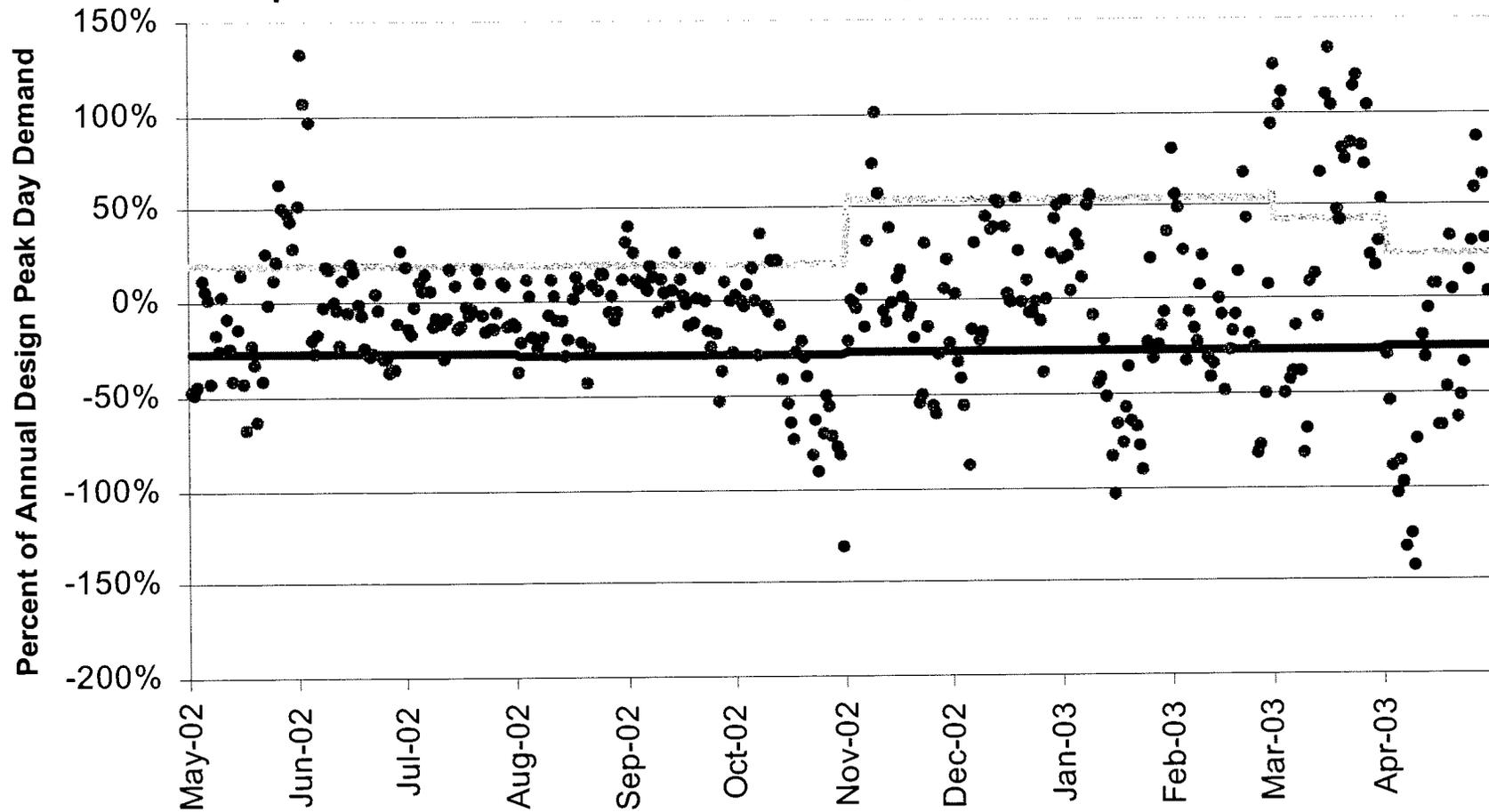


**North Shore Gas Company**  
**End of Month Storage Inventory % of Capacity**  
**Fiscal 2001 through 2006**

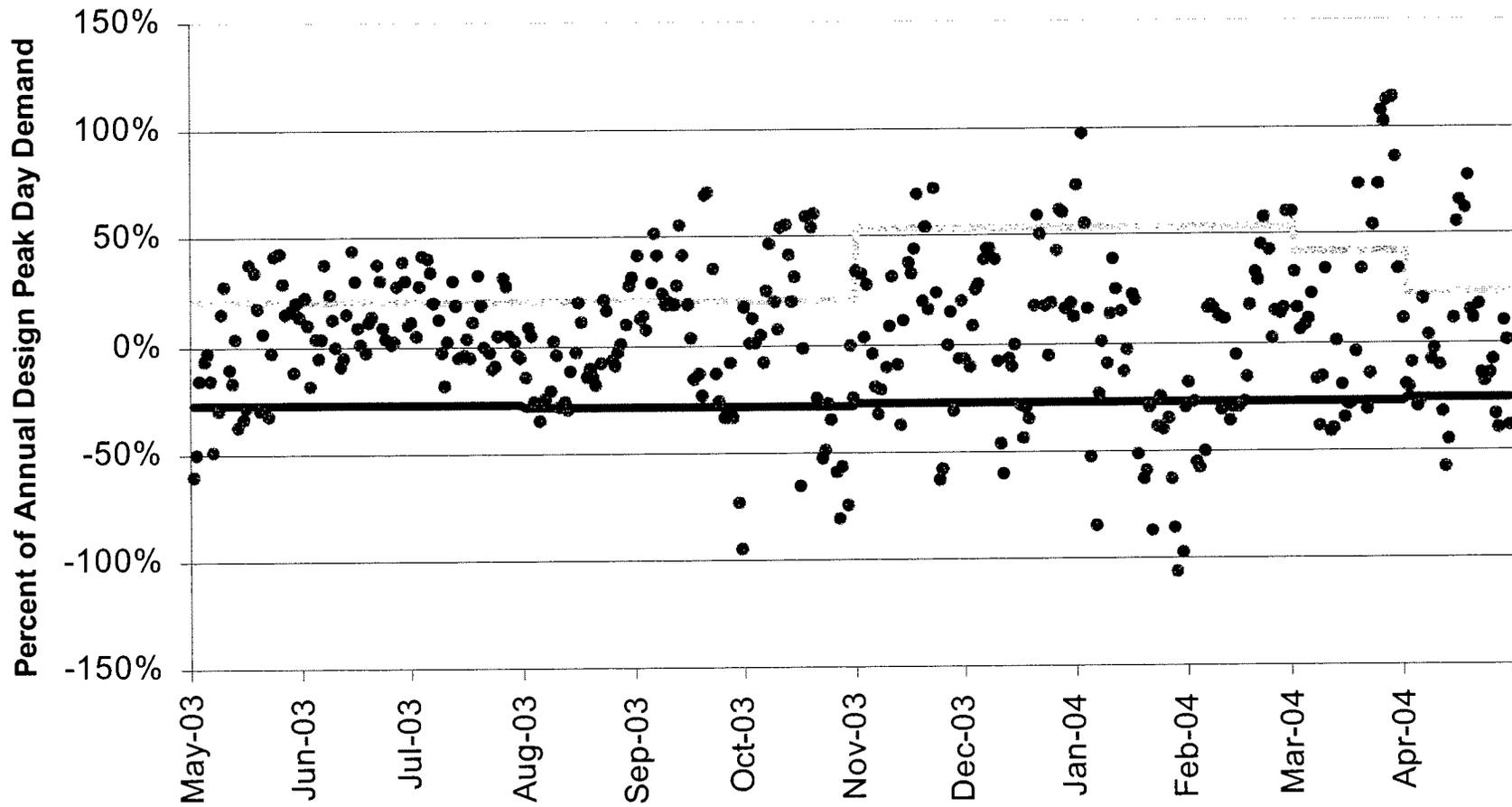
	Fiscal 2001	Fiscal 2002	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	<b>Average</b>
October	90%	93%	90%	93%	93%	94%	92%
<b>November</b>	<b>85%</b>	<b>94%</b>	<b>85%</b>	<b>94%</b>	<b>96%</b>	<b>87%</b>	<b>90%</b>
December	64%	79%	69%	75%	76%	73%	73%
January	49%	58%	36%	42%	46%	59%	48%
February	31%	38%	15%	24%	27%	36%	29%
