

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 PREPARED DIRECT TESTIMONY

3 OF

4 W. EDWARD ELLIOTT

5
6 Q. Please state your name and business address.

7
8 A. My name is W. Edward Elliott. My business address is 702
9 N. Franklin Street, P. O. Box 2562, Tampa, Florida 33601-
10 2562.

11
12 Q. By whom are you employed and in what capacity?

13
14 A. I am Manager of Gas Accounting for Peoples Gas System.
15 ("Peoples").

16
17 Q. Please summarize your educational background and
18 professional qualifications.

19
20 A. I graduated from the University of South Florida in 1972
21 with the degree of Bachelor of Arts in Accounting. I
22 have over 13 years of experience in the utility field.

23
24 Q. What are your primary responsibilities in your present
25 position with Peoples?

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1 A. As Manager of Gas Accounting, I am responsible for
2 recording the Company's costs for natural gas and
3 upstream pipeline capacity and preparing filings
4 associated with the recovery of these costs through the
5 Purchased Gas Adjustment ("PGA").
6
7 Q. Have you previously testified in regulatory proceedings?
8
9 A. Yes. I have submitted testimony on several occasions
10 supporting Peoples' Purchased Gas Adjustment.
11
12 Q. What is the purpose of your testimony in this docket?
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14 A. The purpose of my testimony is to describe generally the
15 components of Peoples' cost of purchased gas and upstream
16 pipeline capacity. In my testimony, I also explain how
17 Peoples' projected weighted average cost of gas ("WACOG")
18 for the January 2002 through December 2002 period was
19 determined and the resulting requested maximum PGA
20 ("Cap").
21
22 Q. Please summarize your testimony.
23
24 A. I will address the following areas:
25

- 1 1. How Peoples will obtain its gas supplies during the
- 2 projected period.
- 3 2. Estimates and adjustments used to determine the
- 4 amount of gas to be purchased from Peoples' various
- 5 available sources of supply during the projected
- 6 period.
- 7 3. Projections and assumptions used to estimate the
- 8 purchase price to be paid by Peoples for such gas
- 9 supplies.
- 10 4. The components and assumptions used to develop
- 11 Peoples' projected WACOG.
- 12
- 13 Q. What is the appropriate final purchased gas adjustment
- 14 true-up amounts for the period January 2000 through
- 15 December 2000?
- 16
- 17 A. An underrecovery of \$13,661,513.
- 18
- 19 Q. What is the estimated purchased gas adjustment true-up
- 20 amounts for the period January 2001 through December
- 21 2001?
- 22
- 23 A. An overrecovery of \$17,264,427.
- 24
- 25 Q. What is the total purchased gas adjustment true-up amount

1 to be refunded during the period January 2002 through
2 December 2002?

3

4 A. An overrecovery of \$3,600,915.

5

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

8

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

11

12 Q. Please describe how Peoples will obtain its gas supplies
13 during the projected period of January 2002 through
14 December 2002.

15

16 A. All natural gas delivered through Peoples' distribution
17 system is received through two interstate pipelines. Gas
18 is delivered through Florida Gas Transmission Company
19 ("FGT") and, in Peoples' Jacksonville Division, also
20 through Southern Natural Gas Company ("SONAT") and South
21 Georgia Natural Gas Company ("South Georgia"). Receiving
22 gas supply through multiple interstate pipelines provides
23 valuable flexibility and reliability to serve customers.
24 Peoples is assessing opportunities to increase this
25 flexibility and reliability.

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

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

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

A. No. Peoples' quantity requirement for system supply gas varies significantly from year to year, season to season, month to month, and, in particular, from day to day.

1 Often, the demand for gas on the Peoples system can vary
2 dramatically within a month from the lowest to the
3 highest requirement of its customers. In addition,
4 Peoples initiated the NaturalChoice program in November
5 2000 which allows non-residential customers to purchase
6 their natural gas supplies directly from producers and
7 marketers. Peoples anticipates that the transportation
8 throughput will continue to increase during the projected
9 period as customers transfer from sales service to
10 transportation service under the NaturalChoice program.
11 The actual take of gas out of the Peoples system by those
12 same transporting customers varies significantly from day
13 to day. Since a significant portion of the total
14 transportation volumes is received by Peoples at a
15 uniform daily rate, Peoples is forced to increase or
16 decrease the purchases of its own system supply volumes
17 by significant increments in order to maintain a balance
18 between receipts and deliveries of gas each day. As a
19 consequence, Peoples must buy a portion of its total
20 system requirements under swing contract arrangements,
21 and meet extreme variations in delivered volumes by
22 relying on swing gas, peaking gas, pipeline balancing
23 charge volumes, pipeline penalty charge volumes and
24 pipeline no notice service at the prevailing rates for
25 such services.

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Q. How did Peoples estimate the amount of gas to be purchased from various sources during the projected period of January 2002 through December 2002?

A. Peoples' projected amount of gas to be purchased is based upon the Company's preliminary total throughput of therms delivered to customers projected for 2002, including both sales of Peoples' system supply and transportation deliveries of third party gas purchased by end-users of Peoples. Then, the throughput is adjusted for the anticipated level of transportation service, including the anticipated conversions under the approved NaturalChoice program.

Q. How are Swing Service revenues accounted for through the PGA?

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

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

A. The price paid for natural gas is estimated based on an evaluation of published prices for the last several years for spot gas delivered to the FGT and SONAT systems, futures contracts as reported on the New York Mercantile Exchange and industry forecasts of market prices for the projection period of January 2002 through December 2002. These prices are then adjusted to reflect the potential for unexpected increases particularly in the monthly and daily market for natural gas prices in the projection period.

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

A. Schedule E-3 (G) is a compilation of the monthly data which appear on Schedules E-3 (A) through (F) for the corresponding months of January 2002 through December 2002.

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

3
4 In Column (B), "FGT" indicates that the volumes are to be
5 purchased from third party suppliers for delivery via FGT
6 transportation. "MARKETER" indicates that the volumes
7 are to be purchased from a third party supplier for
8 delivery via SONAT and South Georgia. "THIRD PARTY"
9 indicates that the volumes are to be purchased directly
10 from various third party suppliers for delivery into FGT
11 or SONAT.

12
13 In Column (C), "PGS" means the purchase will be for
14 Peoples' system supply and will become part of Peoples'
15 total WACOG. None of the costs of gas or transportation
16 for end-use purchases by end-use customers of Peoples are
17 included in Peoples' WACOG.

18
19 In Column (D), purchases of pipeline transportation
20 services from FGT under Rate Schedule FTS-1 and FTS-2 are
21 split into two components, commodity (or "usage") and
22 demand (or "reservation"). Both Peoples and end-users
23 pay the usage charge based on the actual amount of gas
24 transported. The FTS-1 and FTS-2 commodity costs shown
25 include all related transportation charges including

1 usage, fuel, ACA and Gas Research Institute ("GRI")
2 charges. The FTS-1 and FTS-2 demand component is a fixed
3 charge based on the maximum daily quantity of FTS-1 and
4 FTS-2 firm transportation capacity reserved. End-users
5 reimburse Peoples or directly pay FGT for all pipeline
6 reservation charges associated with the transportation
7 capacity which Peoples reserves and uses on their behalf.
8 Similarly, the transportation rates of SONAT and South
9 Georgia also consist of two components, a usage charge
10 and a reservation charge.

11
12 Also in Column (D), "NO NOTICE TRANSPORTATION SERVICE"
13 (or "NNTS") means FGT's no notice service provided to
14 Peoples on a fixed charge basis for use when Peoples'
15 actual use exceeds scheduled quantities. "SWING SERVICE"
16 means the demand and commodity component of the cost of
17 third party supplies purchased to meet Peoples "swing"
18 requirements for supply which fluctuate on a day-to-day
19 basis. "COMMODITY" means third party purchases of gas
20 transported on FGT, SONAT or South Georgia, and does not
21 include any purchases of sales volumes from FGT.

22
23 Column (E) shows the monthly quantity in therms of gas
24 purchased by Peoples for each category of system supply.
25

1 Column (F) shows the gas purchased by end-users for
2 transportation.

3
4 Column (G) is the total of Columns (E) and (F) in each
5 row.

6
7 Columns (H), (I), (J) and (K) show the corresponding
8 third party supplier commodity costs, pipeline
9 transportation commodity costs, pipeline transportation
10 reservation costs, and other charges (e.g., balancing
11 charges), respectively. These costs are determined using
12 the actual amounts paid by Peoples. In the case of end-
13 user transportation, these costs are reimbursed to
14 Peoples or paid directly to FGT. All ACA, GRI and fuel
15 charges are included in the commodity costs in Column (I)
16 and, therefore, are not shown in Column (K).

17
18 Column (L) in each row is the sum of Columns (H), (I),
19 (J) and (K) divided by Column (G).

20
21 Q. Referring to Schedule E-1 of Composite Exhibit EE-2,
22 please explain the components of these schedules and the
23 assumptions which were made in developing the Company's
24 projections.

25

1 A. Schedule E-1 is shown in three versions. Page 1 relates
2 to Cost of Gas Purchased, Therms Purchased, and Cents Per
3 Therm for Combined Rate Classes, Page 2 relates to
4 Residential Customers, and Page 3 relates to Commercial
5 Customers.

6
7 The costs associated with various categories or items are
8 shown on lines 1 through 14. The volumes consumed for
9 similar categories or items are shown on lines 15 through
10 27, the resulting effective cost per therm rate for each
11 similar category or item is contained on lines 28 through
12 45.

13
14 The data shown on Schedule E-1 are taken directly from
15 Schedules E-3 (A) through (F) for the months of January
16 2002 through December 2002 .

17
18 Q. What information is presented on Schedule E-1/R of
19 Composite Exhibit EE-2?

20
21 A. Schedule E-1/R of Composite Exhibit EE-2 shows eight
22 months actual and four months estimated data for the
23 current period from January 2001 through December 2001
24 for all combined customer classes.

25

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

3
4 A. Schedule E-2 of Composite Exhibit EE-2 shows the amount
5 of the prior period over/under recoveries of gas costs
6 which are included in the current PGA calculation.

7
8 Q. What is the purpose of Schedule E-4 of Composite Exhibit
9 EE-2?

10
11 A. Schedule E-4 of Composite Exhibit EE-2 simply shows the
12 calculation of the estimated true-up amount for the
13 January 2001 through December 2001 period. It is based
14 on actual data for eight months and four months of
15 projected data.

16
17 Q. What information is contained on Schedule E-5 of
18 Composite Exhibit EE-2?

19
20 A. Schedule E-5 of Composite Exhibit EE-2 is statistical
21 data which includes the projected therm sales and numbers
22 of customers by customer class for the period from
23 January 2002 through December 2002.

