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December 29, 2016

**VIA E-PORTAL FILING**

Ms. Carlotta S. Stauffer  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**Re: Docket No. 160159-GU – Petition for approval of 2016 depreciation study by Peoples Gas System**

Dear Ms. Stauffer:

Attached for filing with the Commission in the above docket on behalf of Peoples Gas System (“Peoples”) and the Office of Public Counsel (“OPC”), please find Exhibit E to the Settlement Agreement that was attached to Peoples’ and OPC’s Joint Motion Seeking Commission Approval of Settlement Agreement (Document No. 09351-16). (The Settlement Agreement between Peoples and OPC is attached as Attachment 1 to the motion.) Exhibit E was inadvertently not attached to the Settlement Agreement.

Please accept our apologies for this oversight. We appreciate your usual assistance, and wish you a Happy New Year.

Sincerely,

ANSLEY WATSON, JR.

AWjr/a  
Attachment

Ms. Carlotta S. Stauffer  
December 29, 2016  
Page 2

cc: Walter Trierweiler, Esquire  
J. R. Kelly, Esquire  
Charles Rehwinkel, Esquire  
Stephanie Morse, Esquire  
Ms. Kandi M. Floyd

2017 CIBSR Rates				
	<b>*with Current Depreciation Rates</b>	<b>with Proposed Depreciation Rates</b>	<b>with Proposed Depreciation Rates and Proposed Problematic Plastic Replacement Expenditures</b>	
RS & RS-SG	\$ 0.02309	\$ 0.02109	\$	0.02147
SGS	\$ 0.01453	\$ 0.01327	\$	0.01351
GS-1 & CS-SG	\$ 0.00806	\$ 0.00737	\$	0.00750
GS-2	\$ 0.00747	\$ 0.00682	\$	0.00695
GS-3	\$ 0.00628	\$ 0.00574	\$	0.00584
GS-4	\$ 0.00421	\$ 0.00384	\$	0.00391
GS-5	\$ 0.00229	\$ 0.00210	\$	0.00213
NGVS	\$ 0.01635	\$ 0.01494	\$	0.01520
CSLS	\$ 0.01026	\$ 0.00937	\$	0.00954
WHS	\$ 0.00281	\$ 0.00257	\$	0.00261

Peoples Gas System  
 Cast Iron/Bare Steel Replacement Rider  
 Calculation of the Projected Amount for the Period  
 January 2017 to December 2017  
 Return on Capital Investments, Depreciation and Taxes for Eligible Replacements

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains		\$ -	\$ 187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 593,750	\$ 593,750	\$ 10,875,000
b.	Eligible Replacements - Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant		\$ 322,891	\$ 382,793	\$ 1,083,970	\$ 1,109,853	\$ 1,129,264	\$ 1,143,823	\$ 1,154,742	\$ 1,162,932	\$ 1,169,074	\$ 1,173,680	\$ 731,823	\$ 697,305	\$ 11,262,151
2.	Gross Plant-in-Service/Depreciation Base	\$ 45,140,396	\$ 45,463,287	\$ 45,846,080	\$ 46,930,050	\$ 48,039,903	\$ 49,169,167	\$ 50,312,991	\$ 51,467,733	\$ 52,630,665	\$ 53,799,739	\$ 54,973,419	\$ 55,705,242	\$ 56,402,547	
3.	Less: Accumulated Depreciation	\$ (2,123,257)	\$ (2,236,142)	\$ (2,349,861)	\$ (2,464,569)	\$ (2,582,077)	\$ (2,702,452)	\$ (2,825,744)	\$ (2,951,992)	\$ (3,081,222)	\$ (3,213,457)	\$ (3,348,711)	\$ (3,486,998)	\$ (3,627,175)	
4.	CWIP - NonInterest Bearing	\$ 1,291,565	\$ 968,674	\$ 773,380	\$ 876,910	\$ 954,558	\$ 1,012,793	\$ 1,056,470	\$ 1,089,227	\$ 1,113,796	\$ 1,132,222	\$ 1,146,041	\$ 1,007,968	\$ 904,414	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 44,308,703	\$ 44,195,818	\$ 44,269,599	\$ 45,342,392	\$ 46,412,384	\$ 47,479,509	\$ 48,543,716	\$ 49,604,969	\$ 50,663,238	\$ 51,718,504	\$ 52,770,749	\$ 53,226,212	\$ 53,679,785	
6.	Average Net Book Value		\$ 44,252,261	\$ 44,232,709	\$ 44,805,996	\$ 45,877,388	\$ 46,945,946	\$ 48,011,612	\$ 49,074,342	\$ 50,134,104	\$ 51,190,871	\$ 52,244,627	\$ 52,998,481	\$ 53,452,999	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		\$ 277,388	\$ 277,265	\$ 280,859	\$ 287,575	\$ 294,273	\$ 300,953	\$ 307,614	\$ 314,257	\$ 320,881	\$ 327,487	\$ 332,212	\$ 335,061	\$ 3,655,825
b.	Debt component (B)		\$ 65,018	\$ 64,989	\$ 65,831	\$ 67,405	\$ 68,975	\$ 70,541	\$ 72,102	\$ 73,660	\$ 75,212	\$ 76,760	\$ 77,868	\$ 78,536	\$ 856,897
8.	Investment Expenses														
a.	Depreciation (C)		\$ 121,885	\$ 122,719	\$ 123,708	\$ 126,508	\$ 129,375	\$ 132,292	\$ 135,247	\$ 138,230	\$ 141,235	\$ 144,255	\$ 147,287	\$ 149,177	\$ 1,611,918
b.	Amortization		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Property Taxes (D)		\$ 64,167	\$ 64,167	\$ 64,167	\$ 64,167	\$ 64,167	\$ 64,167	\$ 64,167	\$ 64,167	\$ 64,167	\$ 64,167	\$ 64,167	\$ 64,167	\$ 770,007
d.	Depreciation Savings		\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (108,000)
9.	Revenue Requirements (Lines 7 + 8)		\$ 519,458	\$ 520,140	\$ 525,565	\$ 536,655	\$ 547,790	\$ 558,954	\$ 570,131	\$ 581,315	\$ 592,495	\$ 603,669	\$ 612,534	\$ 617,942	\$ 6,786,646
10.	Est projected 2016 true-up over/(under)		\$ 2,189,693												
11.	Revenue Requirements Net of Est Projected Recovery		\$ (1,670,235)	\$ (1,150,095)	\$ (624,530)	\$ (87,875)	\$ 459,915	\$ 1,018,869	\$ 1,589,000	\$ 2,170,314	\$ 2,762,809	\$ 3,366,478	\$ 3,979,012	\$ 4,596,953	