<b>March</b>	<b>18%</b>	<b>22%</b>	<b>5%</b>	<b>13%</b>	<b>10%</b>	<b>24%</b>	<b>15%</b>
April	24%	25%	9%	21%	16%	27%	20%
May	32%	35%	19%	29%	27%	37%	30%
June	42%	45%	32%	43%	40%	50%	42%
July	53%	55%	46%	56%	54%	63%	55%
August	64%	65%	61%	69%	68%	77%	67%
September	77%	77%	77%	83%	81%	90%	81%

### North Shore Gas Contract Year 2003 Daily Net Withdrawal (+) and Injection (-) Limits Expressed as a Percent of Annual Design Peak Day Demand



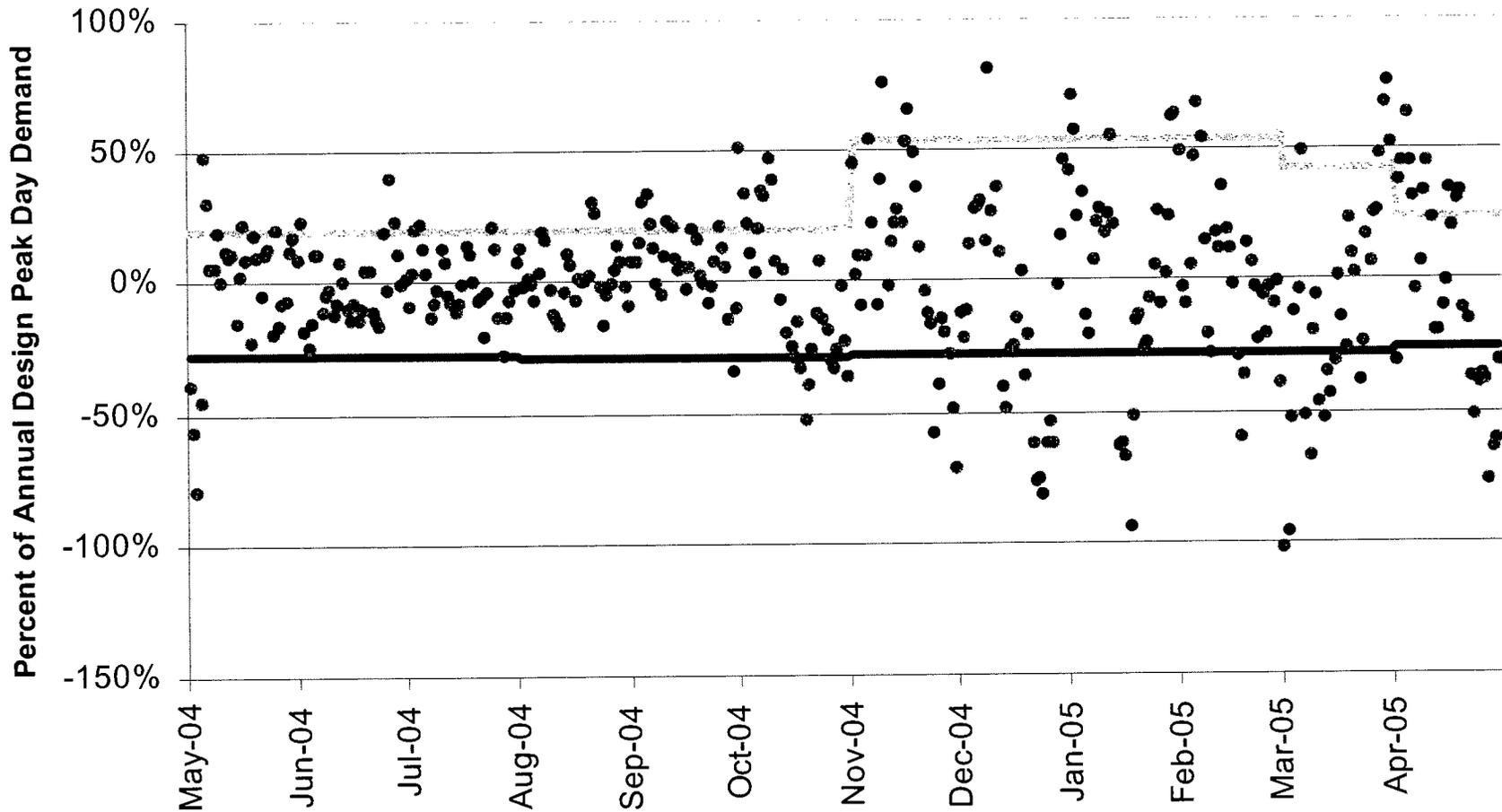
— NSG Inj      - - - - NSG WD      • Customer Storage %SSQ