24
25

1 Q. How are Gas Research Institute charges treated in the
2 Purchased Gas Adjustment Cost Recovery Clause?
3

4 A. The Gas Research Institute ("GRI") is an industry-funded,
5 independent research organization. GRI provides
6 efficient and effective research and development of
7 products, studies and processes that benefit all natural
8 gas consumers. The work performed by GRI helps lower the
9 cost of gas and improve the efficiency of its use.
10 Historically, GRI funding was mandated by the Federal
11 Energy Regulatory Commission and recovered through
12 surcharges applied to the FERC-regulated, interstate
13 pipeline charges included in costs recovered through the
14 PGA. In 1998 FERC ordered that GRI funding transition to
15 fully voluntary funding by January 2004. Peoples Gas
16 supports the goals of GRI since the products and services
17 provided by GRI benefit our customers. Therefore,
18 Peoples Gas has continued to support GRI at the
19 previously mandated funding level and include the
20 voluntary funds in the PGA. Peoples Gas expects to
21 continue supporting GRI with voluntary funding at the
22 previously mandatory level and to include the voluntary
23 charges in the PGA, even when GRI funding transitions
24 fully to voluntary.
25

1 Q. How have you incorporated the Residential PGA factor and
2 the Commercial PGA factor in the derivation of the PGA
3 cap for which the company seeks approval?
4

5 A. On April 5, 1998, the Commission issued Order No. PSC-99-
6 0634-FOF-GU as a Proposed Agency Action in Docket No.
7 981698-GU. This Order approved Peoples Gas' request for
8 approval of a methodology for charging separate Purchased
9 Gas Adjustment factors for different customer classes.
10 Under the approved methodology, separate PGA factors are
11 derived by assigning the fixed, interstate pipeline
12 reservation costs to each customer class according to the
13 class' contribution to the company's peak month demand
14 for the winter season and the summer season. Exhibit EE-
15 2, Page 20 of 20, labeled Attachment, contains the
16 seasonal peak allocation factors based on the most
17 recent peak month data available, January 2001 and April
18 2001. These allocation factors are then applied to
19 Schedule E-1 to derive the separate version for
20 Residential, Commercial and Combined for All Rate
21 Classes. The WACOG for which Peoples seeks approval as
22 the annual cap is the Residential factor of \$0.98473 per
23 therm as shown in Schedule E-1.
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25 Q. Does this conclude your testimony?

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A. Yes, it does.

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '02 through DECEMBER '02

Combined For All Rate Classes

	Projection												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD
COST OF GAS PURCHASED													
1 COMMODITY Pipeline	\$153,885	\$157,483	\$131,373	\$144,545	\$115,441	\$115,284	\$115,160	\$117,939	\$117,141	\$115,624	\$127,848	\$127,669	\$1,539,391
2 NO NOTICE SERVICE	\$60,787	\$51,461	\$42,067	\$23,895	\$39,324	\$38,055	\$39,324	\$39,324	\$38,055	\$21,948	\$41,595	\$61,383	\$497,217
3 SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 COMMODITY Other	\$35,154,821	\$26,508,826	\$21,692,425	\$17,396,883	\$14,123,387	\$11,064,414	\$10,148,397	\$9,326,325	\$10,759,186	\$12,551,544	\$16,247,311	\$22,838,320	\$207,811,841
5 DEMAND	\$3,709,098	\$3,395,090	\$3,709,098	\$3,256,097	\$2,360,746	\$2,299,572	\$2,360,746	\$2,360,746	\$2,299,572	\$3,119,505	\$3,604,429	\$3,709,098	\$36,183,800
6 OTHER	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,200,000
LESS END-USE CONTRACT:													
7 COMMODITY Pipeline	\$53,501	\$62,786	\$52,866	\$70,033	\$48,345	\$52,309	\$53,077	\$55,911	\$53,130	\$60,008	\$62,880	\$41,318	\$666,165
8 DEMAND	\$571,441	\$685,233	\$599,775	\$762,747	\$521,437	\$563,187	\$571,468	\$598,382	\$567,487	\$640,949	\$671,628	\$441,324	\$7,195,059
9 OTHER	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$136,000	\$1,632,000
10													
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$38,417,650	\$29,328,842	\$24,886,324	\$19,952,640	\$16,033,115	\$12,865,829	\$12,003,082	\$11,154,041	\$12,557,337	\$15,071,663	\$19,250,674	\$26,217,828	\$237,739,025
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	\$38,417,650	\$29,328,842	\$24,886,324	\$19,952,640	\$16,033,115	\$12,865,829	\$12,003,082	\$11,154,041	\$12,557,337	\$15,071,663	\$19,250,674	\$26,217,828	\$237,739,025
THERMS PURCHASED													
15 COMMODITY Pipeline	45,556,030	47,025,214	41,933,344	43,620,999	34,125,864	33,841,441	33,447,098	33,744,658	33,569,379	35,845,929	39,173,521	38,255,706	460,139,183
16 NO NOTICE SERVICE	10,302,850	8,722,280	7,130,000	4,050,000	6,665,000	6,450,000	6,665,000	6,665,000	6,450,000	3,720,000	7,050,000	10,403,910	84,274,040
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY Other	30,182,320	28,983,224	26,742,084	23,496,499	20,233,504	18,810,111	18,195,168	17,678,408	18,302,039	18,602,209	21,104,421	26,382,586	268,712,573
19 DEMAND	84,151,050	76,007,400	84,151,050	75,237,900	49,629,760	48,028,800	49,629,760	49,629,760	48,028,800	70,042,950	81,436,500	84,151,050	800,124,780
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT:													
21 COMMODITY Pipeline	15,373,710	18,041,990	15,191,260	20,124,500	13,892,360	15,031,330	15,251,930	16,066,250	15,267,340	17,243,720	18,069,100	11,873,120	191,426,610
22 DEMAND	15,373,710	18,435,120	16,135,990	20,520,500	14,028,450	15,151,660	15,374,440	16,098,520	15,267,340	17,243,720	18,069,100	11,873,120	193,571,670
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18)	30,182,320	28,983,224	26,742,084	23,496,499	20,233,504	18,810,111	18,195,168	17,678,408	18,302,039	18,602,209	21,104,421	26,382,586	268,712,573
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)	30,182,320	28,983,224	26,742,084	23,496,499	20,233,504	18,810,111	18,195,168	17,678,408	18,302,039	18,602,209	21,104,421	26,382,586	268,712,573
CENTS PER THERM													
28 COMMODITY Pipeline (1/15)	0.00338	0.00335	0.00313	0.00331	0.00338	0.00341	0.00344	0.00350	0.00349	0.00323	0.00326	0.00334	0.00335
29 NO NOTICE SERVICE (2/16)	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590
30 SWING SERVICE (3/17)	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
31 COMMODITY Other (4/18)	1.16475	0.91463	0.81117	0.74040	0.69802	0.58822	0.55775	0.52755	0.58787	0.67473	0.76985	0.86566	0.77336
32 DEMAND (5/19)	0.04408	0.04467	0.04408	0.04328	0.04757	0.04788	0.04757	0.04757	0.04788	0.04454	0.04426	0.04408	0.04522
33 OTHER (6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LESS END-USE CONTRACT:													
34 COMMODITY Pipeline (7/21)	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348
35 DEMAND (8/22)	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717
36 OTHER (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37 TOTAL COST OF PURCHASES (11/24)	1.27285	1.01192	0.93061	0.84918	0.79240	0.68398	0.65969	0.63094	0.68612	0.81021	0.91216	0.99376	0.88473
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39 COMPANY USE (13/26)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40 TOTAL COST OF THERMS SOLD (11/27)	1.27285	1.01192	0.93061	0.84918	0.79240	0.68398	0.65969	0.63094	0.68612	0.81021	0.91216	0.99376	0.88473
41 TRUE-UP (E-4)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)
42 TOTAL COST OF GAS (40+41)	1.25945	0.99852	0.91720	0.83577	0.77900	0.67058	0.64628	0.61754	0.67272	0.79681	0.89876	0.98035	0.87133
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.26579	1.00355	0.92182	0.83998	0.78292	0.67396	0.64954	0.62065	0.67610	0.80082	0.90328	0.98529	0.87572
45 PGA FACTOR ROUNDED TO NEAREST .001	126.579	100.355	92.182	83.998	78.292	67.396	64.954	62.065	67.610	80.082	90.328	98.529	87.572

