VOTE SHEET

May 19, 2009

Docket No. 080318-GU – Petition for rate increase by Peoples Gas System.

Issue 49: What are the appropriate customer charges?

Recommendation: The appropriate customer charges are shown in Schedule 6 of staff's memorandum dated May 7, 2009. Staff requests that the Commission grant staff the authority to administratively approve the tariffs filed to implement all Commission-approved rates and charges in this docket.

APPROVED

Issue 50: What are the appropriate per therm distribution charges?

Recommendation: The appropriate per therm distribution charges are shown in Schedule 6 of staff's memorandum dated May 7, 2009.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

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REMARKS/DISSENTING COMMENTS: Chairman Carter and Commissioner Argenziano participated in the conference by telephone. They will sign the vote sheet upon their return to the office.

DOCUMENT NUMBER-DATE

05107 MAY 228

Vote Sheet
May 19, 2009
Docket No. 080318-GU – Petition for rate increase by Peoples Gas System.

(Continued from previous page)

Revised Issue 54: Should the Commission approve PGS's proposed "Gas System Reliability Rider," which would permit recovery of revenue requirements associated with eligible infrastructure system replacements (e.g., replacements for existing facilities, relining projects to extend the useful life of existing facilities, road relocation projects) and incremental O&M expenses, if any, incurred to comply with mandatory pipeline safety regulations? If approved as proposed by PGS, such recovery would continue until the effective date of revised base rates established in the Company's next base rate proceeding. The rider would also provide for the refund of O&M expenses, if any, incurred to comply with mandatory pipeline safety regulations, in excess of such expenses included in the Company's most recent base rate proceeding.

<u>Recommendation:</u> Yes, provided that PGS only be allowed to recover actual costs after they have been incurred. PGS should file a petition annually to establish per therm factors for each rate schedule to recover its actual and verifiable relocation and pipeline integrity costs in excess of what is recovered through base rates.

DENIED Staff's Recommendation and not approve the "Yan System Reliability Rider."

Issue 59: Should this docket be closed?

<u>Approved Stipulation</u>: Yes, this docket should be closed after the Commission has issued its final order and the time for filing an appeal has expired.

APPROVED