### North Shore Gas Contract Year 2004 Daily Net Withdrawal (+) and Injection (-) Limits Expressed as a Percent of Annual Design Peak Day Demand

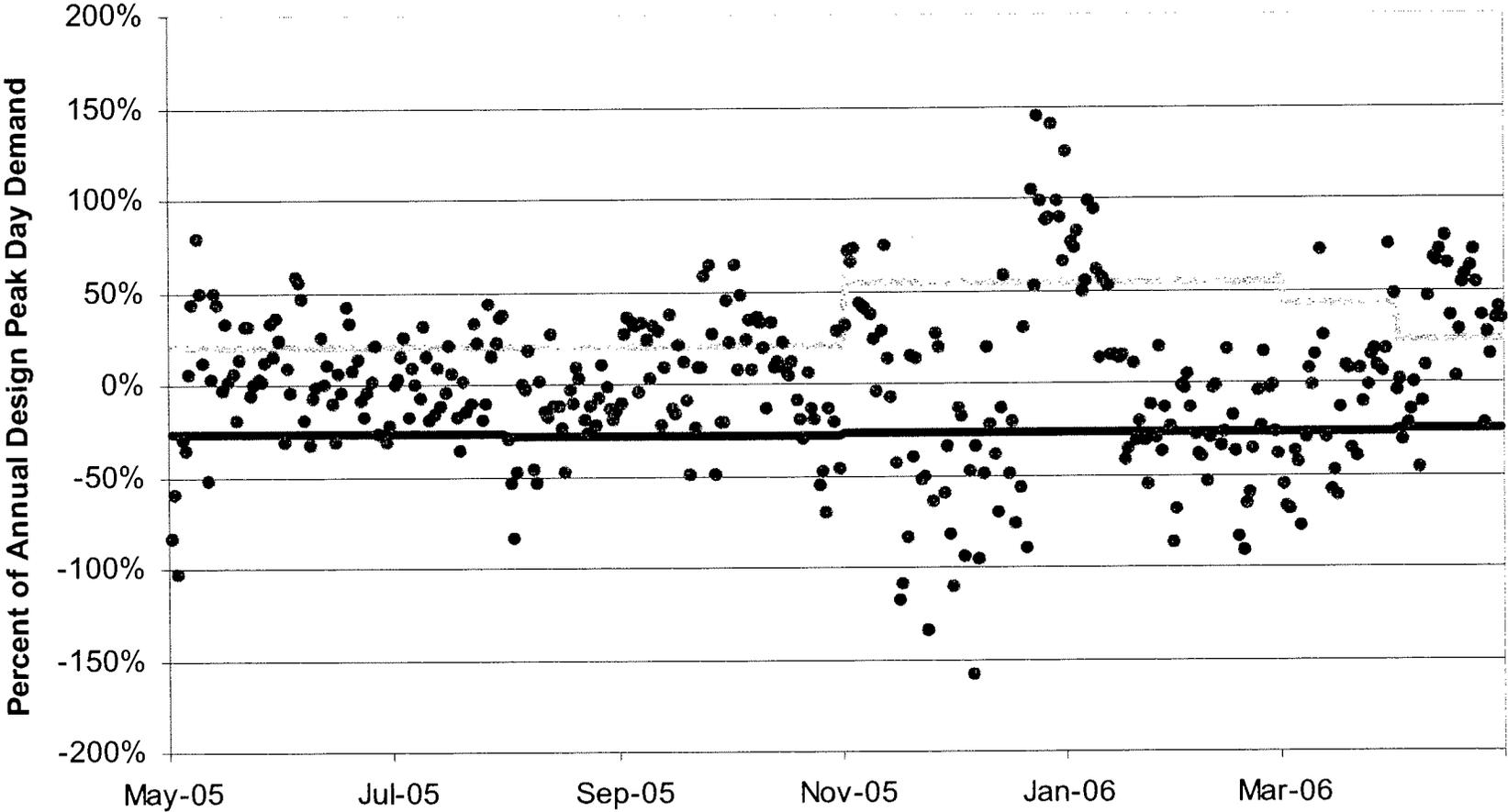


— NSG Inj      - - - - NSG WD      • Customer Storage %SSQ

### North Shore Gas Contract Year 2005 Daily Net Withdrawal (+) and Injection (-) Limits Expressed as a Percent of Annual Design Peak Day Demand