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '02 through DECEMBER '02

For Residential Customers

	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD
COST OF GAS PURCHASED													
1 COMMODITY Pipeline	\$50,659	\$50,773	\$36,653	\$34,286	\$24,162	\$22,377	\$21,800	\$21,371	\$21,800	\$22,454	\$28,254	\$34,726	\$369,314
2 NO NOTICE SERVICE	\$28,065	\$23,760	\$19,422	\$7,479	\$12,308	\$11,911	\$12,308	\$12,308	\$11,911	\$10,133	\$19,204	\$28,341	\$197,152
3 SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 COMMODITY Other	\$11,572,967	\$8,546,446	\$6,052,187	\$4,126,541	\$2,956,025	\$2,147,603	\$1,921,092	\$1,689,930	\$2,002,285	\$2,437,510	\$3,590,656	\$6,212,023	\$53,255,263
5 DEMAND	\$1,712,491	\$1,567,513	\$1,712,491	\$1,019,158	\$738,914	\$719,766	\$738,914	\$738,914	\$719,766	\$1,440,275	\$1,664,165	\$1,712,491	\$14,484,857
6 OTHER	\$32,920	\$32,240	\$27,900	\$23,720	\$20,930	\$19,410	\$18,930	\$18,120	\$18,610	\$19,420	\$22,100	\$27,200	\$281,500
LESS END-USE CONTRACT:													
7 COMMODITY Pipeline	\$17,612	\$20,242	\$14,749	\$16,612	\$10,119	\$10,153	\$10,047	\$10,131	\$9,888	\$11,654	\$13,897	\$11,239	\$156,343
8 DEMAND	\$263,834	\$316,372	\$276,916	\$238,740	\$163,210	\$176,278	\$178,869	\$187,294	\$177,623	\$295,926	\$310,091	\$203,759	\$2,788,913
9 OTHER	\$44,771	\$43,846	\$37,944	\$32,259	\$28,465	\$26,398	\$25,745	\$24,643	\$25,310	\$26,411	\$30,056	\$36,992	\$382,840
10													
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$13,070,884	\$9,840,270	\$7,519,043	\$4,923,573	\$3,550,545	\$2,708,238	\$2,498,382	\$2,258,575	\$2,561,551	\$3,595,802	\$4,970,336	\$7,762,790	\$65,259,990
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	\$13,070,884	\$9,840,270	\$7,519,043	\$4,923,573	\$3,550,545	\$2,708,238	\$2,498,382	\$2,258,575	\$2,561,551	\$3,595,802	\$4,970,336	\$7,762,790	\$65,259,990
THERMS PURCHASED													
15 COMMODITY Pipeline	14,997,045	15,160,929	11,699,403	10,346,901	7,142,543	6,568,624	6,331,536	6,114,532	6,247,261	6,961,279	8,657,348	10,405,552	110,632,954
16 NO NOTICE SERVICE	4,756,826	4,027,077	3,291,921	1,267,650	2,086,145	2,018,850	2,086,145	2,086,145	2,018,850	1,717,524	3,254,985	4,803,485	33,415,603
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY Other	9,936,020	9,344,191	7,461,041	5,573,370	4,234,872	3,651,043	3,444,345	3,203,328	3,406,009	3,612,549	4,664,077	7,176,063	65,706,909
19 DEMAND	38,852,540	35,092,617	38,852,540	23,549,463	15,534,115	15,033,014	15,534,115	15,534,115	15,033,014	32,338,830	37,599,232	38,852,540	321,806,134
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT:													
21 COMMODITY Pipeline	5,061,025	5,816,738	4,238,362	4,773,531	2,907,671	2,917,581	2,887,190	2,911,205	2,841,252	3,348,730	3,993,271	3,229,489	44,926,045
22 DEMAND	7,098,042	8,511,495	7,449,987	6,422,917	4,390,905	4,742,470	4,812,200	5,038,837	4,778,677	7,961,426	8,342,503	5,481,820	75,031,277
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18)	9,936,020	9,344,191	7,461,041	5,573,370	4,234,872	3,651,043	3,444,345	3,203,328	3,406,009	3,612,549	4,664,077	7,176,063	65,706,909
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)	9,936,020	9,344,191	7,461,041	5,573,370	4,234,872	3,651,043	3,444,345	3,203,328	3,406,009	3,612,549	4,664,077	7,176,063	65,706,909
CENTS PER THERM													
28 COMMODITY Pipeline (1/15)	0.00338	0.00335	0.00313	0.00331	0.00338	0.00341	0.00344	0.00350	0.00349	0.00323	0.00326	0.00334	0.00334
29 NO NOTICE SERVICE (2/16)	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590
30 SWING SERVICE (3/17)	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
31 COMMODITY Other (4/18)	1.16475	0.91463	0.81117	0.74040	0.69802	0.58822	0.55775	0.52755	0.58787	0.67473	0.76985	0.86566	0.81050
32 DEMAND (5/19)	0.04408	0.04467	0.04408	0.04328	0.04757	0.04788	0.04757	0.04757	0.04788	0.04454	0.04426	0.04408	0.04501
33 OTHER (6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LESS END-USE CONTRACT:													
34 COMMODITY Pipeline (7/21)	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348
35 DEMAND (8/22)	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717
36 OTHER (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37 TOTAL COST OF PURCHASES (11/24)	1.31551	1.05309	1.00777	0.88341	0.83841	0.74177	0.72536	0.70507	0.75207	0.99536	1.06566	1.08176	0.99320
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39 COMPANY USE (13/26)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40 TOTAL COST OF THERMS SOLD (11/27)	1.31551	1.05309	1.00777	0.88341	0.83841	0.74177	0.72536	0.70507	0.75207	0.99536	1.06566	1.08176	0.99320
41 TRUE-UP (E-4)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)
42 TOTAL COST OF GAS (40+41)	1.30210	1.03969	0.99437	0.87001	0.82501	0.72837	0.71196	0.69167	0.73867	0.98196	1.05226	1.06836	0.97980
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.30865	1.04492	0.99938	0.87439	0.82916	0.73203	0.71554	0.69515	0.74238	0.98690	1.05756	1.07373	0.98473
45 PGA FACTOR ROUNDED TO NEAREST .001	130.865	104.492	99.938	87.439	82.916	73.203	71.554	69.515	74.238	98.690	105.756	107.373	98.473

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '02 through DECEMBER '02

For Commercial Customers

COST OF GAS PURCHASED	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD
1 COMMODITY Pipeline	\$103,226	\$106,711	\$94,720	\$110,259	\$91,279	\$92,907	\$93,360	\$96,569	\$95,341	\$93,169	\$99,593	\$92,943	\$1,170,077
2 NO NOTICE SERVICE	\$32,722	\$27,702	\$22,645	\$16,416	\$27,015	\$26,144	\$27,015	\$27,015	\$26,144	\$11,815	\$22,391	\$33,043	\$300,065
3 SWING SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 COMMODITY Other	\$23,581,854	\$17,962,381	\$15,640,239	\$13,270,342	\$11,167,362	\$8,916,811	\$8,227,306	\$7,636,395	\$8,756,901	\$10,114,034	\$12,656,655	\$16,626,297	\$154,558,578
5 DEMAND	\$1,996,608	\$1,827,577	\$1,996,608	\$2,236,939	\$1,621,833	\$1,579,806	\$1,621,833	\$1,621,833	\$1,579,806	\$1,679,229	\$1,940,264	\$1,996,608	\$21,698,943
6 OTHER	\$67,080	\$67,760	\$72,100	\$76,280	\$79,070	\$80,590	\$81,070	\$81,880	\$81,390	\$80,580	\$77,900	\$72,800	\$918,500
LESS END-USE CONTRACT:													
7 COMMODITY Pipeline	\$35,888	\$42,544	\$38,116	\$53,421	\$38,227	\$42,156	\$43,029	\$45,780	\$43,243	\$48,355	\$48,984	\$30,080	\$509,822
8 DEMAND	\$307,607	\$368,861	\$322,859	\$524,007	\$358,228	\$386,910	\$392,598	\$411,088	\$389,864	\$345,023	\$361,538	\$237,565	\$4,406,146
9 OTHER	\$91,229	\$92,154	\$98,056	\$103,741	\$107,535	\$109,602	\$110,255	\$111,357	\$110,690	\$109,589	\$105,944	\$99,008	\$1,249,160
10													
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$25,346,766	\$19,488,572	\$17,367,280	\$15,029,067	\$12,482,570	\$10,157,591	\$9,504,701	\$8,895,467	\$9,995,786	\$11,475,862	\$14,280,338	\$18,455,037	\$172,479,035
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	\$25,346,766	\$19,488,572	\$17,367,280	\$15,029,067	\$12,482,570	\$10,157,591	\$9,504,701	\$8,895,467	\$9,995,786	\$11,475,862	\$14,280,338	\$18,455,037	\$172,479,035
THERMS PURCHASED													
15 COMMODITY Pipeline	30,558,985	31,864,285	30,233,941	33,274,098	26,983,321	27,272,817	27,115,562	27,630,126	27,322,118	28,884,650	30,516,173	27,850,154	349,506,229
16 NO NOTICE SERVICE	5,546,024	4,695,203	3,838,079	2,782,350	4,578,855	4,431,150	4,578,855	4,578,855	4,431,150	2,002,476	3,795,015	5,600,425	50,858,437
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY Other	20,246,300	19,639,033	19,281,043	17,923,129	15,998,632	15,159,068	14,750,823	14,475,080	14,896,030	14,989,660	16,440,344	19,206,523	203,005,664
19 DEMAND	45,298,510	40,914,783	45,298,510	51,688,437	34,095,645	32,995,786	34,095,645	34,095,645	32,995,786	37,704,120	43,837,268	45,298,510	478,318,646
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT:													
21 COMMODITY Pipeline	10,312,685	12,225,252	10,952,898	15,350,969	10,984,689	12,113,749	12,364,740	13,155,046	12,426,088	13,894,990	14,075,829	8,643,631	146,500,565
22 DEMAND	8,275,668	9,923,625	8,886,003	14,097,584	9,637,545	10,409,190	10,562,240	11,059,683	10,488,663	9,282,294	9,726,597	6,391,300	118,540,393
23 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (17+18)	20,246,300	19,639,033	19,281,043	17,923,129	15,998,632	15,159,068	14,750,823	14,475,080	14,896,030	14,989,660	16,440,344	19,206,523	203,005,664
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)	20,246,300	19,639,033	19,281,043	17,923,129	15,998,632	15,159,068	14,750,823	14,475,080	14,896,030	14,989,660	16,440,344	19,206,523	203,005,664
CENTS PER THERM													
28 COMMODITY Pipeline (1/15)	0.00338	0.00335	0.00313	0.00331	0.00338	0.00341	0.00344	0.00350	0.00349	0.00323	0.00326	0.00334	0.00335
29 NO NOTICE SERVICE (2/16)	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590
30 SWING SERVICE (3/17)	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
31 COMMODITY Other (4/18)	1.16475	0.91463	0.81117	0.74040	0.69802	0.58822	0.55775	0.52755	0.58787	0.67473	0.76985	0.86566	0.78134
32 DEMAND (5/19)	0.04408	0.04467	0.04408	0.04328	0.04757	0.04788	0.04757	0.04757	0.04788	0.04454	0.04426	0.04408	0.04537
33 OTHER (6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LESS END-USE CONTRACT:													
34 COMMODITY Pipeline (7/21)	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348
35 DEMAND (8/22)	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717	0.03717
36 OTHER (9/23)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37 TOTAL COST OF PURCHASES (11/24)	1.25192	0.99234	0.90074	0.83853	0.78023	0.67007	0.64435	0.61454	0.67104	0.76559	0.86862	0.96087	0.84963
38 NET UNBILLED (12/25)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39 COMPANY USE (13/26)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
40 TOTAL COST OF THERMS SOLD (11/27)	1.25192	0.99234	0.90074	0.83853	0.78023	0.67007	0.64435	0.61454	0.67104	0.76559	0.86862	0.96087	0.84963
41 TRUE-UP (E-4)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)	(0.01340)
42 TOTAL COST OF GAS (10+41)	1.23852	0.97894	0.88734	0.82513	0.76683	0.65667	0.63095	0.60114	0.65764	0.75218	0.85521	0.94747	0.83623
43 REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.24475	0.98386	0.89181	0.82928	0.77068	0.65997	0.63412	0.60416	0.66094	0.75597	0.85952	0.95224	0.84043
45 PGA FACTOR ROUNDED TO NEAREST .001	124.475	98.386	89.181	82.928	77.068	65.997	63.412	60.416	66.094	75.597	85.952	95.224	84.043

