extreme variations in delivered volumes by
13 relying on swing gas, peaking gas, pipeline
14 balancing charge volumes, pipeline penalty charge
15 volumes and pipeline no notice service at the
16 prevailing rates for such services.

17 Q. How did Peoples estimate the amount of gas to be
18 purchased from various sources during the projected
19 period of April 1996 through March 1997?

20 A. We began with total actual throughput of therms
21 delivered to customers during a "base period" of
22 April 1994 through March 1995, including both sales
23 of Peoples' system supply and transportation
24 deliveries of third party gas purchased by end-
25 users of Peoples. Next, all volumes purchased or

1 transported for major electric power generation
2 were deducted, since such usage is expected to be
3 delivered entirely as transportation volumes during
4 the projection period.

5 Q. What adjustments were made to the remaining actual
6 system throughput volumes?

7 A. Peoples anticipates additional end-users will be
8 converted from sales to transportation service
9 during the projection period. The total actual
10 system throughput, less major electric power
11 generation volumes, was decreased to allow for such
12 conversions to transportation. The resulting
13 remaining amount, therefore, is adjusted projected
14 period throughput.

15 Q. What other adjustments were then made?

16 A. Based on the amount of firm transportation capacity
17 expected to be used by end-users, total estimated
18 end-user transportation volumes (other than for
19 major electric generation) for the projection
20 period were deducted from the adjusted projected
21 throughput. The remaining amount represents the
22 total estimated amount of system supply volumes to
23 be purchased by Peoples from third party sources
24 for transportation through FGT and SGNG. Separate
25 estimates, based on available transportation

1 capacity, were made for the following categories of
2 purchases by Peoples:

- 3 1. Third party transportation volumes
4 purchased for direct delivery at the
5 South Georgia gate station near
6 Jacksonville.
- 7 2. Third party transportation volumes
8 purchased at various FGT receipt points
9 and transported to Peoples' gate stations
10 via firm FTS-1 and FTS-2 transportation
11 service.
- 12 3. Third party transportation volumes
13 purchased at various FGT receipt points
14 and transported to Peoples' gate stations
15 via preferred interruptible PTS-1
16 transportation service.
- 17 4. No Notice Transportation Service (NNTS),
18 FGT Balancing Charge volumes and FGT
19 Operational Flow Order Penalty Charge
20 Volumes will be utilized on FGT Alert
21 Days and Operational Flow Order Days, if
22 necessary, when Peoples is required by
23 FGT to keep actual deliveries within
24 scheduled deliveries (within tariff
25 tolerance levels).

1 Q. How were the No Notice Transportation Service
2 (NNTS), FGT Balancing Charge volumes and FGT
3 Penalty Charge volumes -- item 5 above -- deter-
4 mined?

5 A. Peoples purchases its allocated quantity of NNTS
6 whether or not the service is actually used. FGT
7 Balancing Charge volumes may be purchased on as
8 many as 10 days per month during the projected
9 period.

10 Q. Does Peoples expect to utilize all of its available
11 firm transportation capacity during the projection
12 period?

13 A. That depends on the amount of gas purchased or
14 transported for electric power generation and the
15 level of market demand for firm transportation
16 capacity in the pipeline capacity release market.
17 The projection period volumes are based upon the
18 assumption that the demand for gas from such
19 markets will be relatively weak as a result of
20 lower oil prices, higher gas prices, and the
21 uncertainties inherent in forecasting demand for
22 gas for electric generation.

23 Q. How did you estimate the purchase price to be paid
24 by Peoples for each of its available sources of
25 supply?

- 1 A. The estimating procedures used for each category of
2 purchases by Peoples are as follows:
- 3 1. Third party direct transportation volumes
4 were estimated based on an evaluation of
5 published prices for the
6 last several years for spot gas delivered
7 to the FGT and Southern Natural Gas
8 Company ("SONAT") systems and futures
9 market prices for the projection period
10 of April 1996 through March 1997. These
11 prices were then adjusted to reflect the
12 potential for unexpected increases in
13 natural gas prices from the base period
14 to the projection period.
- 15 2. NNTS, FGT Balancing Charge and FGT
16 Penalty Charge volumes purchased from FGT
17 were estimated based on FGT's most
18 current rates on file with the FERC and
19 reasonable expectations for the possible
20 cost of gas utilized by FGT as provided
21 for in the recently effective Balancing
22 Tools Settlement.
- 23 Q. Referring to Schedules E-3 (A) through (G) of
24 Composite Exhibit EE-2, please explain the
25 components of these schedules and the assumptions

1 which were made in developing the Company's
2 projections.

3 A. Schedule E-3 (G) is a compilation of the monthly
4 data which appear on Schedules E-3 (A) through (F)
5 for the corresponding months of April 1996
6 through March 1997.

7 In Schedules E-3 (A) through (F), Column (A)
8 indicates the applicable month for all data on
9 the page.

10 In Column (B), "FGT" indicates that the
11 volumes are to be purchased from third party
12 suppliers for delivery via FGT transportation.
13 "MARKETER" indicates that the volumes are to be
14 purchased from a third party supplier for delivery
15 via SONAT and South Georgia Natural Gas ("South
16 Georgia"). "THIRD PARTY" indicates that the
17 volumes are to be purchased directly from various
18 third party suppliers for delivery into FGT or
19 SONAT.

20 In Column (C), "PGS" means the purchase will
21 be for Peoples' system supply and will become part
22 of Peoples' total WACOG. None of the costs of gas
23 or transportation for end-use purchases by end-use
24 customers of Peoples are included in Peoples'
25 WACOG.

1 In Column (D), purchases of pipeline
2 transportation services from FGT under Rate
3 Schedule FTS-1 and FTS-2 are split into two
4 components, commodity (or "usage") and demand (or
5 "reservation"). Both Peoples and end-users pay the
6 usage charge based on the actual amount of gas
7 transported. The FTS-1 and FTS-2 commodity costs
8 shown include all related transportation charges
9 including usage, fuel, ACA and GRI. The FTS-1 and
10 FTS-2 demand component is a fixed charge based on
11 the maximum daily quantity of FTS-1 and FTS-2 firm
12 transportation capacity reserved. End-users
13 reimburse Peoples or directly pay FGT for all FTS-1
14 reservation charges associated with the
15 transportation capacity which Peoples reserves and
16 uses on their behalf. Similarly, the
17 transportation rates of SONAT and South Georgia
18 also consist of two components, a usage charge and
19 a reservation charge.

20 Also in Column (D), "NO NOTICE TRANSPORTATION
21 SERVICE" (or "NNTS") means FGT's no notice service
22 provided to Peoples on a fixed charge basis for use
23 when Peoples' actual use exceeds scheduled
24 quantities. "SWING SERVICE" means the demand and
25 commodity component of the cost of third party

1 supplies purchased to meet Peoples "swing"
2 requirements for supply which fluctuate on a day-
3 to-day basis. "COMMODITY" means third party
4 purchases of gas transported on FGT, SONAT or South
5 Georgia, and does not include any purchases of
6 sales volumes from FGT.

7 Column (E) shows the monthly quantity in
8 therms of gas purchased by Peoples for each
9 category of system supply.

10 Column (F) shows the gas purchased by end-
11 users for transportation.

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

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

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

3 Q. Referring to Schedule E-1 of Composite Exhibit EE-
4 2, please explain the components of these schedules
5 and the assumptions which were made in
6 developing the Company's projections.

7 A. Schedule E-1 consists of three pages. Page 1
8 relates to Cost of Gas Purchased, Page 2 relates to
9 Therms Purchased, and Page 3 relates to Cents per
10 Therm, or Cost of Gas Purchased divided by
11 Therms Purchased.

12 The categories or items on lines 1 through 14
13 on Page 1 correspond to the similar categories or
14 items on lines 15 through 27 on Page 2, and to the
15 similar categories or items on lines 28 through 45
16 on page 3.

17 The data shown on Page 1 through Page 3 of
18 Schedule E-1 are taken directly from Schedules E-3
19 (A) through (F) for the months of April 1996
20 through March 1997. The average cost per therm for
21 the total projected period for each item is listed
22 in lines 28 through 37 on Page 3 of Schedule E-1.