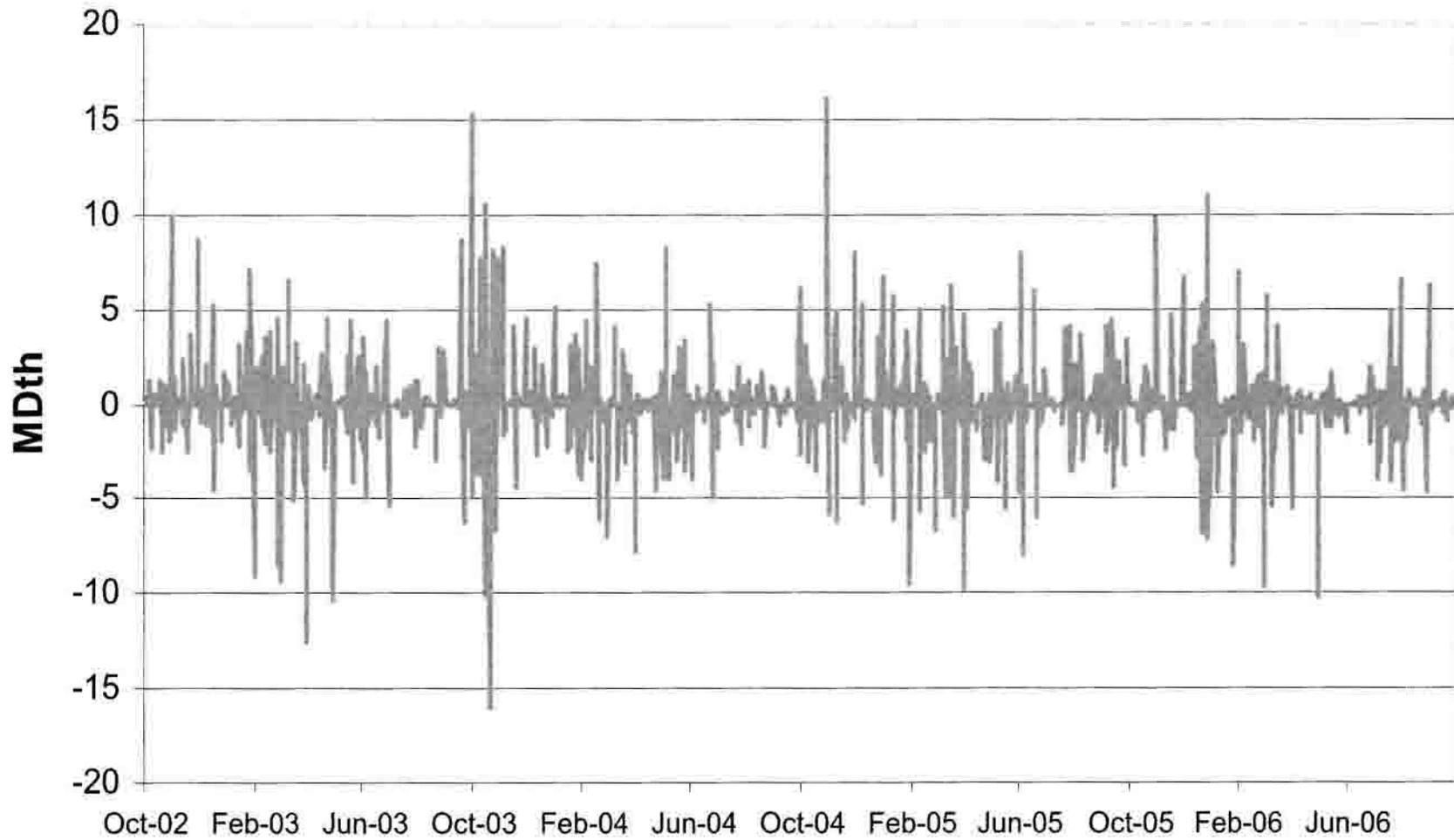


### North Shore Gas Contract Year 2006 Daily Net Withdrawal (+) and Injection (-) Limits Expressed as a Percent of Annual Design Peak Day Demand