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

SCHEDULE E-1/R

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '01 Through DECEMBER '01

1 of 3

Combined For All Rate Classes

COST OF GAS PURCHASED	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
COMMODITY Pipeline (FGT)(Incls. Sonat/So. Ga. Jan thru Aug)	\$239,652	\$209,836	\$209,321	\$92,065	(\$29,756)	\$138,293	\$138,274	\$136,267	\$123,602	\$138,633	\$131,593	\$135,297	\$1,663,077
COMMODITY Pipeline (SONAT)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COMMODITY Pipeline (SO. GA.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NO NOTICE SERVICE	\$60,787	\$51,461	\$42,067	\$23,895	\$39,324	\$38,055	\$39,324	\$39,324	\$38,055	\$21,948	\$41,595	\$61,383	\$497,217
SWING SERVICE	\$3,154,582	\$1,764,000	\$1,568,600	\$0	\$0	\$0	\$0	\$165,775	\$0	\$0	\$0	\$0	\$6,652,959
COMMODITY Other (THIRD PARTY)	\$34,363,587	\$11,440,328	\$10,661,925	\$10,225,072	\$10,227,216	\$4,247,314	\$8,147,096	\$7,346,874	\$2,559,352	\$2,164,316	\$2,755,368	\$5,235,179	\$109,373,626
DEMAND (FGT)(Incls. Sonat/So. Ga. Jan thru Aug)	\$3,380,939	\$2,989,118	\$3,378,649	\$2,827,159	\$2,421,675	\$2,449,399	\$2,356,244	\$2,345,936	\$2,329,969	\$3,150,356	\$3,634,826	\$3,739,950	\$35,004,220
DEMAND (SONAT)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEMAND (SO. GA.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER	\$67,312	\$97,402	\$80,897	\$63,590	\$90,301	\$38,289	\$76,631	\$103,655	\$75,000	\$75,000	\$75,000	\$75,000	\$918,076
COMMODITY Pipeline (FGT)	\$73,025	\$85,766	\$72,125	\$70,033	\$48,345	\$52,309	\$53,077	\$55,911	\$54,805	\$63,310	\$63,637	\$41,786	\$734,129
DEMAND (FGT)	\$571,431	\$686,342	\$390,752	\$469,350	\$521,438	\$563,187	\$571,468	\$598,382	\$585,374	\$456,411	\$448,495	\$446,321	\$6,308,951
OTHER	\$134,143	\$137,737	\$125,263	\$123,765	\$126,260	\$126,151	\$128,354	\$136,060	\$131,671	\$136,060	\$131,671	\$136,060	\$1,573,195
TOTAL COST(1+1a+1b+2+3+4+5+5a+5b+6)-(7+8+9+10)	\$40,488,260	\$15,642,302	\$15,353,319	\$12,568,632	\$12,052,716	\$6,169,704	\$10,004,670	\$9,347,477	\$4,354,128	\$4,894,472	\$5,994,579	\$8,622,642	\$145,492,900
NET UNBILLED	\$2,593,640	\$5,568,319	(\$4,383,322)	(\$2,220,984)	(\$1,519,664)	(\$3,256,326)	(\$610,954)	(\$125,894)	\$0	\$0	\$0	\$0	(\$3,955,185)
COMPANY USE	\$7,874	\$17,036	\$15,131	\$15,101	\$15,004	\$10,167	\$10,484	\$12,925	\$0	\$0	\$0	\$0	\$103,722
TOTAL THERM SALES	\$25,310,593	\$35,058,443	\$19,327,529	\$17,959,492	\$15,554,506	\$7,779,436	\$11,354,279	\$10,756,544	\$5,508,188	\$5,844,675	\$5,026,490	\$7,216,925	\$166,697,100

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT

SCHEDULE E-1/R

COST RECOVERY CLAUSE CALCULATION

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '01 Through DECEMBER '01

2 of 3

Combined For All Rate Classes

THERMS PURCHASED	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
COMMODITY Pipeline (FGT)(Incls. Sonat/So. Ga. Jan thru Aug)	53,903,464	32,514,090	36,311,004	41,208,381	27,838,731	35,153,933	41,870,012	39,792,920	25,824,913	29,821,034	28,905,278	29,672,594	422,816,354
COMMODITY Pipeline (SONAT)	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMODITY Pipeline (SO. GA.)	0	0	0	0	0	0	0	0	0	0	0	0	0
NO NOTICE SERVICE	10,302,850	8,722,280	7,130,000	4,050,000	6,665,000	6,450,000	6,665,000	6,665,000	6,450,000	3,720,000	7,050,000	10,403,910	84,274,040
SWING SERVICE	3,199,970	2,800,000	3,100,000	0	0	0	0	506,190	0	0	0	0	9,606,160
COMMODITY Other (THIRD PARTY)	36,163,844	19,048,524	20,654,016	19,549,062	21,380,790	20,366,776	29,581,974	23,752,516	10,076,347	11,628,480	10,618,852	17,665,030	240,486,211
DEMAND (FGT)(Incls. Sonat/So. Ga. Jan thru Aug)	80,846,091	70,441,427	79,430,195	70,858,685	52,178,006	51,320,120	51,788,340	51,428,225	48,368,610	70,394,087	81,776,310	84,502,187	793,332,283
DEMAND (SONAT)	0	0	0	0	0	0	0	0	0	0	0	0	0
DEMAND (SO. GA.)	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMODITY Pipeline (FGT)	15,373,710	18,041,990	15,191,260	20,124,500	13,892,360	15,031,330	15,251,930	16,066,250	15,748,566	18,192,554	18,286,426	12,007,564	193,208,440
DEMAND (FGT)	15,373,710	18,435,120	16,135,990	20,520,500	14,028,450	15,151,660	15,374,440	16,098,520	15,748,566	18,192,554	18,286,426	12,007,564	195,353,500
OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PURCHASES (17+18)	39,363,814	21,848,524	23,754,016	19,549,062	21,380,790	20,366,776	29,581,974	24,258,706	10,076,347	11,628,480	10,618,852	17,665,030	250,092,371
NET UNBILLED	2,435,510	(654,597)	(3,738,227)	(623,738)	(1,458,496)	(1,312,263)	(535,550)	(165,119)	0	0	0	0	(6,052,480)
COMPANY USE	12,065	15,388	13,863	16,316	16,594	17,504	18,893	23,675	0	0	0	0	134,298
TOTAL THERM SALES (24-26)	31,763,902	29,147,911	22,885,844	23,052,135	20,503,718	21,772,623	26,402,006	23,996,956	10,076,347	11,628,480	10,618,852	17,665,030	249,513,804

COMPANY: PEOPLES GAS SYSTEM

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

SCHEDULE E-1/R

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY '01 Through DECEMBER '01

3 of 3

Combined For All Rate Classes

CENTS PER THERM	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
COMM. Pipeline(FGT)(Incls. Sona/So. Ga. Jan thru Aug) (1/15)	0.00445	0.00645	0.00576	0.00223	(0.00107)	0.00393	0.00330	0.00342	0.00479	0.00465	0.00455	0.00456	0.00393
COMM. Pipeline (SONAT) (1a/15a)	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
COMM. Pipeline (SO. GA.) (1b/15b)	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
NO NOTICE SERVICE (2/16)	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590	0.00590
SWING SERVICE (3/17)	0.98582	0.63000	0.50600	0.00000	0.00000	0.00000	0.00000	0.32749	0.00000	0.00000	0.00000	0.00000	0.69257
COMM. Other (THIRD PARTY) (4/18)	0.95022	0.60059	0.51622	0.52305	0.47834	0.20854	0.27541	0.30931	0.25400	0.18612	0.25948	0.29636	0.45480
DEMAND(FGT)(Incls. Sona/So. Ga. Jan thru Aug) (5/19)	0.04182	0.04243	0.04254	0.03990	0.04641	0.04773	0.04550	0.04562	0.04817	0.04475	0.04445	0.04426	0.04412
DEMAND (SONAT) (5a/19a)	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
DEMAND (SO. GA.) (5b/19b)	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
OTHER (6/20)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
COMMODITY Pipeline (FGT) (7/21)	0.00475	0.00475	0.00475	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00348	0.00380
DEMAND (FGT) (8/22)	0.03717	0.03723	0.02422	0.02287	0.03717	0.03717	0.03717	0.03717	0.03717	0.02509	0.02453	0.03717	0.03230
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
TOTAL COST OF PURCHASES (11/24)	1.02857	0.71594	0.64635	0.64293	0.56372	0.30293	0.33820	0.38532	0.43211	0.42090	0.56452	0.48812	0.58176
NET UNBILLED (12/25)	1.06493	(8.50648)	1.17257	3.56076	1.04194	2.48146	1.14080	0.76244	0.00000	0.00000	0.00000	0.00000	0.65348
COMPANY USE (13/26)	0.65263	1.10708	1.09145	0.92553	0.90421	0.58083	0.55491	0.54594	0.00000	0.00000	0.00000	0.00000	0.77233
TOTAL COST OF THERMS SOLD (11/27)	1.27466	0.53665	0.67087	0.54523	0.58783	0.28337	0.37894	0.38953	0.43211	0.42090	0.56452	0.48812	0.58311
TRUE-UP (E-4)	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635	0.02635
TOTAL COST OF GAS (40+41)	1.30101	0.56300	0.69722	0.57158	0.61418	0.30972	0.40529	0.41588	0.45846	0.44725	0.59087	0.51447	0.60946
REVENUE TAX FACTOR	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503	1.00503
PGA FACTOR ADJUSTED FOR TAXES (42x43)	1.30756	0.56583	0.70072	0.57445	0.61727	0.31128	0.40732	0.41797	0.46077	0.44950	0.59384	0.51706	0.61252
PGA FACTOR ROUNDED TO NEAREST .001	130.756	56.583	70.072	57.445	61.727	31.128	40.732	41.797	46.077	44.950	59.384	51.706	61.252