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

25 A. Schedule E-1/R of Composite Exhibit EE-2 shows

- 1 eight months actual and four months estimated data
2 for the current period from April 1995 through
3 March 1996.
- 4 Q. What information is presented on Schedule E-2 of
5 Composite Exhibit EE-2?
- 6 A. Schedule E-2 of Composite Exhibit EE-2 shows the
7 amount of the prior period over/underrecoveries of
8 gas costs which are included in the current PGA
9 calculation.
- 10 Q. What is the purpose of Schedule E-4 of Composite
11 Exhibit EE-2?
- 12 A. Schedule E-4 of Composite Exhibit EE-2 simply shows
13 the calculation of the estimated true-up amount for
14 the April 1995 through March 1996 period. It is
15 based on actual data for eight months and four
16 months of projected data.
- 17 Q. What information is contained on Schedule E-5 of
18 Composite Exhibit EE-2?
- 19 A. Schedule E-5 of Composite Exhibit EE-2 is
20 statistical data which includes the projected therm
21 sales and numbers of customers by customer class
22 for the period from April 1996 through March 1997.
- 23 Q. Does this conclude your testimony?
- 24 A. Yes, it does.

COMPANY: PEOPLES GAS SYSTEM, INC.

PURCHASED GAS ADJUSTMENT

SCHEDULE 6-1

COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

APRIL 96 Through MARCH 97

1 of 3

COST OF GAS PURCHASED	PROJECTION												TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1 COMMODITY Pipeline (FGT)	\$148,287	\$138,183	\$104,961	\$84,241	\$103,182	\$90,136	\$108,082	\$138,387	\$188,368	\$212,833	\$213,680	\$180,961	\$1,880,312
1a COMMODITY Pipeline (SONAT)	\$14,793	\$12,983	\$15,468	\$18,775	\$12,318	\$18,736	\$12,228	\$13,314	\$14,832	\$13,757	\$18,355	\$15,288	\$167,544
1b COMMODITY Pipeline (SO. GA.)	\$13,386	\$11,787	\$13,989	\$14,268	\$11,142	\$18,137	\$11,061	\$12,042	\$13,135	\$12,443	\$8,386	\$13,828	\$151,542
2 NO NOTICE SERVICE	\$41,840	\$43,028	\$41,840	\$64,942	\$64,942	\$82,480	\$64,942	\$62,480	\$64,942	\$64,942	\$58,236	\$64,942	\$888,776
3 SWING SERVICE	\$1,481,827	\$630,825	\$1,382,250	\$1,148,325	\$1,328,375	\$1,185,750	\$1,874,725	\$1,328,828	\$1,733,172	\$2,880,875	\$2,801,900	\$2,810,167	\$24,370,829
4 COMMODITY Gas (THIRD PARTY)	\$5,488,152	\$5,328,453	\$4,438,029	\$4,237,852	\$4,125,143	\$4,138,520	\$4,587,491	\$4,328,784	\$5,180,383	\$7,882,788	\$7,818,944	\$8,880,728	\$63,720,045
5 DEMAND (FGT)	\$2,867,852	\$1,777,732	\$1,720,388	\$1,777,732	\$1,777,732	\$1,720,388	\$2,882,811	\$2,787,289	\$2,858,843	\$2,888,843	\$2,882,813	\$2,888,843	\$28,212,571
5a DEMAND (SONAT)	\$248,848	\$258,178	\$248,848	\$258,178	\$258,178	\$248,848	\$258,178	\$248,848	\$258,178	\$258,178	\$233,182	\$258,178	\$3,038,818
5b DEMAND (SO. GA.)	\$172,375	\$178,121	\$172,375	\$178,121	\$178,121	\$172,375	\$178,121	\$172,375	\$178,121	\$178,121	\$160,883	\$178,121	\$2,097,331
6 OTHER	\$120,000	\$80,000	\$75,000	\$75,000	\$75,000	\$75,000	\$120,000	\$80,000	\$80,000	\$80,000	\$80,000	\$72,000	\$1,002,000
LESS END-USE CONTRACT													
7 COMMODITY Pipeline (FGT)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 DEMAND (FGT)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 OTHER	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 TOTAL COST (1+1a+1b+2+3+4+5+5a+5b+6) (7+8+9+10)	\$10,588,152	\$8,827,473	\$8,081,874	\$7,861,735	\$7,830,842	\$7,724,360	\$8,877,438	\$11,134,338	\$12,827,883	\$14,252,860	\$13,487,734	\$13,133,368	\$128,148,888
12 NET UNBILLED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 COMPANY USE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 TOTAL THERM SALES	\$10,588,152	\$8,827,473	\$8,081,874	\$7,861,735	\$7,830,842	\$7,724,360	\$8,877,438	\$11,134,338	\$12,827,883	\$14,252,860	\$13,487,734	\$13,133,368	\$128,148,888

Composite Exhibit No. _____
 Docket No. 980003-GU
 Peoples Gas System, Inc.
 (EE-2)
 Page 1 of 21

COMPANY: PEOPLES GAS SYSTEM, INC.

PURCHASED GAS ADJUSTMENT

SCHEDULE B-1

COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

APRIL 86 Through MARCH 87

2 of 3

THERMS PURCHASED	PROJECTION												TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
15 COMMODITY Pipeline (FGT)	22,717,369	20,181,053	17,160,455	15,753,485	16,988,514	15,987,441	17,814,811	21,314,070	25,158,082	21,823,482	21,301,942	27,185,724	262,548,438
15a COMMODITY Pipeline (SONAT)	6,138,107	6,391,304	6,417,381	6,545,875	5,111,581	6,944,348	5,874,188	5,524,297	6,525,575	5,708,448	4,798,675	6,342,711	68,328,285
15b COMMODITY Pipeline (SO. GA.)	6,900,000	5,278,000	8,273,000	6,396,400	4,986,580	6,768,100	4,960,000	5,488,000	6,800,000	6,888,000	4,200,000	6,300,000	87,308,580
16 NO NOTICE SERVICE	6,000,000	6,300,000	6,000,000	6,300,000	6,300,000	6,000,000	6,300,000	6,000,000	6,300,000	6,300,000	6,000,000	6,300,000	100,400,000
17 SWING SERVICE	6,850,300	3,255,000	4,800,000	4,485,000	4,800,000	4,850,000	6,358,000	11,284,200	12,854,820	6,785,000	6,828,000	6,525,980	86,410,310
18 COMMODITY Gas (THIRD PARTY)	22,867,289	22,208,563	18,482,455	17,858,985	17,188,084	17,235,541	16,418,811	16,488,870	18,384,782	27,438,482	26,881,942	23,888,734	244,891,208
18 DEMAND (FGT)	61,328,540	34,832,860	33,801,800	34,832,800	34,832,800	33,800,800	35,588,790	68,244,800	61,218,800	61,218,800	66,294,400	61,218,800	688,891,710
18a DEMAND (SONAT)	8,729,843	8,828,838	8,729,843	8,828,838	8,828,838	8,729,843	8,828,838	8,729,843	8,828,838	8,828,838	8,147,834	8,828,838	108,213,088
18b DEMAND (SO. GA.)	8,533,422	8,817,869	8,533,422	8,817,869	8,817,869	8,533,422	8,817,869	8,533,172	8,817,869	8,817,869	7,984,527	8,817,869	103,823,301
20 OTHER	200,000	100,000	125,000	125,000	125,000	125,000	200,000	100,000	150,000	150,000	150,000	120,000	1,675,000
LESS END USE CONTRACT													
21 COMMODITY Pipeline (FGT)	0	0	0	0	0	0	0	0	0	0	0	0	0
22 DEMAND (FGT)	0	0	0	0	0	0	0	0	0	0	0	0	0
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES	28,717,889	26,461,053	23,432,458	22,181,865	21,893,094	21,886,541	22,774,811	26,744,870	31,048,082	27,203,482	26,701,942	33,385,724	330,501,818
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
27 TOTAL THERM SALES (24-26)	28,717,889	26,461,053	23,432,458	22,181,865	21,893,094	21,886,541	22,774,811	26,744,870	31,048,082	27,203,482	26,701,942	33,385,724	330,501,818

Composite Exhibit No. _____
 Docket No. 960003-CU
 Peoples Gas System, Inc.
 (EE-2)
 Page 2 of 21

COMPANY: PEOPLES GAS SYSTEM, INC.