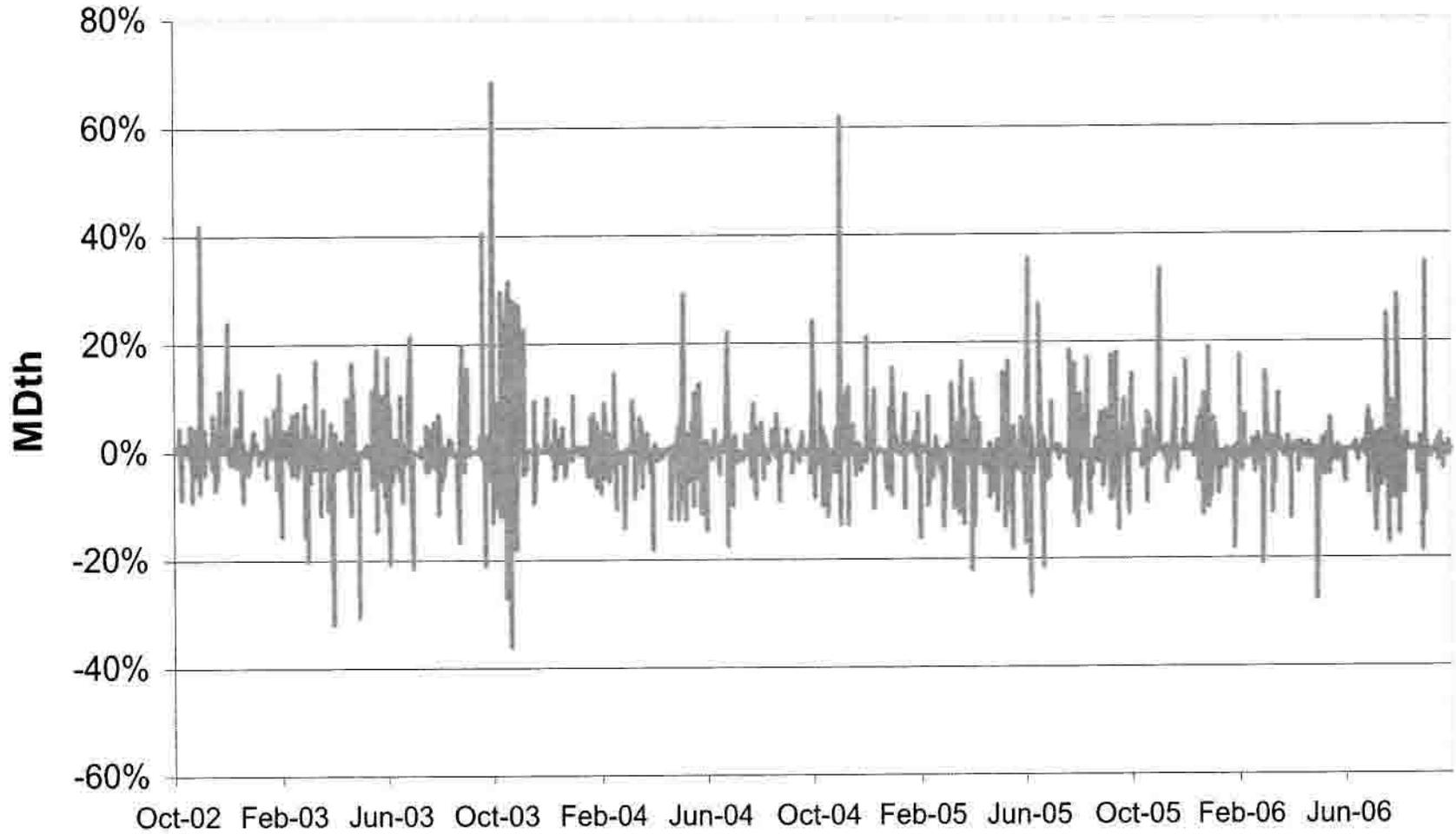
— NSG Inj      — NSG WD      • Customer Storage %SSQ

### North Shore Gas Daily Change In Customer Supply



— Customer Supply Change

### North Shore Gas Daily Percent Change In Customer Supply



— Customer Supply Percent Change

**Derivation of Transportation Customer Diversity Factor**

Four sets of Transportation Customer Diversity Factors (DFs) were computed based on the Customer contract years ending April 30 in years 2003, 2004, 2005, and 2006. Each set of factors consisted of four DFs: one for rider FST, one for rider SST, one for rider LST, and one for the total of all accounts. The following method was used for each year.

Data extracted from the Company's billing system for all accounts with valid daily meter readings for the entire contract year included the account number, transportation rider, the account's consumption in therms on the Company's peak day (Peak Use), and the account's highest daily consumption in therms during the contract year (Max Use).

The Company's peak day date changed from one year to the next. For contract year 2003, the Company's weekday peak date was January 23, 2003. For contract year 2004, the Company's weekday peak date was January 29, 2004. For contract year 2005, the Company's weekday peak date was January 17, 2005. For contract year 2006, the Company's weekday peak date was December 19, 2005.

After spot data integrity checking against daily customer consumption data, the account data was sorted by transportation rider. Once sorted by transportation rider, the Max Use and Peak Use were summed for all accounts in each rider. The DF for each Rider was computed as the sum of all Peak Use volumes for all accounts in the rider divided by the sum of all Max Use volumes for all accounts in that rider. The DF for all accounts was computed as the sum of all Peak Use volumes for all riders divided by the sum of all Max Use volumes for all riders.

**North Shore Gas Company**  
**Diversity Factor Calculations By Rider**  
**Contract Years Ending April 30: 2003 through 2006**  
**Volumes in Therms**

	<u>Max Use</u>	<u>Peak Use</u>	<u>Diversity Factor</u>
<b><u>Contract Year 2003</u></b>			
Rider FST	2,096	2,031	0.9690
Rider LST	35,700	32,780	0.9182
Rider SST	492,335	350,660	0.7122
Total	530,131	385,471	0.7271
<b><u>Contract Year 2004</u></b>			
Rider FST	352	329	0.9347
Rider LST	34,960	34,110	0.9757
Rider SST	465,359	385,436	0.8283
Total	500,671	419,875	0.8386
<b><u>Contract Year 2005</u></b>			
Rider FST	9,650	9,427	0.9769
Rider LST	70,692	57,602	0.8148
Rider SST	451,730	354,980	0.7858
Total	532,072	422,009	0.7931
<b><u>Contract Year 2006</u></b>			
Rider FST	9,135	8,100	0.8866
Rider LST	80,283	62,342	0.7765
Rider SST	516,906	339,651	0.6571
Total	606,325	410,093	0.6764
<b><u>Four Year Totals</u></b>			
Rider FST	21,233	19,887	0.9366
Rider LST	221,635	186,834	0.8430
Rider SST	1,926,331	1,430,727	0.7427
Total	2,169,199	1,637,448	0.7549

Note: 1. Contract year 2006 Peak Use day was Monday, Dec 19th, even though Saturday, Feb 18th had 24,905 dth higher sendout. All other Peak Use days were weekdays, and the Company's Design Peak Day is defined as occurring on a weekday.