Notes:  
 (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002  
 (B) Line 7b = Line 6 x 1.7631% x 1/12  
 (C) Depreciation rates: 3.1% Mains Plastic, 4.2% Mains Steel, 5.0% Services Plastic, 6.6% Services Steel  
 (D) Ad Valorem Tax Rate is 1.79%

*2017 CIBSR Projection Filing Rates with Current Depreciation Rates*

**Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
January 2017 Through December 2017**

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$1,603,817	69,456,330	\$0.02309
SGS	5,474,814	5,937,386	11,412,200	2.87%	131,705	9,066,710	\$0.01453
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	676,501	83,894,980	\$0.00806
GS-2	81,315,915	8,975,978	90,291,893	22.67%	1,042,036	139,513,660	\$0.00747
GS-3	46,157,083	2,496,659	48,653,742	12.21%	561,501	89,354,170	\$0.00628
GS-4	25,447,491	447,292	25,894,783	6.50%	298,845	71,003,700	\$0.00421
GS-5	22,396,181	427,101	22,823,282	5.73%	263,398	114,841,320	\$0.00229
NGVS	244,131	48,338	292,469	0.07%	3,375	206,420	\$0.01635
CSLS	534,119	10,816	544,935	0.14%	6,289	613,200	\$0.01026
WHS	786,453	35,448	821,901	0.21%	9,485	3,376,000	\$0.00281
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$4,596,953	581,326,490	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

Peoples Gas System  
 Cast Iron/Bare Steel Replacement Rider  
 Calculation of the Projected Amount for the Period  
 January 2017 to December 2017  
 Return on Capital Investments, Depreciation and Taxes for Eligible Replacements