PURCHASED GAS ADJUSTMENT

SCHEDULE 6-1

COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

APRIL 96 Through MARCH 97

3 of 3

CENTS PER THERM		PROJECTION												TOTAL		
		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR			
28	COMM. Pipeline (FGT) (V15)	0.0067	0.0067	0.0067	0.0067	0.0067	0.0067	0.0067	0.0067	0.0067	0.0067	0.0067	0.0067	0.0067	0.0067	0.0067
28a	COMM. Pipeline (SOHAT) (1a/15a)	0.00241	0.00241	0.00241	0.00241	0.00241	0.00241	0.00241	0.00241	0.00241	0.00241	0.00241	0.00241	0.00241	0.00241	0.00241
28b	COMM. Pipeline (SO. GA.) (1b/15b)	0.00223	0.00223	0.00223	0.00223	0.00223	0.00223	0.00223	0.00223	0.00223	0.00223	0.00223	0.00223	0.00223	0.00223	0.00223
28	NO NOTICE SERVICE (2/16)	0.00694	0.00694	0.00694	0.00694	0.00694	0.00694	0.00694	0.00694	0.00694	0.00694	0.00694	0.00694	0.00694	0.00694	0.00694
30	SWING SERVICE (3/17)	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000	0.25000
31	COMM. Other (THIRD PARTY) (4/18)	0.24000	0.24000	0.24000	0.24000	0.24000	0.24000	0.24000	0.24000	0.24000	0.24000	0.24000	0.24000	0.24000	0.24000	0.24000
32	DEMAND (FGT) (5/19)	0.04660	0.04660	0.04660	0.04660	0.04660	0.04660	0.04660	0.04660	0.04660	0.04660	0.04660	0.04660	0.04660	0.04660	0.04660
32a	DEMAND (SOHAT) (5a/19a)	0.02862	0.02862	0.02862	0.02862	0.02862	0.02862	0.02862	0.02862	0.02862	0.02862	0.02862	0.02862	0.02862	0.02862	0.02862
32b	DEMAND (SO. GA.) (5b/19b)	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000
33	OTHER (6/20)	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000	0.80000
LESS END-USE CONTRACT																
34	COMMODITY Pipeline (FGT) (7/21)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35	DEMAND (FGT) (8/22)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
36	OTHER (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37	TOTAL COST OF PURCHASES (11/24)	0.36808	0.33885	0.34532	0.35490	0.33605	0.35294	0.43370	0.41633	0.40349	0.38311	0.37777	0.38336	0.37888	0.37888	0.37888
38	NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
38	COMPANY USE (13/26)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40	TOTAL COST OF THERMS SOLD (11/27)	0.36808	0.33885	0.34532	0.35490	0.33605	0.35294	0.43370	0.41633	0.40349	0.38311	0.37777	0.38336	0.37888	0.37888	0.37888
41	TRUE-UP (E-4)	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459
42	TOTAL COST OF GAS (40+41)	0.37267	0.34344	0.34991	0.35949	0.34064	0.35754	0.43829	0.42092	0.40808	0.38770	0.38237	0.38795	0.38347	0.38347	0.38347
43	REVENUE TAX FACTOR	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378
44	PGA FACTOR ADJUSTED FOR TAXES (42+43)	0.37508	0.34473	0.35123	0.36065	0.34200	0.35888	0.43994	0.42260	0.40962	0.38916	0.38360	0.38947	0.38469	0.38469	0.38469
45	PGA FACTOR ROUNDED TO NEAREST .001	37.508	34.473	35.123	36.065	34.200	35.888	43.994	42.260	40.962	38.916	38.360	38.947	38.469	38.469	38.469

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 Peoples Gas System, Inc.
 (EE-2)
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COMPANY: PEOPLES GAS SYSTEM, INC.

PURCHASED GAS ADJUSTMENT

SCHEDULE E-1A

COST RECOVERY CLAUSE CALCULATION

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

A/R# 88 Through MARCH 88

1 of 3

COST OF GAS PURCHASED	ACTUAL									REVISED PROJECTION				TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR		
1 COMMODITY Pipeline (FGT only Apr thru Nov)	\$208,881	\$238,830	\$202,271	\$251,167	\$264,374	\$268,841	\$300,506	\$328,808	\$426,715	\$308,417	\$288,487	\$284,198	\$3,828,531	
1a COMMODITY Pipeline (SONAT)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,872	\$867	\$2,908	\$8,848	
1b COMMODITY Pipeline (SO. GA.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,470	\$1,824	\$11,343	\$31,437	
2 NO NOTICE SERVICE	\$41,840	\$43,028	\$41,840	\$43,028	\$43,028	\$41,840	\$43,028	\$41,840	\$43,028	\$43,028	\$48,753	\$43,028	\$108,000	
3 SWING SERVICE	\$648,308	\$1,802,231	\$1,058,220	\$1,308,388	\$1,300,026	\$1,432,728	\$1,535,852	\$2,281,871	\$1,828,257	\$3,328,500	\$2,002,140	\$2,162,400	\$20,720,029	
4 COMMODITY Other (THIRD PARTY)	\$3,877,058	\$3,385,810	\$3,194,827	\$2,811,218	\$2,508,482	\$2,381,843	\$2,868,431	\$3,884,210	\$8,171,528	\$8,034,502	\$2,791,884	\$4,828,848	\$81,033,381	
5 DEMAND (FGT only Apr thru Nov)	\$3,328,802	\$2,583,533	\$2,404,844	\$2,788,798	\$2,428,581	\$2,387,420	\$2,781,787	\$3,181,281	\$3,328,828	\$2,867,208	\$2,882,381	\$2,867,288	\$33,877,837	
5a DEMAND (SONAT)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$234,275	\$238,501	\$234,275	\$768,151	
5b DEMAND (SO. GA.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138,833	\$140,787	\$138,833	\$418,023	
6 OTHER	\$38,806	(\$7,369)	\$87,268	\$171,478	\$15,291	\$142,813	\$84,513	\$128,148	\$80,281	\$0	\$0	\$0	\$710,108	
LESS END-USE CONTRACT														
7 COMMODITY Pipeline (FGT)	\$128,900	\$122,068	\$122,432	\$98,058	\$87,275	\$87,103	\$108,213	\$88,021	\$91,428	\$88,947	\$83,208	\$88,947	\$1,202,508	
8 DEMAND (FGT)	\$488,238	\$388,388	\$625,500	\$587,837	\$588,251	\$577,808	\$688,845	\$880,811	\$107,084	\$688,388	\$688,328	\$688,388	\$7,081,448	
9 OTHER	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
11 TOTAL COST (1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$7,848,128	\$7,190,328	\$6,227,037	\$8,461,028	\$8,814,238	\$8,900,478	\$8,737,928	\$8,908,852	\$13,257,235	\$14,278,818	\$10,534,867	\$8,886,152	\$102,873,288	
12 NET UNBILLED	(\$421,788)	(\$388,787)	(\$108,881)	\$107,377	(\$48,832)	\$18,800	\$50,388	\$333,707	\$832,430	\$0	\$0	\$0	\$127,882	
13 COMPANY USE	\$7,189	\$8,478	\$0	\$24,443	\$8,443	\$8,311	\$7,848	\$8,788	\$8,293	\$0	\$0	\$0	\$74,888	
14 TOTAL THERM SALES	\$7,029,808	\$6,343,228	\$5,863,862	\$8,583,032	\$8,888,828	\$8,794,125	\$8,811,863	\$7,813,873	\$10,267,283	\$12,828,318	\$11,081,868	\$10,883,858	\$105,827,321	

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COMPANY: PEOPLES GAS SYSTEM, INC.