**North Shore Gas Company**

**COMPARISON OF PRESENT AND PROPOSED RIDERS**

	<b>Gas Charge (1)</b>			<b>Base Rate Charge</b>		
	<b>Rates</b>		<b>Increase/ Decrease</b>	<b>Rates</b>		<b>Increase/ Decrease</b>
	<b>Present</b>	<b>Proposed</b>		<b>Present</b>	<b>Proposed</b>	
	<b>[A]</b>	<b>[B]</b>	<b>[C] [B-A]</b>	<b>[D]</b>	<b>[E]</b>	<b>[F] [E-D]</b>
<b><u>Riders Not Being Eliminated</u></b>						
<b>Rider AGG</b>						
Application Charge - per Applicant				\$2,000.00	\$2,000.00	\$0.00
Aggregation Charge - per Pool				\$200.00	\$200.00	\$0.00
Aggregation Charge - per Customer				\$0.73	\$1.40	\$0.67
Aggregation Balancing Charge - Therm	\$0.0636	\$0.0636	\$0.0000			
LDC Billing Option Charge - per Bill				\$0.50	\$0.50	\$0.00
LDC Billing Option Charge - per Line				\$0.02	\$0.02	\$0.00
LDC Billing Option Charge - per Line				\$0.01	\$0.01	\$0.00
Pool Activation Charge- per Customer				\$10.00	\$0.00	(\$10.00)
Cash-out Charge (100% of Index)	AMIP	Revised AMIP				
Under-delivery Charge	No Changes	Proposed		No Changes	Proposed	
Over-delivery Charge	No Changes	Proposed		No Changes	Proposed	
<b>Rider SST</b>						
Administrative Charge - per Month						
Individual Account				\$60.00	\$21.00	(\$39.00)
Group Contracts				\$73.00	N/A	
Demand Device Charge - per Month (5)						
Device Type 1				\$34.00	\$34.00	\$0.00
Device Type 2				\$37.00	\$34.00	(\$3.00)
Device Type 3				\$45.00	\$68.00	\$23.00
Standby Commodity - per Therm	\$0.9329	\$0.9149	(\$0.0181)			
Standby Demand - per Therm	\$0.2102	\$0.3153	\$0.1051			
Excess Bank Charge - per Therm				\$0.10	NA	
Imbalance Account Charge - per Therm						
Non-Critical Day				NA	\$0.10	
Critical Surplus Day				NA	\$6.00	
Critical Shortage Day				NA	\$0.00	
Imbalance Trade Charge				\$5.00	\$5.00	\$0.00
Cash-out Charge (Per Rider SST Section C)	AMIP	Revised AMIP				
<b>Rider P</b>						
Monthly Pooling Charge - per Customer Group				\$200.00	\$200.00	\$0.00
- per Account				\$10.00	\$13.00	\$3.00
Standby Commodity - per Therm	\$0.9329	\$0.9149	(\$0.0181)			
Standby Demand - per Therm	\$0.2102	\$0.3153	\$0.1051			
Excess Bank Charge - per Therm				\$0.10	NA	
Imbalance Account Charge - per Therm						
Non-Critical Day				NA	\$0.10	
Critical Surplus Day				NA	\$6.00	
Critical Shortage Day				NA	\$0.00	
Imbalance Trade Charge				\$5.00	\$5.00	\$0.00
Customer Change Charge				\$10.00	\$0.00	(\$10.00)
Cash-out Charge (Per Rider SST Section C)	AMIP	Revised AMIP				
<b>Rider 9 Unauthorized Use of Gas Service</b>						
Unauthorized Use per Therm:						
Not a Supply Shortage Day	\$0.5000	\$0.5000	\$0.0000			
Supply Shortage Days	\$6.0000	\$6.0000	\$0.0000			

North Shore Gas Company

COMPARISON OF PRESENT AND PROPOSED RIDERS

	Gas Charge (1)			Base Rate Charge		
	Rates		Increase/	Rates		Increase/
	Present	Proposed	Decrease	Present	Proposed	Decrease
<u>Riders Proposed to be Eliminated</u>	[A]	[B]	[C] [B-A]	[D]	[E]	[F] [E-D]
<b>Rider FST</b>						
Administrative Charge - per Month						
Individual Contracts				\$48.00	N/A	
Group Contracts			(6)	\$14.00	N/A	
Standby Commodity	\$0.9329	N/A				
Standby Demand	\$0.2102	N/A				
Excess Bank Charge				\$0.10	N/A	
Imbalance Trade Charge				\$5.00	N/A	
<b>Rider LST</b>						
Administrative Charge - per Month						
Individual Account				\$60.00	N/A	
Group Contracts			(4)	\$23.00	N/A	
Standby Commodity - per Therm	\$0.9329	N/A				
Standby Demand - per Therm	\$0.2102	N/A				
Excess Bank Charge - per Therm				\$0.10	N/A	
Imbalance Trade Charge				\$5.00	N/A	
<b>Rider TB</b>						
Contract Administration Charge - per Month				\$25.00	N/A	
Non-Critical Day Balancing Charge - per Therm	\$0.1811	N/A		\$0.0226	N/A	
Critical Day Balancing Charge - per Therm	\$0.2012	N/A		\$0.0251	N/A	
Balancing Charge - per Therm	NA	N/A		N/A	N/A	
Daily Storage Charge - per Therm	\$0.0671	N/A		\$0.0084	N/A	
Cash-out Charge	AMIP	N/A				
Daily Scheduling Charge - per Therm:						
Supply Shortage Day- Underage Excess Daily Balance				\$6.00	N/A	
Supply Shortage Day- Overage Excess Daily Balance				\$0.00	N/A	
Supply Surplus Day- Underage Excess Daily Balance				\$0.00	N/A	
Supply Surplus Day- Overage Excess Daily Balance				\$6.00	N/A	
Non-Critical Day				\$0.50	N/A	
Imbalance Trade Charge				\$5.00	N/A	

