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COMMISSION

Peoples Gas Inc.

Case 2005-00085

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

February 23, 2005

Date Rates to be Effective:

April 1, 2005

Reporting Period is Calendar Quarter Ended:

January 31, 2005

SCHEDULE I
GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	11.0355
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	
+ Balance Adjustment (BA)	\$/Mcf	
<u>= Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	

GCR to be effective for service rendered from April 1, 2005 to June 30, 2005

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	121,719.81
	+ Sales for the 12 months ended <u>Jan. 31, 2005</u>	Mcf	11,035.30
	<u>= Expected Gas Cost (EGC)</u>	\$/Mcf	11.0355
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
	+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	<u>= Refund Adjustment (RA)</u>	\$/Mcf	
C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
	<u>= Actual Adjustment (AA)</u>	\$/Mcf	
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
	<u>= Balance Adjustment (BA)</u>	\$/Mcf	

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended January 31, 2005

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Columbia Gas			14,492	10.48370	151,929.78

Totals 14,492 151,929.78

Line loss for 12 months ended Jan. 31, 2005 is 13 % based on purchases of 14,492 Mcf and sales of 11,035.30 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	151,929.78
÷ Mcf Purchases (4)	Mcf	14,492
= Average Expected Cost Per Mcf Purchased	\$/Mcf	10.4837
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	11,016.11
= Total Expected Gas Cost (to Schedule IA.)	\$	121,779.81

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
**Supplier's tariff sheets or notices are attached.

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended January 31, 2005

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>(Nov)</u>	Month 2 <u>(Dec)</u>	Month 3 <u>(Jan)</u>
Total Supply Volumes Purchased	Mcf	812	2213	2124
Total Cost of Volumes Purchased	\$	9358.39	23,203.38	22,292.01
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	799.90	2102.35	2017.80
= Unit Cost of Gas	\$/Mcf	11.6994	11.0369	11.0477
- EGC in effect for month	\$/Mcf	10.2273	10.2273	10.2273
= Difference [(Over-)/Under-Recovery]	\$/Mcf	1.4721	.8096	.8204
x Actual sales during month	Mcf	1036.3	2142.9	11010.3
= Monthly cost difference	\$	936.70	1734.89	1321.09

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	3992.68
÷ Sales for 12 months ended <u>January 31, 2005</u>	Mcf	11035.30
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.3618

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended October 31, 2004

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>(Aug)</u>	Month 2 <u>(Sept)</u>	Month 3 <u>(Oct)</u>
Total Supply Volumes Purchased	Mcf	572	622	741
Total Cost of Volumes Purchased	\$	5560.38	5301.95	6321.39
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	543.40	590.90	703.95
= Unit Cost of Gas	\$/Mcf	10.2325	8.9726	8.9798
- EGC in effect for month	\$/Mcf	10.7837	10.7837	10.2273
= Difference [(Over-)/Under-Recovery]	\$/Mcf	.5512	1.8111	1.2475
x Actual sales during month	Mcf	318.2	372.4	436.4
= Monthly cost difference	\$	175.39	674.45	544.41

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	1394.25
÷ Sales for 12 months ended <u>October 31, 2004</u>	Mcf	9809.56
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.1421

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