PURCHASED GAS ADJUSTMENT

SCHEDULE E-MR

COST RECOVERY CLAUSE CALCULATION

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

APRIL 95 Through MARCH 96

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THERMS PURCHASED	ACTUAL									REVISED PROJECTION				TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR		
15 COMMODITY Pipeline (FGT only Apr Rev Item)	47,830,279	42,889,436	48,038,327	38,917,848	38,329,477	40,111,710	38,197,915	48,829,968	58,448,365	45,212,498	41,048,103	38,908,380	812,128,273	
15a COMMODITY Pipeline (SONAT)	0	0	0	0	0	0	0	0	0	2,224,963	4,802,880	8,880,708	16,888,348	
15b COMMODITY Pipeline (SO. GA.)	0	0	0	0	0	0	0	0	0	5,107,400	4,894,620	5,522,340	18,326,360	
16 NO NOTICE SERVICE	8,000,000	8,300,000	8,600,000	8,200,000	8,300,000	8,500,000	8,200,000	8,000,000	8,300,000	8,300,000	8,800,000	8,200,000	73,200,000	
17 SWING SERVICE	8,288,000	8,473,830	8,838,580	8,324,980	8,092,220	8,880,000	8,785,150	11,568,380	8,897,280	11,500,000	8,820,000	9,825,900	104,782,960	
18 COMMODITY Other (THIRD PARTY)	24,829,685	18,721,214	17,315,520	15,745,285	14,474,328	13,828,818	15,800,813	19,868,111	25,182,845	27,708,179	28,806,380	23,788,040	254,984,904	
18 DEMAND (FGT only Apr Rev Item)	86,408,188	81,718,188	85,838,059	43,387,270	47,478,266	41,868,180	65,421,813	68,362,234	72,488,043	81,380,880	57,087,520	81,580,880	688,773,938	
18a DEMAND (SONAT)	1	0	0	0	0	0	0	0	0	7,488,288	8,904,318	7,488,288	21,878,908	
18b DEMAND (SO. GA.)	0	0	0	0	0	0	0	0	0	7,317,857	8,748,963	7,317,857	21,384,877	
20 OTHER	2,630	0	3,320	0	0	0	0	0	0	0	0	0	6,950	
LESS END-USE CONTRACT														
21 COMMODITY Pipeline (FGT)	15,684,570	16,733,090	18,748,880	13,387,350	13,968,830	12,948,230	12,723,200	12,415,700	12,888,820	12,488,380	11,808,533	12,400,380	182,898,443	
22 DEMAND (FGT)	18,308,910	16,851,710	18,860,050	18,848,280	15,817,840	14,328,530	14,584,830	14,884,000	18,148,061	14,854,811	13,709,058	14,854,811	183,933,071	
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 TOTAL PURCHASES	30,127,885	29,185,144	33,158,101	24,068,858	22,568,348	22,478,661	24,888,063	31,435,501	44,878,905	38,205,179	35,428,380	33,324,030	358,747,864	
25 NET UNBILLED	(1,734,430)	(1,844,510)	(434,281)	441,879	(723,718)	78,238	198,021	1,318,832	2,841,203	0	0	0	131,824	
26 COMPANY USE	28,448	28,530	0	100,110	33,223	38,842	30,089	22,703	18,314	0	0	0	288,008	
27 TOTAL THERM SALES (24-26)	30,865,213	27,717,911	23,895,841	24,249,241	22,862,829	22,834,862	25,543,900	28,758,801	24,955,823	29,205,179	25,428,380	23,324,030	248,055,840	

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COMPANY: PEOPLES GAS SYSTEM, INC.

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

SCHEDULE E-1W

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

APRIL 98 Through MARCH 99

1 of 1

CENTS PER THERM		ACTUAL								REVISED PROJECTION					TOTAL
		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR		
28	COMM. Pipeline (FGT) (1/13)	0.00837	0.00748	0.00757	0.00588	0.00738	0.00679	0.00787	0.00734	0.00738	0.00717	0.00683	0.00679	0.00700	
28a	COMM. Pipeline (SONAT) (1a/15a)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	0.00238	0.00238	0.00238	0.00038	
28b	COMM. Pipeline (SO. GA.) (1b/15b)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	0.00205	0.00205	0.00205	0.00205	
29	NO NOTICE SERVICE (2/18)	0.00894	0.00894	0.00894	0.00894	0.00894	0.00894	0.00894	0.00894	0.00894	0.00894	0.00894	0.00894	0.00894	
30	SWNG SERVICE (3/17)	0.18899	0.18812	0.18122	0.15717	0.14830	0.16583	0.17480	0.18034	0.21890	0.29000	0.22700	0.22700	0.18774	
31	COMM. Other (THIRD PARTY) (4/18)	0.18017	0.17188	0.17931	0.16584	0.18294	0.17209	0.18818	0.18342	0.23228	0.29000	0.21788	0.26370	0.20617	
32	DEMAND (FGT) (5/19)	0.04863	0.04898	0.00134	0.05728	0.06115	0.05704	0.04287	0.04828	0.04883	0.04331	0.04608	0.04608	0.04810	
32a	DEMAND (SONAT) (5a/19a)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	0.04185	0.04185	0.04185	0.03223	
32b	DEMAND (SO. GA.) (5b/19b)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	0.01800	0.01800	0.01800	0.01800	
33	OTHER (6/20)	0.53825	ERR	28.31588	ERR	ERR	ERR	ERR	ERR	ERR	0.40000	0.40000	0.40000	118.34600	
LESS END-USE CONTRACT															
34	COMMOHTY Pipeline (FGT) (7/21)	0.00829	0.00735	0.00731	0.00717	0.00717	0.00717	0.00833	0.00717	0.00708	0.00000	0.00000	0.00000	0.00000	
35	DEMAND (FGT) (8/22)	0.03283	0.03088	0.03449	0.03815	0.03782	0.04831	0.04119	0.03837	0.04008	0.00000	0.00000	0.00000	0.00000	
36	OTHER (9/23)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	0.00000	0.00000	0.00000	0.00000	
37	TOTAL COST OF PURCHASES (11/24)	0.38375	0.34629	0.36893	0.24764	0.24879	0.26696	0.27294	0.28499	0.30075	0.38424	0.29738	0.29804	0.28813	
38	NET UNBILLED (12/25)	0.24319	0.24311	0.24311	0.24311	0.13080	0.25307	0.25307	0.25307	0.25303	0.00000	0.00000	0.00000	0.00000	
39	COMPANY USE (13/26)	0.24413	0.24410	ERR	0.24415	0.25412	0.25411	0.25411	0.25411	0.27406	0.00000	0.00000	0.00000	0.00000	
40	TOTAL COST OF THERMS SOLD (11/27)	0.29921	0.29942	0.26277	0.24581	0.24558	0.26628	0.28570	0.31155	0.38829	0.38424	0.28738	0.29804	0.29641	
41	TRUE-UP (K-4)	(0.00102)	(0.00102)	(0.00102)	(0.00102)	(0.00102)	(0.00102)	(0.00102)	(0.00102)	(0.00102)	(0.00102)	(0.00102)	(0.00102)	(0.00102)	
42	TOTAL COST OF GAS (40+41)	0.29819	0.29840	0.26177	0.24489	0.24456	0.28526	0.28468	0.31053	0.38627	0.38322	0.28636	0.29702	0.29539	
43	REVENUE TAX FACTOR	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	1.00378	
44	PGA FACTOR ADJUSTED FOR TAXES (42+43)	0.29816	0.29837	0.26275	0.24482	0.24454	0.28625	0.28570	0.31170	0.38673	0.38458	0.28747	0.29813	0.29650	
45	PGA FACTOR ROUNDED TO NEAREST .001	29.816	29.837	26.275	24.482	24.454	28.625	28.570	31.170	38.673	38.458	28.747	29.813	29.650	

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CALCULATION OF TRUE-UP AMOUNT

SCHEDULE 5-2

FOR THE CURRENT PERIOD:

APRIL 99

Through

MARCH 00

	ACTUAL							REVISED PROJECTION						PERIOD
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR		
TRUE-UP CALCULATION														
1 PURCHASED GAS COST	4,863,175	4,981,984	4,143,148	2,885,228	3,330,915	3,818,281	4,234,437	4,940,112	10,982,982	6,824,102	8,701,884	4,838,948	94,191,279	
2 TRANSPORTATION COST	8,973,364	2,262,268	2,883,891	2,841,269	2,888,750	2,178,884	2,913,868	3,912,871	3,194,149	6,344,417	4,743,289	3,629,808	38,317,441	
3 TOTAL	7,538,838	7,183,853	6,227,037	4,836,386	3,949,796	4,997,165	6,738,283	6,953,983	15,281,942	11,279,819	16,624,967	9,868,142	192,498,720	
4 FULL REVENUES	7,828,888	8,241,228	8,883,982	8,983,832	8,888,528	8,704,128	8,811,983	7,813,873	18,382,281	12,828,315	11,591,848	16,102,948	98,627,231	
(NET OF REVENUE TAX)														
5 TRUE-UP REFUNDED(COLLECTED)	28,830	28,830	28,830	28,830	28,830	28,830	28,830	28,830	28,830	28,830	28,830	28,830	363,960	
6 FULL REVENUE APPLICABLE TO PERIOD (LINE 4 + LINE 5)	7,857,718	8,270,058	8,912,812	9,012,662	8,917,358	8,732,958	8,840,813	7,842,703	18,411,111	12,857,145	11,620,678	16,131,778	98,991,191	
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(889,700)	(811,803)	(885,815)	78,277	188,338	(234,110)	(888,610)	(1,318,980)	(2,996,629)	(1,427,927)	1,886,918	1,867,434	(8,527,828)	
(LINE 6 - LINE 3)														
8 INTEREST PROVISION THIS PERIOD (21)	21,848	17,241	18,811	12,353	12,889	12,889	18,388	6,218	(3,844)	(12,796)	(14,418)	(8,817)	88,524	
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	4,718,347	5,108,883	3,988,279	2,434,814	2,914,414	2,792,482	2,428,883	1,793,874	862,138	(2,123,844)	(2,388,844)	(2,388,844)	4,718,347	
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(28,830)	(28,830)	(28,830)	(28,830)	(28,830)	(28,830)	(28,830)	(28,830)	(28,830)	(28,830)	(28,830)	(28,830)	(28,830)	
10a FLEX RATE ADJUSTMENT	0	0	0	0	0	0	(71,142)	0	0	0	0	0	(71,142)	
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	3,830,863	3,986,319	2,438,954	2,914,414	2,887,824	2,428,883	1,888,888	422,180	(2,128,984)	(2,388,844)	(2,388,844)	(1,817,887)	(2,188,210)	
11a FGI REFUND		0	0		94,800		108,178	438,888	1,829				842,714	
12 ADJ TOTAL ESTIMATED TRUE-UP(11+11a)	3,830,863	3,986,319	2,438,954	2,914,414	2,793,024	2,428,883	1,795,074	862,138	(2,123,844)	(2,388,844)	(2,388,844)	(1,817,887)	(2,187,966)	
INTEREST PROVISION														
13 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	4,718,347	5,108,883	3,988,279	2,434,814	2,914,414	2,792,482	2,428,883	1,793,874	862,138	(2,123,844)	(2,388,844)	(2,388,844)	4,718,347	
13 ENDING TRUE-UP BEFORE INTEREST (12+7+8+10a)	3,867,817	2,986,834	2,411,860	2,902,061	2,888,787	2,418,643	1,818,888	616,424	(2,128,888)	(2,378,248)	(2,352,148)	(2,352,148)	3,867,817	
14 TOTAL (13+12)	8,586,164	8,095,717	6,400,139	5,336,875	5,803,201	5,211,125	4,247,772	2,410,302	(1,266,750)	(4,762,092)	(4,740,992)	(4,740,992)	8,586,164	
15 AVERAGE (90% OF 14)	4,301,842	4,048,359	3,210,070	2,650,438	2,901,601	2,605,563	2,123,886	1,205,151	(628,375)	(2,381,046)	(2,370,496)	(2,370,496)	4,301,842	
16 INTEREST RATE - FIRST DAY OF MONTH	6.12	6.07	6.07	6.10	6.06	6.04	6.04	6.01	6.00	6.01	6.01	6.01	6.01	
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	6.07	6.07	6.10	6.06	6.04	6.04	6.01	6.00	6.01	6.01	6.01	6.01	6.01	
18 TOTAL (16+17)	12.190	12.140	12.170	11.960	11.770	11.780	11.780	11.810	11.810	11.820	11.820	11.820	11.820	
18 AVERAGE (90% OF 18)	6.095	6.070	6.085	5.980	5.885	5.890	5.875	5.905	5.905	5.910	5.910	5.910	5.910	
20 MONTHLY AVERAGE (18+12) (90%)	6.068	6.068	6.067	6.040	6.040	6.041	6.040	6.044	6.044	6.044	6.044	6.044	6.044	
21 INTEREST PROVISION (13+20)	\$21,848	\$17,241	\$18,811	\$12,353	\$12,889	\$12,889	\$18,388	\$6,218	\$(3,844)	\$(12,796)	\$(14,418)	\$(8,817)	\$88,524	

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TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 96 Through MARCH 97

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRI/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 APR 1996	FGT	PGS	FTS-1 COMM	16,717,599		16,717,599		\$120,367			\$0.720
1a	FGT	PGS	FTS-2 COMM	6,000,000		6,000,000		\$28,920			\$0.482
2	FGT	PGS	FTS-1 DEMAND	55,328,540		55,328,540			\$2,403,472		\$4.344
2a	FGT	PGS	FTS-2 DEMAND	6,000,000		6,000,000			\$454,380		\$7.573
3	FGT	PGS	NO NOTICE	6,000,000		6,000,000			\$41,640		\$0.894
4	THIRD PARTY	PGS	SWING SERVICE	5,850,300		5,850,300		\$1,404,072	\$87,755		\$25.500
5	MARKETER	PGS	SONAT TRANS COMM	6,138,107		6,138,107		\$14,783			\$0.241
6	MARKETER	PGS	SO GA TRANS COMM	6,000,000		6,000,000		\$13,380			\$0.223
7	MARKETER	PGS	SONAT DEMAND	8,729,843		8,729,843			\$248,848		\$2.862
8	MARKETER	PGS	SO GA DEMAND	8,533,422		8,533,422			\$172,375		\$2.020
9	THIRD PARTY	PGS	COMMODITY	22,867,299		22,867,299	\$5,488,152				\$24.000
10	FGT	PGS	BALANCING CHGS.	200,000		200,000				\$120,000	\$60.000
11 APRIL TOTAL				148,365,111		148,365,111	\$5,488,152	\$1,581,532	\$3,409,471	\$120,000	\$7.144

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SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 96 Through MARCH 97

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GR/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 MAY 1996	FGT	PGS	FTS-1 COMM	12,131,053		12,131,053		\$87,344			\$0.720
1a	FGT	PGS	FTS-2 COMM	8,060,000		8,060,000		\$38,849			\$0.482
2	FGT	PGS	FTS-1 DEMAND	26,872,660		26,872,660			\$1,167,348		\$4.344
2a	FGT	PGS	FTS-2 DEMAND	8,060,000		8,060,000			\$610,384		\$7.573
3	FGT	PGS	NO NOTICE	6,200,000		6,200,000			\$43,028		\$0.694
4	THIRD PARTY	PGS	SWING SERVICE	3,255,000		3,255,000		\$781,200	\$48,825		\$25.500
5	MARKETER	PGS	SONAT TRANS COMM	5,391,304		5,391,304		\$12,993			\$0.241
6	MARKETER	PGS	SO GA TRANS COMM	5,270,000		5,270,000		\$11,752			\$0.223
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$258,176		\$2.862
8	MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869			\$178,121		\$2.020
9	THIRD PARTY	PGS	COMMODITY	22,206,053		22,206,053	\$5,329,453				\$24.800
10	FGT	PGS	BALANCING CHGS.	100,000		100,000				\$60,000	\$80.000
11 MAY TOTAL				115,384,778		115,384,778	\$5,329,453	\$932,138	\$2,305,883	\$60,000	\$7.477

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TRANSPORTATION PURCHASES
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SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 96 Through MARCH 97

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRV/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY	(I) PIPELINE			
1 JUN 1996	FGT	PGS	FTS-1 COMM	9,360,455		9,360,455		\$67,395			\$0.720
1a	FGT	PGS	FTS-2 COMM	7,800,000		7,800,000		\$37,596			\$0.482
2	FGT	PGS	FTS-1 DEMAND	26,005,800		26,005,800			\$1,129,692		\$4.344
2a	FGT	PGS	FTS-2 DEMAND	7,800,000		7,800,000			\$590,694		\$7.673
3	FGT	PGS	NO NOTICE	6,000,000		6,000,000			\$41,640		\$0.694
4	THIRD PARTY	PGS	SWING SERVICE	4,950,000		4,950,000		\$1,188,000	\$74,250		\$25.500
5	MARKETER	PGS	SONAT TRANS COMM	6,417,391		6,417,391		\$15,466			\$0.241
6	MARKETER	PGS	SO GA TRANS COMM	6,273,000		6,273,000		\$13,989			\$0.223
7	MARKETER	PGS	SONAT DEMAND	8,729,843		8,729,843			\$249,648		\$2.882
8	MARKETER	PGS	SO GA DEMAND	8,533,422		8,533,422			\$172,375		\$2.020
9	THIRD PARTY	PGS	COMMODITY	18,483,455		18,483,455	\$4,436,029				\$24.000
10	FGT	PGS	BALANCING CHGS.	125,000		125,000				\$75,000	\$60.000
11 JUNE TOTAL				110,478,367		110,478,367	\$4,436,029	\$1,322,446	\$2,258,498	\$75,000	\$7.324