**Notes:**

- (1) Gas Charge rates reflect the average for fiscal 2006. Factor TS charges, which have been \$0.00 for multiple years and proposed to be eliminated, are not shown.
- (2) ABGC is proposed to be billed directly to the customer instead of the supplier (as is currently done).
- (3) New Cash-out Charge based on 100% of the Average Monthly City Gate Daily Price (AMIP) as published by Gas Daily. In addition, the Cash-out Charge shall include a charge of \$1.00 for each therm by which the CFY Supplier's actual daily deliveries to the Company in any month, adjusted for daily deliveries outside the applicable daily tolerances, are greater or less than the RMDQ by 5% (2% currently).
- (4) For Rider SST and LST Group Contracts, the current charge is the greater of \$73 or \$23 times the number of accounts.
- (5) Neither current nor proposed charge is applicable to S.C. 4 customers. Proposed charge of \$34 is per Demand Device and device Type 3 has two Demand Devices.
- (6) For Rider FST Group Contracts, the current charge is the greater of \$58 or \$14 times the number of accounts.

**North Shore Gas Company  
Transportation Programs  
Fiscal 2006 Administrative Costs  
NEW RATES**

North Shore Ex. TZ 1.7

A	B	C	D	E	F	G	H	I	
1	<b>North Shore Gas</b>	Percent of labor allocated to HUB =>						0.00%	
2									
3	<b>Department</b>	<b>Function / Activity</b>	<b>FY2006 New Rates</b>	<b>Rider SST (not pooled)</b>	<b>Rider P</b>	<b>Rider SVT</b>	<b>Total Riders</b>	<b>Hub</b>	<b>Total</b>
4	Gas Transportation Services - labor	Contract administration, billing, billing exception processing, billing adjustments, supplier support, customer inquiries, Pegasys billing & support, gas scheduling, SVT supplier billing	\$234,054	\$26,138	\$139,076	\$68,839	\$234,054	\$0	\$234,054
5	Gas Transportation Services - Other Costs	Telecommunication, general office expenses, postage	\$3,788	\$423	\$2,251	\$1,114	\$3,788	\$0	\$3,788
6		Total GTS admin costs	\$237,842	\$26,561	\$141,327	\$69,954	\$237,842	\$0	\$237,842
7	ITS - Transportation Systems (does not include IT-Cfirst costs)	Ongoing application maintenance, minor enhancements (SVT & PEGASys)	\$52,420	\$969	\$5,153	\$46,298	\$52,420	\$0	\$52,420
8		Total GTS + Other Areas	\$290,262	\$27,530	\$146,480	\$116,252	\$290,262	\$0	\$290,262
9		Credit from Imbalance Trade charges	(1,330)	(\$210)	(\$1,120)	\$0	(\$1,330)	\$0	(\$1,330)
10		Credit from LDC Billing Option	(23,514)	\$0	\$0	(\$23,514)	(\$23,514)	\$0	(\$23,514)
11		Credit from Pool Admin Charges (\$200 per pool)	(69,600)	\$0	(\$60,000)	(\$9,600)	(\$69,600)	\$0	(\$69,600)
12		<b>Grand Total</b>	<b>\$195,818</b>	<b>\$27,320</b>	<b>\$85,361</b>	<b>\$83,137</b>	<b>\$195,818</b>	<b>\$0</b>	<b>\$195,818</b>
13		Accounts		106	564	5,067	5,737	-	
14		Cost Per Account		\$ 257.73	\$ 151.35	\$ 16.41			
15		<b>Cost Per Account per Month</b>		<b>\$ 21.48</b>	<b>\$ 12.61</b>	<b>\$ 1.37</b>			
16		<b>Proposed Charge</b>		<b>\$ 21.00</b>	<b>\$ 13.00</b>	<b>\$ 1.40</b>			

Applied loading factor 56.74%

25      4      <=Total pools

12	5	<= EFT split
LVT	SVT	

**notes:**

Rider SST (not pooled) includes SST-T accounts, FST (not pooled) that are assumed to move to SST, LST (not pooled) and LSTCOMB

Rider P includes pooled SST accounts, and FST (pooled) that are assumed to move to SST

**North Shore Gas Company**  
**Average Annual Bill of 1,325 Therms**  
**Service Classification No. 1H**  
**Present and Proposed Rates**

**Sales Customer**

Line No.	[A] Charges	[B] Present Rates (1)	[C] Proposed Rates (1)	[D] Change
1	Base Rate	\$ 322.13	\$ 368.23	\$ 46.10
2	Gas Charge	\$ 1,297.97	\$ 1,295.72	\$ (2.25)
3	Rider 11	\$ 8.34	\$ 8.34	\$ -
4	Rider UBA	\$ -	\$ 8.92	\$ 8.92
5	Rider EEP	\$ -	\$ 5.76	\$ 5.76
6	Total	<u>\$ 1,628.44</u>	<u>\$ 1,686.97</u>	<u>\$ 58.53</u>

**Transportation Customer**  
**Served Under Present and Proposed Riders CFY/AGG**

Line No.	[A] Charges	[B] Present Rates (1)	[C] Proposed Rates (1)	[D] Change
1	Base Rate	\$ 322.13	\$ 368.23	\$ 46.10
2	Gas Charge (ABGC) (2)	\$ 88.03	\$ 88.03	\$ -
3	CFY Administrative Charge	\$ 8.76	\$ 16.80	\$ 8.04
4	Rider 11	\$ 8.34	\$ 8.34	\$ -
5	Rider UBA	\$ -	\$ -	\$ -
6	Rider EEP	\$ -	\$ 5.76	\$ 5.76
7	Total	<u>\$ 427.26</u>	<u>\$ 487.16</u>	<u>\$ 59.90</u>

- Notes: (1) Excludes add-on state and municipal taxes and state charges under Riders 1 and CCA in the present tariff and Rider 1 in the proposed tariff.
- (2) Aggregation Balancing Gas Charge ("ABGC") as forecasted under Present and Proposed rates and assumes suppliers pass this charge in its entirety through to their customers.