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains		\$ -	\$ 187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 593,750	\$ 593,750	\$ 10,875,000
b.	Eligible Replacements - Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant		\$ 322,891	\$ 382,793	\$ 1,083,970	\$ 1,109,853	\$ 1,129,264	\$ 1,143,823	\$ 1,154,742	\$ 1,162,932	\$ 1,169,074	\$ 1,173,680	\$ 731,823	\$ 697,305	\$ 11,262,151
2.	Gross Plant-in-Service/Depreciation Base	\$ 45,140,396	\$ 45,463,287	\$ 45,846,080	\$ 46,930,050	\$ 48,039,903	\$ 49,169,167	\$ 50,312,991	\$ 51,467,733	\$ 52,630,665	\$ 53,799,739	\$ 54,973,419	\$ 55,705,242	\$ 56,402,547	
3.	Less: Accumulated Depreciation	\$ (2,030,795)	\$ (2,118,359)	\$ (2,206,570)	\$ (2,295,546)	\$ (2,386,690)	\$ (2,480,054)	\$ (2,575,677)	\$ (2,673,587)	\$ (2,773,806)	\$ (2,876,352)	\$ (2,981,235)	\$ (3,088,466)	\$ (3,197,161)	
4.	CWIP - NonInterest Bearing	\$ 1,291,565	\$ 968,674	\$ 773,380	\$ 876,910	\$ 954,558	\$ 1,012,793	\$ 1,056,470	\$ 1,089,227	\$ 1,113,796	\$ 1,132,222	\$ 1,146,041	\$ 1,007,968	\$ 904,414	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 44,401,166	\$ 44,313,601	\$ 44,412,890	\$ 45,511,414	\$ 46,607,770	\$ 47,701,906	\$ 48,793,784	\$ 49,883,374	\$ 50,970,654	\$ 52,055,609	\$ 53,138,225	\$ 53,624,744	\$ 54,109,800	
6.	Average Net Book Value		\$ 44,357,384	\$ 44,363,246	\$ 44,962,152	\$ 46,059,592	\$ 47,154,838	\$ 48,247,845	\$ 49,338,579	\$ 50,427,014	\$ 51,513,132	\$ 52,596,917	\$ 53,381,485	\$ 53,867,272	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		\$ 278,047	\$ 278,084	\$ 281,838	\$ 288,717	\$ 295,582	\$ 302,434	\$ 309,271	\$ 316,093	\$ 322,901	\$ 329,695	\$ 334,613	\$ 337,658	\$ 3,674,933
b.	Debt component (B)		\$ 65,172	\$ 65,181	\$ 66,061	\$ 67,673	\$ 69,282	\$ 70,888	\$ 72,491	\$ 74,090	\$ 75,686	\$ 77,278	\$ 78,431	\$ 79,144	\$ 861,377
8.	Investment Expenses														
a.	Depreciation (C)		\$ 92,865	\$ 93,511	\$ 94,276	\$ 96,444	\$ 98,664	\$ 100,922	\$ 103,210	\$ 105,520	\$ 107,845	\$ 110,184	\$ 112,531	\$ 113,995	\$ 1,229,966
b.	Amortization		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Property Taxes (D)		\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 771,662
d.	Depreciation Savings		\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)
9.	Revenue Requirements (Lines 7 + 8)		\$ 495,089	\$ 495,781	\$ 501,180	\$ 511,839	\$ 522,533	\$ 533,250	\$ 543,977	\$ 554,708	\$ 565,438	\$ 576,162	\$ 584,580	\$ 589,802	\$ 6,474,338
10.	Est projected 2016 true-up over/(under)		\$ 2,275,301												
11.	Revenue Requirements Net of Est Projected Recovery		\$ (1,780,212)	\$ (1,284,431)	\$ (783,251)	\$ (271,412)	\$ 251,121	\$ 784,371	\$ 1,328,348	\$ 1,883,056	\$ 2,448,493	\$ 3,024,655	\$ 3,609,235	\$ 4,199,037	

Notes:  
 (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002  
 (B) Line 7b = Line 6 x 1.7631% x 1/12  
 (C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel  
 (D) Ad Valorem Tax Rate is 1.79%

**2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates**  
**Peoples Gas System**  
**Cast Iron/Bare Steel Replacement Rider**  
**Summary of CI/BSR Surcharge Calculation**  
**January 2017 Through December 2017**