FOR THE CURRENT PERIOD: JANUARY '01 Through DECEMBER '01

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV.PROJ.	REV. PROJ.
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD	
TRUE-UP CALCULATION														
1 PURCHASED GAS COST	\$37,376,152	\$13,049,555	\$12,090,130	\$10,086,206	\$10,085,952	\$4,110,996	\$8,008,258	\$7,363,663	\$2,427,681	\$2,028,256	\$2,623,697	\$5,099,119	\$114,349,665	
2 TRANSPORTATION COST	3,104,234	2,575,710	3,248,057	2,467,326	1,951,760	2,048,541	1,985,928	1,970,889	1,926,447	2,866,216	3,370,882	3,523,523	31,039,513	
3 TOTAL	40,480,386	15,625,266	15,338,188	12,553,531	12,037,712	6,159,537	9,994,186	9,334,552	4,354,128	4,894,472	5,994,579	8,622,642	145,389,179	
4 FUEL REVENUES (NET OF REVENUE TAX)	25,310,593	35,058,443	19,327,529	17,959,492	15,554,506	7,778,436	11,334,279	10,758,544	5,508,188	5,844,675	5,026,490	7,216,925	166,697,100	
5 TRUE-UP REFUNDED/(COLLECTED)	(317,160)	(317,160)	(317,160)	(317,160)	(317,160)	(317,160)	(317,160)	(317,160)	(317,160)	(317,160)	(317,160)	(317,163)	(3,805,923)	
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 + LINE 5)	24,993,433	34,741,283	19,010,369	17,642,332	15,237,346	7,462,276	11,037,119	10,439,384	5,191,028	5,527,515	4,709,330	6,899,762	162,891,177	
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(15,486,953)	19,116,017	3,672,182	5,088,801	3,199,634	1,302,739	1,042,932	1,104,832	836,900	633,043	(1,285,249)	(1,722,880)	17,501,998	
8 INTEREST PROVISION-THIS PERIOD (21)	(125,784)	(102,749)	(48,373)	(26,504)	(8,150)	666	5,339	9,306	12,697	15,776	15,796	12,409	(239,571)	
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(17,467,435)	(32,763,012)	(13,432,583)	(9,491,614)	(4,112,157)	(603,513)	1,017,051	2,382,483	3,813,781	4,980,538	5,946,517	4,994,223	(17,467,435)	
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	317,160	317,160	317,160	317,160	317,160	317,160	317,160	317,160	317,160	317,160	317,160	317,163	3,805,923	
10a ENVIRONMENTAL RESERVE REFUND	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(32,763,012)	(13,432,583)	(9,491,614)	(4,112,157)	(603,513)	1,017,051	2,382,483	3,813,781	4,980,538	5,946,517	4,994,223	3,600,915	3,600,915	
11a FPSC AUDIT ENTRY/REFUNDS&ADJS-PIPELINES	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 ADJ TOTAL EST/ACT TRUE-UP(11+11a)	(32,763,012)	(13,432,583)	(9,491,614)	(4,112,157)	(603,513)	1,017,051	2,382,483	3,813,781	4,980,538	5,946,517	4,994,223	3,600,915	\$3,600,915	
INTEREST PROVISION														
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(17,467,435)	(32,763,012)	(13,432,583)	(9,491,614)	(4,112,157)	(603,513)	1,017,051	2,382,483	3,813,781	4,980,538	5,946,517	4,994,223		
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5+10a)	(32,637,228)	(13,329,834)	(9,443,241)	(4,085,653)	(595,363)	1,016,386	2,377,144	3,804,475	4,967,841	5,930,741	4,978,428	3,588,506		
14 TOTAL (12+13)	(50,104,663)	(46,092,846)	(22,875,825)	(13,577,268)	(4,707,521)	412,872	3,394,195	6,186,958	8,781,621	10,911,277	10,924,943	8,582,728		
15 AVERAGE (50% OF 14)	(25,052,332)	(23,046,423)	(11,437,912)	(6,788,634)	(2,353,760)	206,436	1,697,098	3,093,479	4,390,810	5,455,639	5,462,472	4,291,364		
16 INTEREST RATE - FIRST DAY OF MONTH	6.50	5.55	5.15	5.00	4.37	3.94	3.80	3.75	3.47	3.47	3.47	3.47		
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.55	5.15	5.00	4.37	3.94	3.80	3.75	3.47	3.47	3.47	3.47	3.47		
18 TOTAL (16+17)	12.050	10.700	10.150	9.370	8.310	7.740	7.550	7.220	6.940	6.940	6.940	6.940		
19 AVERAGE (50% OF 18)	6.025	5.350	5.075	4.685	4.155	3.870	3.775	3.610	3.470	3.470	3.470	3.470		
20 MONTHLY AVERAGE (19/12 Months)	0.502	0.446	0.423	0.390	0.346	0.323	0.315	0.301	0.289	0.289	0.289	0.289		
21 INTEREST PROVISION (15x20)	(\$125,784)	(\$102,749)	(\$48,373)	(\$26,504)	(\$8,150)	\$666	\$5,339	\$9,306	\$12,697	\$15,776	\$15,796	\$12,409		

Composite Exhibit No. _____
 Docket No. 010003-GU
 Peoples Gas System
 (EE-2)
 Page 7 of 22

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '02 Through DECEMBER '02

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE 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 JAN 2002	FGT			
2	FGT	PGS	FTS-1 COMM		15,373,710	15,373,710		\$53,501		\$0.348	
3	FGT	PGS	FTS-2 COMM	13,437,260		13,437,260		\$23,918		\$0.178	
4	FGT	PGS	FTS-1 DEMAND	59,646,790		59,646,790			\$2,217,071	\$3.717	
5	FGT	PGS	FTS-1 DEMAND		15,373,710	15,373,710			\$571,441	\$3.717	
6	FGT	PGS	FTS-2 DEMAND	13,437,260		13,437,260			\$1,027,682	\$7.648	
7	FGT	PGS	NO NOTICE	10,302,850		10,302,850			\$60,787	\$0.590	
8	THIRD PARTY	PGS	SWING SERVICE	0		0	\$0		\$0	\$0.000	
9	MARKETER	PGS	SONAT TRANS COM	8,685,261		8,685,261		\$38,389		\$0.442	
10	MARKETER	PGS	SO GA TRANS COMM	8,485,500		8,485,500		\$9,334		\$0.110	
11	MARKETER	PGS	SONAT DEMAND	11,157,375		11,157,375			\$294,771	\$2.642	
12	MARKETER	PGS	SO GA DEMAND	11,067,000		11,067,000			\$169,575	\$1.532	
13	THIRD PARTY	PGS	COMMODITY	30,182,320		30,182,320	\$35,154,821			\$116.475	
14	FGT	PGS	BAL. CHGS./OTHER	0		0				\$100,000	\$0.000
15 JANUARY TOTAL				190,034,886	30,747,420	220,782,306	\$35,154,821	\$207,386	\$4,341,326	\$100,000	\$18.028

COMPANY: PEOPLES GAS SYSTEM			TRANSPORTATION PURCHASES SYSTEM SUPPLY AND END USE					SCHEDULE E-3			
ESTIMATED FOR THE PROJECTED PERIOD OF:			JANUARY '02 Through DECEMBER '02								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) COMMODITY COST		(J)	(K)	(L)
MONTH	PURCHASED FROM	PURCHASE FOR	SCH TYPE	SYSTEM SUPPLY	END USE	TOTAL PURCHASED	THIRD PARTY	PIPELINE	DEMAND COST	OTHER CHARGES ACA/GR/FUEL	TOTAL CENTS PER THERM
1 FEB 2002	FGT	PGS	FTS-1 COMM	28,140,214		28,140,214		\$97,928			\$0.34
2	FGT	PGS	FTS-1 COMM		18,041,990	18,041,990		\$62,786			\$0.34
3	FGT	PGS	FTS-2 COMM	12,136,880		12,136,880		\$21,604			\$0.17
4	FGT	PGS	FTS-1 DEMAND	53,874,520		53,874,520			\$2,002,516		\$3.71
5	FGT	PGS	FTS-1 DEMAND		18,435,120	18,435,120			\$685,233		\$3.71
6	FGT	PGS	FTS-2 DEMAND	12,136,880		12,136,880			\$928,229		\$7.64
7	FGT	PGS	NO NOTICE	8,722,280		8,722,280			\$51,461		\$0.59
8	THIRD PARTY	PGS	SWING SERVICE	0		0	\$0		\$0		\$0.00
9	MARKETER	PGS	SONAT TRANS COM	6,906,981		6,906,981		\$30,528			\$0.44
10	MARKETER	PGS	SO GA TRANS COM	6,748,120		6,748,120		\$7,423			\$0.11
11	MARKETER	PGS	SONAT DEMAND	10,077,629		10,077,629			\$294,771		\$2.92
12	MARKETER	PGS	SO GA DEMAND	9,996,000		9,996,000			\$169,575		\$1.69
13	THIRD PARTY	PGS	COMMODITY	28,983,224		28,983,224	\$26,508,821				\$91.46
14	FGT	PGS	BAL. CHGS/OTHER	0		0				\$100,000	\$0.00
15 FEBRUARY TOTAL				177,722,727	36,477,110	214,199,837	\$26,508,821	\$220,270	\$4,131,785	\$100,000	\$14.45

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '02 Through DECEMBER '02

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(I) PIPELINE	(J) DEMAND COST	(K) OTHER CHARGES ACA/GR/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE				
1 MAR 2002	FGT	PGS	FTS-1 COMM	24,630,304		24,630,304			\$85,713			\$0.348
2	FGT	PGS	FTS-1 COMM		15,191,260	15,191,260			\$52,866			\$0.348
3	FGT	PGS	FTS-2 COMM	13,437,260		13,437,260			\$23,918			\$0.178
4	FGT	PGS	FTS-1 DEMAND	59,646,790		59,646,790			\$2,217,071			\$3.717
5	FGT	PGS	FTS-1 DEMAND		16,135,990	16,135,990			\$599,775			\$3.717
6	FGT	PGS	FTS-2 DEMAND	13,437,260		13,437,260			\$1,027,682			\$7.648
7	FGT	PGS	NO NOTICE	7,130,000		7,130,000			\$42,067			\$0.590
8	THIRD PARTY	PGS	SWING SERVICE	0		0	\$0		\$0			\$0.000
9	MARKETER	PGS	SONAT TRANS COM	3,956,786		3,956,786			\$17,489			\$0.442
10	MARKETER	PGS	SO GA TRANS COMM	3,865,780		3,865,780			\$4,252			\$0.110
11	MARKETER	PGS	SONAT DEMAND	11,157,375		11,157,375			\$294,771			\$2.642
12	MARKETER	PGS	SO GA DEMAND	11,067,000		11,067,000			\$169,575			\$1.532
13	THIRD PARTY	PGS	COMMODITY	26,742,084		26,742,084	\$21,692,425					\$81.117
14	FGT	PGS	BAL. CHGS/OTHER	0		0					\$100,000	\$0.000
15 MARCH TOTAL				175,070,639	31,327,250	206,397,889	\$21,692,425	\$184,239	\$4,350,940	\$100,000		\$12.756

