

Synergy Savings and Potential Costs to Achieve

Merger Cost Savings and Costs to Achieve (Pre-tax Dollars in Millions)

	2006	2007	2008	2009	2010	2011	Total
Corporate and Regulated Savings	—	18	55	76	82	88	319
Non-regulated Savings	—	8	13	6	6	6	39
Total Gross Savings	—	26	68	82	88	94	358
Costs to Achieve	(20) *	(90) **	(27)***	(11)	(31)	—	(179)

* Includes \$18.2 million incurred by Peoples Energy.

** Includes \$34.5 million of system write-offs, of which \$11.7 million will be capitalized. Overall \$59 million is anticipated to be capitalized.

*** Anticipates that \$6 million will be capitalized.