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$1,464,989	69,456,330	\$0.02109
SGS	5,474,814	5,937,386	11,412,200	2.87%	120,305	9,066,710	\$0.01327
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	617,943	83,894,980	\$0.00737
GS-2	81,315,915	8,975,978	90,291,893	22.67%	951,837	139,513,660	\$0.00682
GS-3	46,157,083	2,496,659	48,653,742	12.21%	512,897	89,354,170	\$0.00574
GS-4	25,447,491	447,292	25,894,783	6.50%	272,977	71,003,700	\$0.00384
GS-5	22,396,181	427,101	22,823,282	5.73%	240,598	114,841,320	\$0.00210
NGVS	244,131	48,338	292,469	0.07%	3,083	206,420	\$0.01494
CSLS	534,119	10,816	544,935	0.14%	5,745	613,200	\$0.00937
WHS	786,453	35,448	821,901	0.21%	8,664	3,376,000	\$0.00257
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$4,199,037	581,326,490	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Projected Amount for the Period**  
**January 2017 to December 2017**  
**Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains	\$ -	\$ 187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 2,187,500	\$ 2,187,500	\$ 2,187,500	\$ 2,187,500	\$ 1,593,750	\$ 1,593,750	\$ 16,875,000
b.	Eligible Replacements - Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant	\$ 322,891	\$ 382,793	\$ 1,083,970	\$ 1,109,853	\$ 1,129,264	\$ 1,143,823	\$ 1,904,742	\$ 1,975,432	\$ 2,028,449	\$ 2,068,212	\$ 1,652,721	\$ 1,637,978	\$ 16,440,130	
2.	Gross Plant-in-Service/Depreciation Base	\$ 45,140,396	\$ 45,463,287	\$ 45,846,080	\$ 46,930,050	\$ 48,039,903	\$ 49,169,167	\$ 50,312,991	\$ 52,217,733	\$ 54,193,165	\$ 56,221,614	\$ 58,289,826	\$ 59,942,547	\$ 61,580,525	
3.	Less: Accumulated Depreciation	\$ (2,030,795)	\$ (2,118,359)	\$ (2,206,570)	\$ (2,295,546)	\$ (2,386,690)	\$ (2,480,054)	\$ (2,575,677)	\$ (2,673,587)	\$ (2,775,306)	\$ (2,880,977)	\$ (2,990,704)	\$ (3,104,568)	\$ (3,221,737)	
4.	CWIP - NonInterest Bearing	\$ 1,291,565	\$ 968,674	\$ 773,380	\$ 876,910	\$ 954,558	\$ 1,012,793	\$ 1,056,470	\$ 1,339,227	\$ 1,551,296	\$ 1,710,347	\$ 1,829,635	\$ 1,770,664	\$ 1,726,435	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 44,401,166	\$ 44,313,601	\$ 44,412,890	\$ 45,511,414	\$ 46,607,770	\$ 47,701,906	\$ 48,793,784	\$ 50,883,374	\$ 52,969,154	\$ 55,050,984	\$ 57,128,757	\$ 58,608,643	\$ 60,085,224	
6.	Average Net Book Value		\$ 44,357,384	\$ 44,363,246	\$ 44,962,152	\$ 46,059,592	\$ 47,154,838	\$ 48,247,845	\$ 49,838,579	\$ 51,926,264	\$ 54,010,069	\$ 56,089,870	\$ 57,868,700	\$ 59,346,933	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)	\$ 271,578	\$ 271,614	\$ 275,281	\$ 282,000	\$ 288,705	\$ 295,397	\$ 305,137	\$ 317,919	\$ 330,677	\$ 343,410	\$ 354,301	\$ 363,352	\$ 3,699,371	
b.	Debt component (B)	\$ 65,172	\$ 65,181	\$ 66,061	\$ 67,673	\$ 69,282	\$ 70,888	\$ 73,225	\$ 76,293	\$ 79,354	\$ 82,410	\$ 85,024	\$ 87,195	\$ 887,758	
8.	Investment Expenses														
a.	Depreciation (C)	\$ 92,865	\$ 93,511	\$ 94,276	\$ 96,444	\$ 98,664	\$ 100,922	\$ 103,210	\$ 107,020	\$ 110,970	\$ 115,027	\$ 119,164	\$ 122,469	\$ 1,254,542	
b.	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
c.	Property Taxes (D)	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 64,305	\$ 771,662	
d.	Depreciation Savings	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)	
9.	Revenue Requirements (Lines 7 + 8)	\$ 488,620	\$ 489,311	\$ 494,623	\$ 505,122	\$ 515,656	\$ 526,213	\$ 540,577	\$ 560,237	\$ 580,007	\$ 599,852	\$ 617,494	\$ 632,021	\$ 6,549,733	
10.	Est projected 2016 true-up over/(under)	\$ 2,275,301													
11.	Revenue Requirements Net of Est Projected Recovery	\$ (1,786,681)	\$ (1,297,370)	\$ (802,747)	\$ (297,625)	\$ 218,031	\$ 744,244	\$ 1,284,821	\$ 1,845,058	\$ 2,425,064	\$ 3,024,917	\$ 3,642,411	\$ 4,274,432		

Notes:  
(A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002  
(B) Line 7b = Line 6 x 1.7631% x 1/12  
(C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel  
(D) Ad Valorem Tax Rate is 1.79%



*2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates and Problematic Plastic Pipe Spend*  
Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
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RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$1,491,294	69,456,330	\$0.02147
SGS	5,474,814	5,937,386	11,412,200	2.87%	122,465	9,066,710	\$0.01351
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	629,038	83,894,980	\$0.00750
GS-2	81,315,915	8,975,978	90,291,893	22.67%	968,927	139,513,660	\$0.00695
GS-3	46,157,083	2,496,659	48,653,742	12.21%	522,106	89,354,170	\$0.00584
GS-4	25,447,491	447,292	25,894,783	6.50%	277,878	71,003,700	\$0.00391
GS-5	22,396,181	427,101	22,823,282	5.73%	244,918	114,841,320	\$0.00213
NGVS	244,131	48,338	292,469	0.07%	3,138	206,420	\$0.01520
CSLS	534,119	10,816	544,935	0.14%	5,848	613,200	\$0.00954
WHS	786,453	35,448	821,901	0.21%	8,820	3,376,000	\$0.00261
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$4,274,432	581,326,490	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case