COMPANY: PEOPLES GAS SYSTEM			TRANSPORTATION PURCHASES					SCHEDULE E-3			
			SYSTEM SUPPLY AND END USE								
ESTIMATED FOR THE PROJECTED PERIOD OF:			JANUARY '02		Through		DECEMBER '02				
(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRI/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY	(I) PIPELINE			
1 APR 2002	FGT	PGS	FTS-1 COMM	29,069,369		29,069,369		\$101,161			\$0.348
2	FGT	PGS	FTS-1 COMM		20,124,500	20,124,500		\$70,033			\$0.348
3	FGT	PGS	FTS-2 COMM	10,003,800		10,003,800		\$17,807			\$0.178
4	FGT	PGS	FTS-1 DEMAND	54,524,100		54,524,100			\$2,026,661		\$3.717
5	FGT	PGS	FTS-1 DEMAND		20,520,500	20,520,500			\$762,747		\$3.717
6	FGT	PGS	FTS-2 DEMAND	10,003,800		10,003,800			\$765,091		\$7.648
7	FGT	PGS	NO NOTICE	4,050,000		4,050,000			\$23,895		\$0.590
8	THIRD PARTY	PGS	SWING SERVICE	0		0	\$0		\$0		\$0.000
9	MARKETER	PGS	SONAT TRANS COM	4,654,893		4,654,893		\$20,575			\$0.442
10	MARKETER	PGS	SO GA TRANS COMM	4,547,830		4,547,830		\$5,003			\$0.110
11	MARKETER	PGS	SONAT DEMAND	10,797,459		10,797,459			\$294,771		\$2.730
12	MARKETER	PGS	SO GA DEMAND	10,710,000		10,710,000			\$169,575		\$1.583
13	THIRD PARTY	PGS	COMMODITY	23,496,499		23,496,499	\$17,396,883				\$74.040
14	FGT	PGS	BAL. CHGS/OTHER	0		0				\$100,000	\$0.000
15 APRIL TOTAL				161,857,750	40,645,000	202,502,750	\$17,396,883	\$214,579	\$4,042,739	\$100,000	\$10.743

COMPANY: PEOPLES GAS SYSTEM			TRANSPORTATION PURCHASES					SCHEDULE E-3			
			SYSTEM SUPPLY AND END USE								
ESTIMATED FOR THE PROJECTED PERIOD OF:			JANUARY '02		Through		DECEMBER '02				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) (I)		(J)	(K)	(L)
MONTH	PURCHASED FROM	PURCHASE FOR	SCH TYPE	SYSTEM SUPPLY	END USE	TOTAL PURCHASED	COMMODITY COST		DEMAND COST	OTHER CHARGES ACA/GR/FUEL	TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
1 MAY 2002	FGT	PGS	FTS-1 COMM	14,555,074		14,555,074		\$50,652			\$0.348
2	FGT	PGS	FTS-1 COMM		13,892,360	13,892,360		\$48,345			\$0.348
3	FGT	PGS	FTS-2 COMM	11,778,760		11,778,760		\$20,966			\$0.178
4	FGT	PGS	FTS-1 DEMAND	26,784,000		26,784,000			\$995,561		\$3.717
5	FGT	PGS	FTS-1 DEMAND		14,028,450	14,028,450			\$521,437		\$3.717
6	FGT	PGS	FTS-2 DEMAND	11,778,760		11,778,760			\$900,840		\$7.648
7	FGT	PGS	NO NOTICE	6,665,000		6,665,000			\$39,324		\$0.590
8	THIRD PARTY	PGS	SWING SERVICE	0		0	\$0		\$0		\$0.000
9	MARKETER	PGS	SONAT TRANS COM	7,975,466		7,975,466		\$35,252			\$0.442
10	MARKETER	PGS	SO GA TRANS COMM	7,792,030		7,792,030		\$8,571			\$0.110
11	MARKETER	PGS	SONAT DEMAND	11,157,375		11,157,375			\$294,771		\$2.642
12	MARKETER	PGS	SO GA DEMAND	11,067,000		11,067,000			\$169,575		\$1.532
13	THIRD PARTY	PGS	COMMODITY	20,233,504		20,233,504	\$14,123,387				\$69.802
14	FGT	PGS	BAL. CHGS./OTHER	0		0				\$100,000	\$0.000
15 MAY TOTAL				129,786,968	27,920,810	157,707,778	\$14,123,387	\$163,786	\$2,921,507	\$100,000	\$10.975

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF

02

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) (I)		(J) DEMAND COST	(K) OTHER CHARGES /CA/GR/FUEL	(L) TOTAL CENTS PER THERM
							THIRD PARTY	PIPELINE			
1 JUN 2002	FGT	PGS	FTS-1 COMM	14,563,441		14,563,441		\$50,681			\$0.348
2	FGT	PGS	FTS-1 COMM		15,031,330	15,031,330		\$52,309			\$0.348
3	FGT	PGS	FTS-2 COMM	11,398,800		11,398,800		\$20,290			\$0.178
4	FGT	PGS	FTS-1 DEMAND	25,920,000		25,920,000			\$963,441		\$3.717
5	FGT	PGS	FTS-1 DEMAND		15,151,660	15,151,660			\$563,181		\$3.717
6	FGT	PGS	FTS-2 DEMAND	11,398,800		11,398,800			\$871,781		\$7.648
7	FGT	PGS	NO NOTICE	6,450,000		6,450,000			\$38,051		\$0.590
8	THIRD PARTY	PGS	SWING SERVICE			0	\$0		\$0		\$0.000
9	MARKETER	PGS	SONAT TRANS COM	8,064,688		8,064,688		\$35,648			\$0.442
10	MARKETER	PGS	SO GA TRANS COMM	7,879,200		7,879,200		\$8,667			\$0.110
11	MARKETER	PGS	SONAT DEMAND	10,797,459		10,797,459			\$294,771		\$2.730
12	MARKETER	PGS	SO GA DEMAND	10,710,000		10,710,000			\$169,571		\$1.580
13	THIRD PARTY	PGS	COMMODITY	18,810,111		18,810,111	\$11,064,414				\$58.822
14	FGT	PGS	BAL. CHGS./OTHER			0				\$100,000	\$0.000
15 JUNE TOTAL				125,992,499	30,182,990	156,175,489	\$11,064,414	\$167,590	\$2,900,811	\$100,000	\$9.110

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '02 Through DECEMBER '02

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE 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 JUL 2002	FGT			
2	FGT	PGS	FTS-1 COMM		15,251,930	15,251,930		\$53,077		\$0.348	
3	FGT	PGS	FTS-2 COMM	11,778,760		11,778,760		\$20,966		\$0.178	
4	FGT	PGS	FTS-1 DEMAND	26,784,000		26,784,000			\$995,561	\$3.717	
5	FGT	PGS	FTS-1 DEMAND		15,374,440	15,374,440			\$571,468	\$3.717	
6	FGT	PGS	FTS-2 DEMAND	11,778,760		11,778,760			\$900,840	\$7.648	
7	FGT	PGS	NO NOTICE	6,665,000		6,665,000			\$39,324	\$0.590	
8	THIRD PARTY	PGS	SWING SERVICE	0		0	\$0		\$0	\$0.000	
9	MARKETER	PGS	SONAT TRANS COM	8,969,048		8,969,048		\$39,643		\$0.442	
10	MARKETER	PGS	SO GA TRANS COMM	8,762,760		8,762,760		\$9,639		\$0.110	
11	MARKETER	PGS	SONAT DEMAND	11,157,375		11,157,375			\$294,771	\$2.642	
12	MARKETER	PGS	SO GA DEMAND	11,067,000		11,067,000			\$169,575	\$1.532	
13	THIRD PARTY	PGS	COMMODITY	18,195,168		18,195,168	\$10,148,397			\$55.775	
14	FGT	PGS	BAL. CHGS./OTHER	0		0				\$100,000	\$0.000
15 JULY TOTAL				128,063,449	30,626,370	158,689,819	\$10,148,397	\$168,237	\$2,971,538	\$100,000	\$8.437

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '02 Through DECEMBER '02

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE 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	PIPELINE			
							PARTY				
1 AUG 2002	FGT	PGS	FTS-1 COMM	12,389,758		12,389,758		\$43,116			\$0.348
2	FGT	PGS	FTS-1 COMM		16,066,250	16,066,250		\$55,911			\$0.348
3	FGT	PGS	FTS-2 COMM	11,778,760		11,778,760		\$20,966			\$0.178
4	FGT	PGS	FTS-1 DEMAND	26,784,000		26,784,000			\$995,561		\$3.717
5	FGT	PGS	FTS-1 DEMAND		16,098,520	16,098,520			\$598,382		\$3.717
6	FGT	PGS	FTS-2 DEMAND	11,778,760		11,778,760			\$900,840		\$7.648
7	FGT	PGS	NO NOTICE	6,665,000		6,665,000			\$39,324		\$0.590
8	THIRD PARTY	PGS	SWING SERVICE	0		0	\$0		\$0		\$0.000
9	MARKETER	PGS	SONAT TRANS COM	9,801,576		9,801,576		\$43,323			\$0.442
10	MARKETER	PGS	SO GA TRANS COMM	9,576,140		9,576,140		\$10,534			\$0.110
11	MARKETER	PGS	SONAT DEMAND	11,157,375		11,157,375			\$294,771		\$2.642
12	MARKETER	PGS	SO GA DEMAND	11,067,000		11,067,000			\$169,575		\$1.532
13	THIRD PARTY	PGS	COMMODITY	17,678,408		17,678,408	\$9,326,325				\$52.755
14	FGT	PGS	BAL. CHGS/OTHER	0		0				\$100,000	\$0.000
15 AUGUST TOTAL				128,676,777	32,164,770	160,841,547	\$9,326,325	\$173,850	\$2,998,452	\$100,000	\$7.833

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '02 Through DECEMBER '02

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) & (I) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GRV/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
							1 SEP 2002	FGT			
2	FGT	PGS	FTS-1 COMM		15,267,340	15,267,340		\$53,130		\$0.348	
3	FGT	PGS	FTS-2 COMM	11,398,800		11,398,800		\$20,290		\$0.178	
4	FGT	PGS	FTS-1 DEMAND	25,920,000		25,920,000			\$963,446	\$3.717	
5	FGT	PGS	FTS-1 DEMAND		15,267,340	15,267,340			\$567,487	\$3.717	
6	FGT	PGS	FTS-2 DEMAND	11,398,800		11,398,800			\$871,780	\$7.648	
7	FGT	PGS	NO NOTICE	6,450,000		6,450,000			\$38,055	\$0.590	
8	THIRD PARTY	PGS	SWING SERVICE	0		0	\$0		\$0	\$0.000	
9	MARKETER	PGS	SONAT TRANS COM	9,403,214		9,403,214		\$41,562		\$0.442	
10	MARKETER	PGS	SO GA TRANS COMM	9,186,940		9,186,940		\$10,106		\$0.110	
11	MARKETER	PGS	SONAT DEMAND	10,797,459		10,797,459			\$294,771	\$2.730	
12	MARKETER	PGS	SO GA DEMAND	10,710,000		10,710,000			\$169,575	\$1.583	
13	THIRD PARTY	PGS	COMMODITY	18,302,039		18,302,039	\$10,759,186			\$58.787	
14	FGT	PGS	BAL. CHGS./OTHER	0		0			\$100,000	\$0.000	
15 SEPTEMBER TOTAL				126,550,891	30,534,680	157,085,571	\$10,759,186	\$170,271	\$2,905,114	\$100,000	\$8.871