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TRANSPORTATION PURCHASES
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SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 96 Through MARCH 97

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) & (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRI/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
1 JUL 1996	FGT	PGS	FTS-1 COMM	7,893,485		7,893,485		\$55,393			\$0.720
1a	FGT	PGS	FTS-2 COMM	8,060,000		8,060,000		\$38,849			\$0.482
2	FGT	PGS	FTS-1 DEMAND	26,872,660		26,872,660			\$1,167,348		\$4.344
2a	FGT	PGS	FTS-2 DEMAND	8,060,000		8,060,000			\$810,384		\$7.573
3	FGT	PGS	NO NOTICE	9,300,000		9,300,000			\$64,542		\$0.694
4	THIRD PARTY	PGS	SWING SERVICE	4,495,000		4,495,000		\$1,078,800	\$67,425		\$25.500
5	MARKETER	PGS	SONAT TRANS COMM	6,545,678		6,545,678		\$15,775			\$0.241
6	MARKETER	PGS	SO GA TRANS COMM	6,398,400		6,398,400		\$14,268			\$0.223
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$258,176		\$2.862
8	MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869			\$178,121		\$2.026
9	THIRD PARTY	PGS	COMMODITY	17,656,885		17,656,885	\$4,237,652				\$24.000
10	FGT	PGS	BALANCING CHGS.	125,000		125,000				\$75,000	\$60.000
11 JULY TOTAL				113,045,815		113,045,815	\$4,237,652	\$1,203,086	\$2,345,996	\$75,000	\$6.954

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ESTIMATED FOR THE PROJECTED PERIOD OF:

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(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRI/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 AUG 1996	FGT			
1a	FGT	PGS	FTS-2 COMM	8,060,000		8,060,000		\$38,849		\$0.482	
2	FGT	PGS	FTS-1 DEMAND	26,872,660		26,872,660			\$1,167,348	\$4.344	
2a	FGT	PGS	FTS-2 DEMAND	8,060,000		8,060,000			\$610,384	\$7.573	
3	FGT	PGS	NO NOTICE	9,300,000		9,300,000			\$84,542	\$0.694	
4	THIRD PARTY	PGS	SWING SERVICE	4,805,000		4,805,000		\$1,153,200	\$72,075	\$25.500	
5	MARKETER	PGS	SONAT TRANS COMM	5,111,591		5,111,591		\$12,319		\$0.241	
6	MARKETER	PGS	SO GA TRANS COMM	4,996,580		4,996,580		\$11,142		\$0.223	
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$258,176	\$2.862	
8	MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869			\$178,121	\$2.020	
9	THIRD PARTY	PGS	COMMODITY	17,188,094		17,188,094	\$4,125,143			\$24.000	
10	FGT	PGS	BALANCING CHGS.	125,000		125,000				\$75,000	\$60.000
11 AUGUST TOTAL				111,294,146		111,294,146	\$4,125,143	\$1,279,853	\$2,350,647	\$75,000	\$7.038

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TRANSPORTATION PURCHASES

SCHEDULE E-3

SYSTEM SUPPLY AND END USE

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 96 Through MARCH 97

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRU/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 SEP 1996	FGT			
1a	FGT	PGS	FTS-2 COMM	7,800,000		7,800,000		\$37,596		\$0.482	
2	FGT	PGS	FTS-1 DEMAND	26,005,800		26,005,800			\$1,129,692	\$4.344	
2a	FGT	PGS	FTS-2 DEMAND	7,800,000		7,800,000			\$580,694	\$7.573	
3	FGT	PGS	NO NOTICE	9,000,000		9,000,000			\$62,460	\$0.694	
4	THIRD PARTY	PGS	SWING SERVICE	4,650,000		4,650,000		\$1,116,000	\$69,750	\$25.500	
5	MARKETER	PGS	SONAT TRANS COMM	6,944,348		6,944,348		\$16,736		\$0.241	
6	MARKETER	PGS	SO GA TRANS COMM	6,788,100		6,788,100		\$15,137		\$0.223	
7	MARKETER	PGS	SONAT DEMAND	8,729,843		8,729,843			\$249,648	\$2.862	
8	MARKETER	PGS	SO GA DEMAND	8,533,422		8,533,422			\$172,375	\$2.020	
9	THIRD PARTY	PGS	COMMODITY	17,235,541		17,235,541	\$4,136,530			\$24.000	
10	FGT	PGS	BALANCING CHGS.	125,000		125,000				\$75,000	\$80.000
11	SEPTEMBER TOTAL			110,909,495		110,909,495	\$4,136,530	\$1,238,011	\$2,274,818	\$75,000	\$6.965

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TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

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(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRU/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 OCT 1996	FGT			
1a	FGT	PGS	FTS-2 COMM	8,060,000		8,060,000		\$38,849		\$0.482	
2	FGT	PGS	FTS-1 DEMAND	46,998,790		46,998,790			\$2,041,627	\$4.344	
2a	FGT	PGS	FTS-2 DEMAND	8,060,000		8,060,000			\$610,384	\$7.573	
3	FGT	PGS	NO NOTICE	9,300,000		9,300,000			\$64,542	\$0.694	
4	THIRD PARTY	PGS	SWING SERVICE	6,355,000		6,355,000		\$1,779,400	\$95,325	\$29.500	
5	MARKETER	PGS	SONAT TRANS COMM	5,074,169		5,074,169		\$12,229		\$0.241	
6	MARKETER	PGS	SO GA TRANS COMM	4,960,000		4,960,000		\$11,061		\$0.223	
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$258,176	\$2.862	
8	MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869			\$178,121	\$2.020	
9	THIRD PARTY	PGS	COMMODITY	16,419,611		16,419,611	\$4,597,491			\$28.000	
10	FGT	PGS	BALANCING CHGS.	200,000		200,000				\$120,000	\$60.000
11 OCTOBER TOTAL				133,020,888		133,020,888	\$4,597,491	\$1,911,772	\$3,248,176	\$120,000	\$7.425

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							(H) THIRD PARTY	(I) PIPELINE			
							1 NOV 1996	FGT			
1a	FGT	PGS	FTS-2 COMM	6,000,000		6,000,000		\$28,920		\$0.482	
2	FGT	PGS	FTS-1 DEMAND	53,244,000		53,244,000			\$2,312,919	\$4.344	
2a	FGT	PGS	FTS-2 DEMAND	6,000,000		6,000,000			\$454,380	\$7.573	
3	FGT	PGS	NO NOTICE	9,000,000		9,000,000			\$62,460	\$0.694	
4	THIRD PARTY	PGS	SWING SERVICE	11,284,200		11,284,200		\$3,159,576	\$169,263	\$29.500	
5	MARKETER	PGS	SONAT TRANS COMM	5,524,297		5,524,297		\$13,314		\$0.241	
6	MARKETER	PGS	SO GA TRANS COMM	5,400,000		5,400,000		\$12,042		\$0.223	
7	MARKETER	PGS	SONAT DEMAND	8,729,843		8,729,843			\$249,848	\$2.862	
8	MARKETER	PGS	SO GA DEMAND	8,533,422		8,533,422			\$172,375	\$2.020	
9	THIRD PARTY	PGS	COMMODITY	15,459,870		15,459,870	\$4,328,764			\$28.000	
10	FGT	PGS	BALANCING CHGS.	100,000		100,000				\$60,000	\$60.000
11 NOVEMBER TOTAL				144,619,702		144,619,702	\$4,328,764	\$3,324,329	\$3,421,245	\$60,000	\$7.699

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(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/AGRI/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 DEC 1996	FGT	PGS	FTS-1 COMM	18,958,082		18,958,082		\$136,505			\$0.720
1a	FGT	PGS	FTS-2 COMM	6,200,000		6,200,000		\$29,884			\$0.482
2	FGT	PGS	FTS-1 DEMAND	55,018,800		55,018,800			\$2,390,017		\$4.344
2a	FGT	PGS	FTS-2 DEMAND	6,200,300		6,200,000			\$469,526		\$7.573
3	FGT	PGS	NO NOTICE	9,300,000		9,300,000			\$84,542		\$0.894
4	THIRD PARTY	PGS	SWING SERVICE	12,654,820		12,654,820		\$3,543,350	\$189,877		\$29.500
5	MARKETER	PGS	SONAT TRANS COMM	6,025,575		6,025,575		\$14,522			\$0.241
6	MARKETER	PGS	SO GA TRANS COMM	5,890,000		5,890,000		\$13,135			\$0.223
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$258,176		\$2.862
8	MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869			\$178,121		\$2.020
9	THIRD PARTY	PGS	COMMODITY	18,394,262		18,394,262	\$5,150,393				\$28.000
10	FGT	PGS	BALANCING CHGS.	150,000		150,000				\$90,000	\$60.000
11 DECEMBER TOTAL				156,631,247		156,631,247	\$5,150,393	\$3,737,395	\$3,550,205	\$90,000	\$7.998

