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APPENDIX B
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PUBLIC SERVICE
COMMISSION

Peoples Gas Inc.

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

2009-00390

Date Filed:

October 1, 2009

Date Rates to be Effective:

Nov. 1, 2009

Reporting Period is Calendar Quarter Ended:

July 2009

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	8.9368
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)	\$/Mcf	8.9368

GCR to be effective for service rendered from May 2009 to July 2009

A. EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	92,841.20
+ Sales for the 12 months ended <u>July 2009</u>	Mcf	10,388.40
= Expected Gas Cost (EGC)	\$/Mcf	8.93

B. REFUND ADJUSTMENT CALCULATION

	<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	
= Refund Adjustment (RA)	\$/Mcf	

C. ACTUAL ADJUSTMENT CALCULATION

	<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	
= Actual Adjustment (AA)	\$/Mcf	

D. BALANCE ADJUSTMENT CALCULATION

	<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	
= Balance Adjustment (BA)	\$/Mcf	

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended <u>July 2009</u>					
(1)	(2)	(3)	(4)	(5)**	(5)
Supplier	Dth	Btu Conversion Factor	Mcf	Rate	(4)x(5) Cos=
Columbia Gas Co.			12,815.00	8.4972	108,891.61

Totals

Line loss for 12 months ended July 2009 is 19% based on purchases of 12,815 Mcf and sales of 10,388.600 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	108,891.61
÷ Mcf Purchases (4)	Mcf	12,815.00
= Average Expected Cost Per Mcf Purchased	\$/Mcf	8.49
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	10,935.36
= Total Expected Gas Cost (to Schedule IA.)	\$	92,841.20

*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 July 2009

Particulars	Unit	Month 1 (May)	Month 2 (June)	Month 3 (July)
Total Supply Volumes Purchased	Mcf	535	450	485
Total Cost of Volumes Purchased	\$	5993.04	4084.33	4382.15
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	508.25	427.50	460.75
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= Unit Cost of Gas	\$/Mcf	11.7915	9.5539	9.5109
- EGC in effect for month	\$/Mcf	11.2767	11.2767	11.2767
= Difference [(Over-)/Under-Recovery]	\$/Mcf	.5148	(1.7228)	(1.7658)
x Actual sales during month	Mcf	426.7	215.1	228.4
= Monthly cost difference	\$	219.67	370.57	403.31

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	993.55
÷ Sales for 12 months ended <u>July 2009</u>	Mcf	10,388.60
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.09