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '02 Through DECEMBER '02

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE 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	PIPELINE				
							PARTY					
1	OCT 2002	FGT	PGS	FTS-1 COMM	18,981,649		18,981,649		\$66,056		\$0.348	
2		FGT	PGS	FTS-1 COMM		17,243,720	17,243,720		\$60,008		\$0.348	
3		FGT	PGS	FTS-2 COMM	11,778,760		11,778,760		\$20,966		\$0.178	
4		FGT	PGS	FTS-1 DEMAND	47,197,190		47,197,190		\$1,754,320		\$3.717	
5		FGT	PGS	FTS-1 DEMAND		17,243,720	17,243,720		\$640,949		\$3.717	
6		FGT	PGS	FTS-2 DEMAND	11,778,760		11,778,760		\$900,840		\$7.648	
7		FGT	PGS	NO NOTICE	3,720,000		3,720,000		\$21,948		\$0.590	
8		THIRD PARTY	PGS	SWING SERVICE	0		0	\$0	\$0		\$0.000	
9		MARKETER	PGS	SONAT TRANS COM	5,205,241		5,205,241		\$23,007		\$0.442	
10		MARKETER	PGS	SO GA TRANS COMM	5,085,520		5,085,520		\$5,594		\$0.110	
11		MARKETER	PGS	SONAT DEMAND	11,157,375		11,157,375		\$294,771		\$2.642	
12		MARKETER	PGS	SO GA DEMAND	11,067,000		11,067,000		\$169,575		\$1.532	
13		THIRD PARTY	PGS	COMMODITY	18,602,209		18,602,209	\$12,551,544			\$67.473	
14		FGT	PGS	BAL. CHGS/OTHER	0		0			\$100,000	\$0.000	
15 OCTOBER TOTAL					144,573,703	34,487,440	179,061,143	\$12,551,544	\$175,632	\$3,782,402	\$100,000	\$9.276

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES

SCHEDULE E-3

SYSTEM SUPPLY AND END USE

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '02 Through DECEMBER '02

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(J) DEMAND COST	(K) OTHER CHARGES ACA/GR/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE			
1 NOV 2002	FGT	PGS	FTS-1 COMM	19,812,441		19,812,441		\$68,947			\$0.348
2	FGT	PGS	FTS-1 COMM		18,069,100	18,069,100		\$62,880			\$0.348
3	FGT	PGS	FTS-2 COMM	13,003,800		13,003,800		\$23,147			\$0.178
4	FGT	PGS	FTS-1 DEMAND	57,722,700		57,722,700			\$2,145,553		\$3.717
5	FGT	PGS	FTS-1 DEMAND		18,069,100	18,069,100			\$671,628		\$3.717
6	FGT	PGS	FTS-2 DEMAND	13,003,800		13,003,800			\$994,531		\$7.648
7	FGT	PGS	NO NOTICE	7,050,000		7,050,000			\$41,595		\$0.590
8	THIRD PARTY	PGS	SWING SERVICE	0		0	\$0		\$0		\$0.000
9	MARKETER	PGS	SONAT TRANS COM	6,506,940		6,506,940		\$28,761			\$0.442
10	MARKETER	PGS	SO GA TRANS COMM	6,357,280		6,357,280		\$6,993			\$0.110
11	MARKETER	PGS	SONAT DEMAND	10,797,459		10,797,459			\$294,771		\$2.730
12	MARKETER	PGS	SO GA DEMAND	10,710,000		10,710,000			\$169,575		\$1.583
13	THIRD PARTY	PGS	COMMODITY	21,104,421		21,104,421	\$16,247,311				\$76.985
14	FGT	PGS	BAL. CHGS./OTHER	0		0				\$100,000	\$0.000
15 NOVEMBER TOTAL				166,068,841	36,138,200	202,207,041	\$16,247,311	\$190,728	\$4,317,652	\$100,000	\$10.314

COMPANY: PEOPLES GAS SYSTEM

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3

ESTIMATED FOR THE PROJECTED PERIOD OF:

JANUARY '02 Through DECEMBER '02

(A) MONTH	(B) PURCHASED FROM	(C) PURCHASE FOR	(D) SCH TYPE	(E) SYSTEM SUPPLY	(F) END USE	(G) TOTAL PURCHASED	(H) COMMODITY COST		(I) PIPELINE	(J) DEMAND COST	(K) OTHER CHARGES ACA/GR/FUEL	(L) TOTAL CENTS PER THERM
							(H) THIRD PARTY	(I) PIPELINE				
1 DEC 2002	FGT	PGS	FTS-1 COMM	16,711,376		16,711,376		\$58,156			\$0.348	
2	FGT	PGS	FTS-1 COMM		11,873,120	11,873,120		\$41,318			\$0.348	
3	FGT	PGS	FTS-2 COMM	13,437,260		13,437,260		\$23,918			\$0.178	
4	FGT	PGS	FTS-1 DEMAND	59,646,790		59,646,790			\$2,217,071		\$3.717	
5	FGT	PGS	FTS-1 DEMAND		11,873,120	11,873,120			\$441,324		\$3.717	
6	FGT	PGS	FTS-2 DEMAND	13,437,260		13,437,260			\$1,027,682		\$7.648	
7	FGT	PGS	NO NOTICE	10,403,910		10,403,910			\$61,383		\$0.590	
8	THIRD PARTY	PGS	SWING SERVICE	0		0	\$0		\$0		\$0.000	
9	MARKETER	PGS	SONAT TRANS COM	8,297,922		8,297,922		\$36,677			\$0.442	
10	MARKETER	PGS	SO GA TRANS COMM	8,107,070		8,107,070		\$8,918			\$0.110	
11	MARKETER	PGS	SONAT DEMAND	11,157,375		11,157,375			\$294,771		\$2.642	
12	MARKETER	PGS	SO GA DEMAND	11,067,000		11,067,000			\$169,575		\$1.532	
13	THIRD PARTY	PGS	COMMODITY	26,382,586		26,382,586	\$22,838,320				\$86.566	
14	FGT	PGS	BAL. CHGS/OTHER	0		0				\$100,000	\$0.000	
15 DECEMBER TOTAL				178,648,549	23,746,240	202,394,789	\$22,838,320	\$168,987	\$4,211,805	\$100,000	\$13.498	

COMPANY: PEOPLES GAS SYSTEM

CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD

SCHEDULE E-4

ESTIMATED FOR THE PROJECTED PERIOD: JANUARY '02 through DECEMBER '02

	PRIOR PERIOD: JAN '00 - DEC '00			CURRENT PERIOD: JAN '01 - DEC '01	
	(1) 8 MOS. ACT. 4 MOS. REVISED EST.	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) 8 MOS. ACT. 4 MOS. REVISED EST.	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$	\$133,404,723	\$149,955,771	\$16,551,048	\$162,891,177	\$179,442,225
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	(\$2,985,093)	(\$16,605,312)	(\$13,620,219)	\$17,501,998	\$3,881,779
2a MISCELLANEOUS ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0
3 INTEREST PROVISION FOR THIS PERIOD	\$45,928	\$4,634	(\$41,294)	(\$239,571)	(\$280,865)
3a TRUE-UP (COLLECTED) OR REFUNDED JAN'99 - MAR'99	\$0	\$0	\$0	\$0	\$0
4 END OF PERIOD TOTAL NET TRUE-UP	(\$2,939,165)	(\$16,600,678)	(\$13,661,513)	\$17,262,427	\$3,600,915

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

COL.(1)SAME AS COL. (4 Less Line 3a) PRIOR PER. SCH.(E-4)				
COL.(2)DATA OBTAINED FROM DEC'00 SCHEDULE (A-2)				
LINE 4 COLUMN (2) SAME AS LINE 7 SCHEDULE (A-7), Dec'00				
LINE 4 COLUMN (3) SAME AS LINE 9 SCHEDULE (A-7),Dec'00				
LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)				
LINE 2a COLUMN (4) SAME AS LINES 10a+11a SCHEDULE (E-2)				
LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)				
		TOTAL TRUE-UP \$	equals	CENTS PER THERM TRUE-UP
		PROJ. TH. SALES		
		\$3,600,915	equals	0.01340
		268,712,573		