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ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 96 Through MARCH 97

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GR/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
1 JAN 1997	FGT	PGS	FTS-1 COMM	25,423,462		25,423,462		\$183,049			\$0.720
1a	FGT	PGS	FTS-2 COMM	6,200,000		6,200,000		\$29,884			\$0.482
2	FGT	PGS	FTS-1 DEMAND	55,018,800		55,018,800			\$2,390,017		\$4.344
2a	FGT	PGS	FTS-2 DEMAND	6,200,000		6,200,000			\$469,526		\$7.573
3	FGT	PGS	NO NOTICE	9,300,000		9,300,000			\$64,542		\$0.694
4	THIRD PARTY	PGS	SWING SERVICE	9,765,000		9,765,000		\$2,734,200	\$146,475		\$29.500
5	MARKETER	PGS	SONAT TRANS COMM	5,708,440		5,708,440		\$13,757			\$0.241
6	MARKETER	PGS	SO GA TRANS COMM	5,580,000		5,580,000		\$12,443			\$0.223
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$258,176		\$2.862
8	MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869			\$178,121		\$2.020
9	THIRD PARTY	PGS	COMMODITY	27,438,462		27,438,462	\$7,682,769				\$26.000
10	FGT	PGS	BALANCING CHGS.	150,000		150,000				\$90,000	\$60.000
11 JANUARY TOTAL				168,622,872		168,622,872	\$7,682,769	\$2,973,334	\$3,506,856	\$90,000	\$8.453

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COMPANY: PEOPLES GAS SYSTEM, INC.

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 96 Through MARCH 97

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GR/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 FEB 1997	FGT	PGS	FTS-1 COMM	25,901,942		25,901,942		\$188,494			\$0.720
1a	FGT	PGS	FTS-2 COMM	5,600,000		5,600,000		\$26,992			\$0.482
2	FGT	PGS	FTS-1 DEMAND	49,694,400		49,694,400			\$2,158,725		\$4.344
2a	FGT	PGS	FTS-2 DEMAND	5,600,000		5,600,000			\$424,088		\$7.573
3	FGT	PGS	NO NOTICE	8,400,000		8,400,000			\$58,296		\$0.694
4	THIRD PARTY	PGS	SWING SERVICE	8,820,000		8,820,000		\$2,469,600	\$132,300		\$29.500
5	MARKETER	PGS	SONAT TRANS COMM	4,296,675		4,296,675		\$10,355			\$0.241
6	MARKETER	PGS	SO GA TRANS COMM	4,200,000		4,200,000		\$9,366			\$0.223
7	MARKETER	PGS	SONAT DEMAND	8,147,854		8,147,854			\$233,192		\$2.862
8	MARKETER	PGS	SO GA DEMAND	7,964,527		7,964,527			\$160,883		\$2.020
9	THIRD PARTY	PGS	COMMODITY	26,881,942		26,881,942	\$7,526,944				\$28.000
10	FGT	PGS	BALANCING CHGS.	150,000		150,000				\$90,000	\$60.000
11 FEBRUARY TOTAL				155,657,340		155,657,340	\$7,526,944	\$2,702,807	\$3,167,483	\$90,000	\$8.665

COMPANY: PEOPLES GAS SYSTEM, INC.

TRANSPORTATION PURCHASES

SCHEDULE E-3

SYSTEM SUPPLY AND END USE

ESTIMATED FOR THE PROJECTED PERIOD OF:

APRIL 96 Through MARCH 97

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASED FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) & (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GR/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 MAR 1997	FGT	PGS	FTS-1 COMM	20,985,724		20,985,724		\$151,097			\$0.720
1a	FGT	PGS	FTS-2 COMM	6,200,000		6,200,000		\$29,884			\$0.482
2	FGT	PGS	FTS-1 DEMAND	55,018,800		55,018,800			\$2,390,017		\$4.344
2a	FGT	PGS	FTS-2 DEMAND	6,200,300		6,200,000			\$469,526		\$7.573
3	FGT	PGS	NO NOTICE	9,300,000		9,300,000			\$64,542		\$0.694
4	THIRD PARTY	PGS	SWING SERVICE	9,525,990		9,525,990		\$2,667,277	\$142,890		\$29.500
5	MARKETER	PGS	SONAT TRANS COMM	6,342,711		6,342,711		\$15,288			\$0.241
6	MARKETER	PGS	SO GA TRANS COMM	6,200,000		6,200,000		\$13,826			\$0.223
7	MARKETER	PGS	SONAT DEMAND	9,020,838		9,020,838			\$258,178		\$2.862
8	MARKETER	PGS	SO GA DEMAND	8,817,869		8,817,869			\$178,121		\$2.020
9	THIRD PARTY	PGS	COMMODITY	23,859,734		23,859,734	\$6,680,728				\$28.000
10	FGT	PGS	BALANCING CHGS.	120,000		120,000				\$72,000	\$60.000
11 MARCH TOTAL				161,591,667		161,591,667	\$6,680,728	\$2,877,370	\$3,503,273	\$72,000	\$8.128

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COMPANY: PEOPLES GAS SYSTEM, INC.

CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD

SCHEDULE E-4

ESTIMATED FOR THE PROJECTED PERIOD: APRIL 96 through MARCH 97

	PRIOR PERIOD: APR 94 - MAR 95			CURRENT PERIOD: APR 95 - MAR 96	
	(1)	(2)	(3)	(4)	(5)
	8 MOS. ACT. 4 MOS. REVISED EST.	ACTUAL	(2)-(1) DIFFERENCE	8 MOS. ACT. 4 MOS. REVISED EST.	(3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$	\$96,232,445	\$96,358,639	\$126,194	\$95,970,891	\$96,097,085
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	(\$2,665,579)	\$1,664,620	\$4,330,199	(\$6,527,829)	(\$2,197,630)
2a MISCELLANEOUS ADJUSTMENTS	\$2,566,739	\$2,566,739	\$0	\$571,531	\$571,531
3 INTEREST PROVISION FOR THIS PERIOD	\$115,578	\$158,168	\$42,590	\$65,524	\$108,114
4 END OF PERIOD TOTAL NET TRUE-UP	\$16,738	\$4,389,527	\$4,372,789	(\$5,890,774)	(\$1,517,985)

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

COLUMN (1) SAME AS COL. (4) PRIOR PERIOD SCHEDULE (E-4)	<u>TOTAL TRUE-UP \$</u>	equals	CENTS PER THERM TRUE-UP
COLUMN (2) DATA OBTAINED FROM MAR'95 SCHEDULE (A-2)	PROJ. TH. SALES		
LINE 4 COLUMN (2) SAME AS LINE 7 SCHEDULE (A-7)			
LINE 4 COLUMN (3) SAME AS LINE 9 SCHEDULE (A-7)	<u>(\$1,517,985)</u>	equals	(0.00459)
LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)	330,501,518		
LINE 2a COLUMN (4) SAME AS LINES 10a+11a SCHEDULE (E-2)			
LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)			
LINE 4 COLUMN (5) SAME AS LINE 12 SCHEDULE (E-2)			

ESTIMATED FOR THE PROJECTED PERIOD:

APRIL 98 Through MARCH 99

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
THERM SALES (\$MM)													
1 RESIDENTIAL	3,428,263	3,887,353	3,334,690	3,148,881	2,982,443	2,138,838	2,138,768	2,830,874	4,194,345	5,616,134	6,432,701	4,828,183	41,734,331
2 SMALL GENERAL SERVICE	203,789	176,873	168,449	166,698	166,698	164,241	164,241	178,524	213,363	297,862	343,448	374,710	2,499,730
3 GENERAL SERVICE COMMERCIAL	6,116,288	5,206,216	6,628,005	6,737,338	6,832,365	6,678,244	6,364,736	7,316,187	6,284,262	6,867,680	10,818,140	8,238,838	63,368,888
4 COMMERCIAL LARGE VOL. 1	8,273,737	8,646,122	8,661,266	7,776,911	7,671,657	7,363,772	7,308,722	8,948,792	8,749,868	11,486,179	10,812,282	10,868,238	107,887,186
5 COMMERCIAL LARGE VOL. 2	1,437,375	1,426,628	1,414,834	1,361,066	1,412,117	1,414,866	1,363,431	1,444,127	1,427,368	1,579,534	1,771,738	1,610,943	17,488,200
6 NATURAL GAS VEHICLES	111,378	112,379	112,879	113,879	114,879	115,879	116,879	117,879	118,879	119,879	120,879	121,879	1,218,879
7 COMMERCIAL STREET LIGHTING	23,300	24,300	24,300	24,300	24,300	24,300	24,300	24,300	24,300	24,300	24,300	24,300	287,123
8 WHOLESALE	21,711	18,264	14,646	7,721	7,530	6,438	6,438	6,438	6,438	13,781	13,428	19,300	134,817
9 TOTAL FIRM SALES	22,617,248	26,348,321	18,993,054	18,348,662	18,321,132	18,627,321	17,824,428	26,817,772	33,998,722	78,894,452	38,217,281	26,786,790	284,688,807
THERM SALES (INTERRUPTIBLE)													
10 SMALL INTERRUPTIBLE	3,531,181	3,177,629	3,532,491	3,421,443	3,536,452	2,483,719	3,426,871	3,818,816	4,828,448	5,943,828	3,787,261	2,880,568	43,478,271
11 INTERRUPTIBLE	2,888,878	1,543,280	817,340	278,500	368,500	384,500	867,828	2,334,189	2,334,340	3,362,641	2,717,328	2,738,420	21,814,879
12 LARGE INTERRUPTIBLE	0	0	0	0	0	0	248,170	281,888	287,528	43,968	0	0	832,572
13 TOTAL INTERRUPTIBLE	6,420,059	4,720,909	4,349,831	3,700,000	3,904,952	3,868,219	4,542,871	6,438,893	7,468,316	9,349,837	6,507,589	5,618,988	66,125,722
14 TOTAL SALES	29,037,307	31,069,230	23,342,885	22,048,662	22,226,084	22,495,541	22,371,311	33,256,665	41,467,038	88,244,289	44,724,870	32,405,778	350,814,529
THERM SALES (TRANSPORTATION)													
15 SMALL INTERRUPTIBLE	2,718,987	2,894,419	2,526,968	2,136,884	2,171,183	2,138,118	2,114,579	2,603,700	2,694,230	2,748,261	2,842,888	2,346,262	28,368,819
16 INTERRUPTIBLE	8,743,500	8,743,500	8,743,500	8,843,500	8,843,500	8,843,500	8,743,500	8,743,500	8,743,500	8,743,500	8,743,500	8,743,500	118,628,800
17 LARGE INTERRUPTIBLE	31,842,541	32,151,838	33,884,223	37,851,840	31,376,984	36,577,342	31,521,884	31,172,271	22,812,849	22,878,688	21,182,828	27,528,208	267,811,248
18 TOTAL TRANSPORTATION SALES	44,912,944	44,498,557	45,154,791	40,862,224	42,991,667	42,563,662	42,580,063	43,168,080	38,487,379	43,811,179	43,584,988	38,177,570	613,648,867
19 TOTAL INTERRUPTIBLE	77,730,817	86,969,616	90,299,724	81,961,828	85,955,619	84,227,881	85,944,773	79,713,000	76,980,822	82,814,822	79,298,888	73,177,214	894,617,819
NUMBER OF CUSTOMERS (FIRM)													
20 RESIDENTIAL	183,840	188,391	178,267	178,333	178,162	178,353	178,881	177,826	188,672	181,879	182,880	184,371	180,987
21 SMALL GENERAL SERVICE	8,270	8,062	8,921	8,987	8,982	8,988	8,131	8,223	9,288	9,213	8,315	8,348	8,981
22 GENERAL SERVICE COMMERCIAL	14,718	14,889	14,708	14,723	14,718	14,736	14,214	14,211	14,209	14,533	14,513	14,709	14,824
23 COMMERCIAL LARGE VOL. 1	1,388	1,388	1,388	1,310	1,384	1,387	1,388	1,388	1,388	1,388	1,377	1,388	1,388
24 COMMERCIAL LARGE VOL. 2	28	28	28	28	28	28	28	28	28	28	28	28	28
25 NATURAL GAS VEHICLE SALES	17	18	18	18	18	18	17	17	17	17	17	17	17
26 COMMERCIAL STREET LIGHTING	32	32	32	34	34	34	31	31	32	32	32	32	32
27 WHOLESALE	2	2	2	2	2	2	2	2	2	2	2	2	2
28 TOTAL FIRM	209,389	211,773	209,427	199,711	199,645	199,708	198,642	198,183	201,872	203,481	204,478	206,088	203,817
NUMBER OF CUSTOMERS (INT.)													
29 SMALL INTERRUPTIBLE	88	88	88	88	88	88	88	88	88	88	88	88	88
30 INTERRUPTIBLE	22	22	22	22	22	22	22	22	22	22	22	22	22
31 LARGE INTERRUPTIBLE	3	3	3	3	3	3	3	3	3	3	3	3	3
32 TOTAL INTERRUPTIBLE	94	94	94	94	94	94	94	94	94	94	94	94	94
33 TOTAL CUSTOMERS	303,814	303,867	309,521	299,805	300,739	300,502	300,736	300,277	302,966	303,975	304,572	306,182	304,611
NUMBER OF CUSTOMERS (TRANS.)													
34 SMALL INTERRUPTIBLE	25	28	28	28	28	28	28	28	28	28	28	28	28
35 INTERRUPTIBLE	18	18	18	18	18	18	18	18	18	18	18	18	18
36 LARGE INTERRUPTIBLE	7	7	7	7	7	7	7	7	7	7	7	7	7
37 TOTAL INTERRUPTIBLE	50	53	53	53	53	53	53	53	53	53	53	53	53
38 TOTAL CUSTOMERS	258,724	258,818	259,474	259,754	259,861	259,861	259,861	259,861	259,861	259,861	259,861	259,861	259,861
THERM USE PER CUSTOMER													
39 RESIDENTIAL	18	14	13	13	11	12	12	18	23	38	38	27	18
40 SMALL GENERAL SERVICE	29	24	33	33	31	31	30	34	43	50	64	51	49
41 GENERAL SERVICE COMMERCIAL	889	487	471	468	481	468	464	468	488	674	844	628	582
42 COMMERCIAL LARGE VOL. 1	6,538	6,437	6,804	6,880	6,813	6,789	6,884	6,814	6,288	7,289	6,721	6,880	6,818
43 COMMERCIAL LARGE VOL. 2	48,365	48,238	48,191	47,823	48,884	48,782	48,328	51,578	48,878	56,961	57,208	47,118	51,128
44 NATURAL GAS VEHICLES	8,948	8,258	8,277	8,322	8,288	8,414	8,578	8,687	8,578	9,548	8,548	8,548	8,514
45 COMMERCIAL STREET LIGHTING	728	742	748	782	788	802	798	802	798	798	798	798	798
46 WHOLESALE	12,288	8,128	8,722	5,881	5,788	7,728	8,412	4,748	8,888	8,512	7,808	7,284	8,812
47 SMALL INTERRUPTIBLE	81,178	81,848	81,849	48,818	81,283	14,188	82,849	82,278	82,887	87,188	84,888	86,884	82,811
48 INTERRUPTIBLE	118,758	78,143	41,708	12,288	17,823	2,812	43,888	108,108	143,883	162,883	122,818	124,288	81,888
49 LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
50 SMALL INTERRUPTIBLE (TRANS.)	108,818	104,177	83,813	85,848	86,848	86,848	84,848	108,148	107,788	111,828	108,118	108,108	86,848
51 INTERRUPTIBLE (TRANS.)	81,308	81,308	81,308	81,308	81,308	81,308	81,308	81,308	81,308	81,308	81,308	81,308	81,308
52 LARGE INTERRUPTIBLE (TRANS.)	4,808,878	4,863,861	4,788,178	3,888,283	4,487,838	4,388,182	3,878,848	3,888,824	3,178,863	4,728,838	4,438,133	3,832,813	4,227,818