COMPANY: PEOPLES GAS SYSTEM		THERM SALES AND CUSTOMER DATA												SCHEDULE E-5
ESTIMATED FOR THE PROJECTED PERIOD:		JANUARY '02 Through DECEMBER '02												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
THERM SALES (FIRM)														
1 RESIDENTIAL	9,937,060	9,344,015	7,461,293	5,572,663	4,234,442	3,650,768	3,444,308	3,204,207	3,405,960	3,612,102	4,664,712	7,177,279	65,708,809	
2 SMALL GENERAL SERVICE	317,335	322,033	268,402	217,826	196,350	177,953	174,867	142,242	172,882	189,827	162,998	218,194	2,560,909	
3 GENERAL SERVICE COMMERCIAL	11,642,748	11,350,030	10,814,209	9,965,715	8,771,615	8,339,656	7,981,218	7,803,144	7,985,794	8,232,769	9,036,500	10,853,855	112,757,253	
4 COMMERCIAL LARGE VOL. 1	6,866,265	6,620,041	6,380,390	5,981,172	5,333,626	4,829,709	5,027,298	4,892,563	4,944,569	5,155,037	5,669,028	6,502,830	68,202,528	
5 COMMERCIAL LARGE VOL. 2	858,758	761,351	736,436	716,825	708,455	827,302	573,478	636,454	659,627	691,802	701,159	768,377	8,640,024	
6 NATURAL GAS VEHICLES	59,520	60,479	57,849	65,313	60,943	64,279	62,364	64,318	69,723	70,796	67,933	81,718	785,235	
7 COMMERCIAL STREET LIGHTING	128,271	127,223	120,463	132,693	138,768	126,154	160,799	137,026	154,030	147,613	150,895	162,649	1,686,582	
8 WHOLESALE	10,971	11,643	10,775	9,618	8,277	8,047	7,080	6,617	7,599	7,976	8,091	9,690	106,584	
9 TOTAL FIRM SALES	29,820,928	28,596,815	25,849,817	22,661,825	19,452,474	18,023,868	17,411,412	16,866,771	17,400,184	18,107,922	20,461,316	25,774,592	260,447,924	
THERM SALES (INTERRUPTIBLE)														
10 SMALL INTERRUPTIBLE	54,508	55,072	48,240	42,875	40,495	30,358	25,982	29,956	151,671	172,743	171,965	177,765	1,001,630	
11 INTERRUPTIBLE	306,884	331,337	844,027	791,799	740,535	755,885	757,774	761,681	750,184	321,544	471,140	430,229	7,263,019	
12 LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 TOTAL INTERRUPTIBLE	361,392	386,409	892,267	834,674	781,030	786,243	783,756	791,637	901,855	494,287	643,105	607,994	8,264,649	
14 TOTAL SALES	30,182,320	28,983,224	26,742,084	23,496,499	20,233,504	18,810,111	18,195,168	17,678,408	18,302,039	18,602,209	21,104,421	26,382,586	268,712,573	
THERM SALES (TRANSPORTATION)														
15 SMALL GENERAL SERVICE	10,163	10,249	8,683	7,212	6,292	5,800	5,688	4,485	5,710	6,328	5,377	7,069	83,054	
16 GENERAL SERVICE COMMERCIAL	3,032,656	2,964,077	2,782,785	2,565,482	2,213,245	2,093,191	1,965,184	1,923,451	1,968,949	2,007,643	2,210,204	2,647,533	28,374,400	
17 COMMERCIAL LARGE VOL. 1	7,836,684	7,559,237	7,256,009	6,747,805	5,973,993	5,370,599	5,502,145	5,330,988	5,369,695	5,521,720	6,100,434	6,993,499	75,562,308	
18 COMMERCIAL LARGE VOL. 2	2,970,287	2,736,051	2,674,963	2,497,406	2,316,301	2,741,188	2,350,382	2,134,566	2,583,924	2,375,482	2,313,631	2,577,680	30,271,861	
19 NATURAL GAS VEHICLES	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 COMMERCIAL STREET LIGHTING	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 SMALL INTERRUPTIBLE	6,515,107	5,693,360	5,587,289	5,279,476	4,783,803	4,448,017	4,277,869	4,488,861	4,526,700	6,149,984	6,473,705	7,305,687	65,529,858	
22 INTERRUPTIBLE	10,181,583	10,507,386	15,121,746	14,334,040	13,964,417	12,665,722	12,684,317	12,547,869	12,263,501	6,190,493	8,397,110	8,367,025	137,225,209	
23 LARGE INTERRUPTIBLE	37,647,062	40,308,319	53,836,567	55,274,170	53,609,897	54,860,843	56,425,285	57,976,192	53,818,448	45,420,398	48,082,062	40,813,320	598,072,563	
24 TOTAL TRANSPORTATION SALES	68,193,542	69,778,679	87,268,042	86,705,591	82,867,948	82,185,360	83,210,870	84,405,912	80,536,927	67,672,046	73,582,523	68,711,813	935,119,253	
25 TOTAL THROUGHPUT	98,375,862	98,761,903	114,010,126	110,202,090	103,101,452	100,995,471	101,406,038	102,084,320	98,838,966	86,274,255	94,686,944	95,094,399	1,203,831,826	
NUMBER OF CUSTOMERS (FIRM)														
26 RESIDENTIAL	250,591	251,657	252,393	251,779	251,972	252,917	254,250	255,789	257,416	260,310	263,636	266,539	255,771	
27 SMALL GENERAL SERVICE	4,530	4,520	4,509	4,499	4,488	4,477	4,467	4,458	4,446	4,436	4,425	4,415	4,473	
28 GENERAL SERVICE COMMERCIAL	16,622	16,730	16,854	16,986	17,105	17,226	17,344	17,469	17,584	17,718	17,841	17,975	17,288	
29 COMMERCIAL LARGE VOL. 1	1,007	1,011	1,018	1,028	1,035	1,041	1,055	1,061	1,073	1,081	1,091	1,096	1,050	
30 COMMERCIAL LARGE VOL. 2	17	17	17	17	17	17	17	17	17	17	17	17	17	
31 NATURAL GAS VEHICLE SALES	20	20	20	20	20	20	20	20	20	20	20	20	20	
32 COMMERCIAL STREET LIGHTING	82	83	85	87	89	92	95	98	101	105	109	114	95	
33 WHOLESALE	2	2	2	2	2	2	2	2	2	2	2	2	2	
34 TOTAL FIRM	272,871	274,040	274,898	274,418	274,728	275,792	277,250	278,914	280,659	283,689	287,141	290,178	278,715	
NUMBER OF CUSTOMERS (INT.)														
35 SMALL INTERRUPTIBLE	1	1	1	1	1	1	1	1	1	3	3	3	2	
36 INTERRUPTIBLE	1	1	1	1	1	1	1	1	1	1	1	1	1	
37 LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0	
38 TOTAL INTERRUPTIBLE CUSTOMERS	2	2	2	2	2	2	2	2	2	4	4	4	3	
39 TOTAL SALES CUSTOMERS	272,873	274,042	274,900	274,420	274,730	275,794	277,252	278,916	280,663	283,693	287,145	290,182	278,718	
NUMBER OF CUSTOMERS (TRANS.)														
40 SMALL GENERAL SERVICE	151	151	151	151	151	151	151	151	151	151	151	151	151	
41 GENERAL SERVICE COMMERCIAL	4,293	4,293	4,293	4,293	4,293	4,293	4,293	4,293	4,293	4,293	4,293	4,293	4,293	
42 COMMERCIAL LARGE VOL. 1	1,109	1,108	1,105	1,105	1,104	1,099	1,098	1,097	1,095	1,094	1,093	1,092	1,100	
43 COMMERCIAL LARGE VOL. 2	3	3	3	3	3	3	3	3	3	3	3	3	3	
44 NATURAL GAS VEHICLE SALES	0	0	0	0	0	0	0	0	0	0	0	0	0	
45 COMMERCIAL STREET LIGHTING	0	0	0	0	0	0	0	0	0	0	0	0	0	
46 SMALL INTERRUPTIBLE	72	72	72	72	72	72	72	72	72	72	72	72	72	
47 INTERRUPTIBLE	23	23	23	23	23	23	23	23	23	23	23	23	23	
48 LARGE INTERRUPTIBLE	8	8	8	8	8	8	8	8	8	8	8	8	8	
49 TOTAL TRANSPORTATION CUSTOMERS	5,659	5,658	5,655	5,655	5,654	5,649	5,648	5,647	5,645	5,644	5,643	5,642	5,650	
50 TOTAL CUSTOMERS	278,532	279,700	280,555	280,075	280,384	281,443	282,900	284,563	286,308	289,337	292,788	295,824	284,367	
THERM USE PER CUSTOMER														
51 RESIDENTIAL	40	37	30	22	17	14	14	13	13	14	18	27	21	
52 SMALL GENERAL SERVICE	70	71	60	48	44	40	39	32	39	43	37	49	48	
53 GENERAL SERVICE COMMERCIAL	700	678	642	587	513	484	459	447	454	465	507	604	544	
54 COMMERCIAL LARGE VOL. 1	6,819	6,548	6,268	5,818	5,153	4,639	4,765	4,611	4,608	4,769	5,196	5,933	5,414	
55 COMMERCIAL LARGE VOL. 2	50,515	44,785	43,320	42,166	41,674	48,665	33,734	37,438	38,802	40,694	41,245	45,199	42,353	
56 NATURAL GAS VEHICLES	2,976	3,024	2,892	3,266	3,047	3,214	3,118	3,216	3,486	3,540	3,486	3,272	3,272	
57 COMMERCIAL STREET LIGHTING	1,564	1,533	1,417	1,525	1,559	1,371	1,693	1,398	1,525	1,406	1,384	1,427	1,479	
58 WHOLESALE	5,486	5,822	5,388	4,809	4,139	4,024	3,540	3,409	3,800	3,988	4,046	4,845	4,441	
59 SMALL INTERRUPTIBLE	54,508	55,072	48,240	42,875	40,495	30,358	25,982	29,956	50,557	57,581	57,322	59,255	50,882	
60 INTERRUPTIBLE	306,884	331,337	844,027	791,799	740,535	755,885	757,774	761,681	750,184	321,544	471,140	430,229	605,252	
61 LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0	
62 SMALL GENERAL SERVICE (TRANS.)	67	68	58	48	42	38	38	30	38	42	36	47	46	
63 GENERAL SERVICE COMMERCIAL (TRANS.)	706	690	648	598	516	488	458	448	459	468	515	617	551	
64 COMMERCIAL LARGE VOL. 1 (TRANS.)	7,066	6,822	6,567	6,107	5,411	4,887	5,011	4,859	4,904	5,047	5,581	6,404	5,725	
65 COMMERCIAL LARGE VOL. 2 (TRANS.)	890,098	912,017	891,654	832,469	772,100	913,729	783,461	711,522	861,308	791,827	771,210	859,227	840,885	
66 NATURAL GAS VEHICLES (TRANS.)	0	0	0	0	0	0	0	0	0	0	0	0	0	
67 COMMERCIAL STREET LIGHTING (TRANS.)	0	0	0	0	0	0	0	0	0	0	0	0	0	
68 SMALL INTERRUPTIBLE (TRANS.)	90,488	79,074	77,601	73,326	66,442	61,778	59,415	62,345	62,871	85,416	89,913	101,468	75,845	
69 INTERRUPTIBLE (TRANS.)	442,678	456,843	857,467	623,219	607,149	550,684	551,492	545,560	533,196	269,152	365,092	363,784	497,193	
70 LARGE INTERRUPTIBLE (TRANS.)	4,705,883	5,038,540	6,729,571	6,909,271	6,701,237	6,657,605	7,053,161	7,247,024	6,727,306	5,877,550	6,010,258	5,101,665	6,229,923	

COMPANY: PEOPLES GAS SYTEM

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD: JANUARY '02 through DECEMBER '02

Attachment

	<u>Demand Allocation Factors-Winter Season</u>		<u>Demand Allocation Factors-Summer Season</u>	
	Peak Month January 2001 <u>Actual Sales</u>	Percent of <u>Total</u>	Current Month April 2001 <u>Actual Sales</u>	Percent of <u>Total</u>
<u>Residential</u>	12,413,376.0		5,054,245.1	
Residential PGA Factor	12,413,376.0	46.17%	5,054,245.1	31.30%
Small General Service	444,086.4		247,436.6	
Gen. Svc.-Comm.	11,013,266.1		8,027,308.4	
Gen. Svc.-Comm. Lg. Vol.-1	5,140,777.2		4,289,325.9	
Gen. Svc.-Comm. Lg. Vol.-2	412,672.4		361,741.9	
Natural Gas Vehicle Sales	46,991.6		43,743.3	
Comm. Street Lighting	105,154.3		99,885.5	
Wholesale	9,295.8		8,552.2	
Small Interruptible	98,650.2		51,535.7	
Interruptible Lg. Vol.-1	468,232.2		111,360.8	
Interruptible Lg. Vol.-2	0.0		0.0	
<u>Less NaturalChoice</u>	(3,265,192.6)		(2,146,395.6)	
Commercial PGA Factor	14,473,933.6	53.83%	11,094,494.7	68.70%
Total System	26,887,309.6	100.00%	16,148,739.8	100.00%