**North Shore Gas Company**  
**Average Annual Bill of 5,000 Therms**  
**Service Classification No. 2, Meter Class 1**  
**Present and Proposed Rates**

**Sales Customer**

Line No.	[A] Charges	[B] Present Rates (1)	[C] Proposed Rates (1)	[D] Change
1	Base Rate	\$ 885.33	\$ 814.21	\$ (71.12)
2	Gas Charge	\$ 4,898.00	\$ 4,889.50	\$ (8.50)
3	Rider 11	\$ 31.50	\$ 31.50	\$ -
4	Rider UBA	\$ -	\$ 33.62	\$ 33.62
5	Rider EEP	\$ -	\$ 21.00	\$ 21.00
6	Total	<u>\$ 5,814.83</u>	<u>\$ 5,789.83</u>	<u>\$ (25.00)</u>

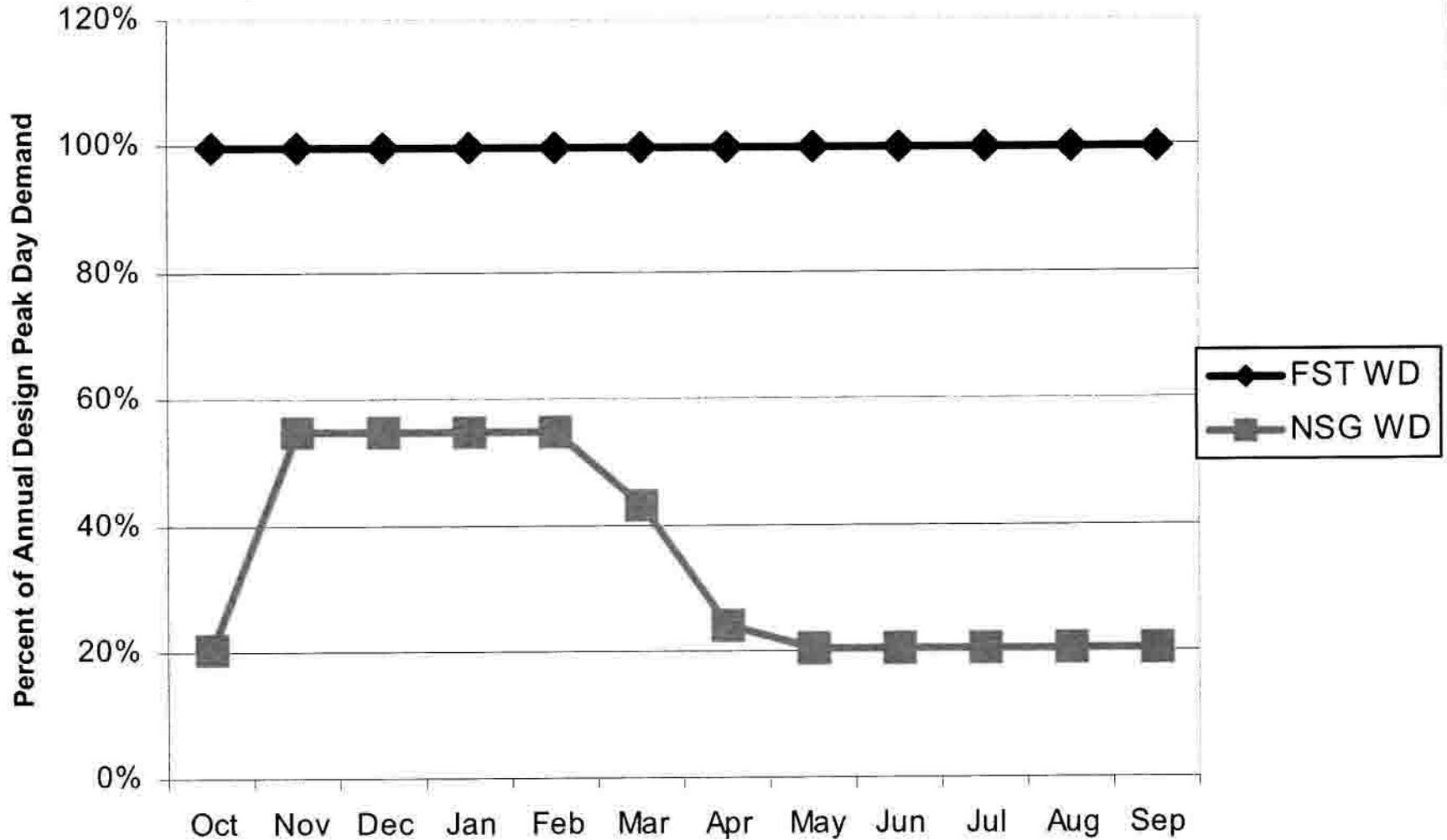
**Transportation Customer**  
**Served Under Present and Proposed Riders CFY/AGG**

Line No.	[A] Charges	[B] Present Rates (1)	[C] Proposed Rates (1)	[D] Change
1	Base Rate	\$ 885.33	\$ 814.21	\$ (71.12)
2	Gas Charge (ABGC) (2)	\$ 332.15	\$ 332.15	\$ -
3	CFY Administrative Charge	\$ 8.76	\$ 16.80	\$ 8.04
4	Rider 11	\$ 31.50	\$ 31.50	\$ -
5	Rider UBA	\$ -	\$ -	\$ -
6	Rider EEP	\$ -	\$ 21.00	\$ 21.00
7	Total	<u>\$ 1,257.74</u>	<u>\$ 1,215.66</u>	<u>\$ (42.08)</u>

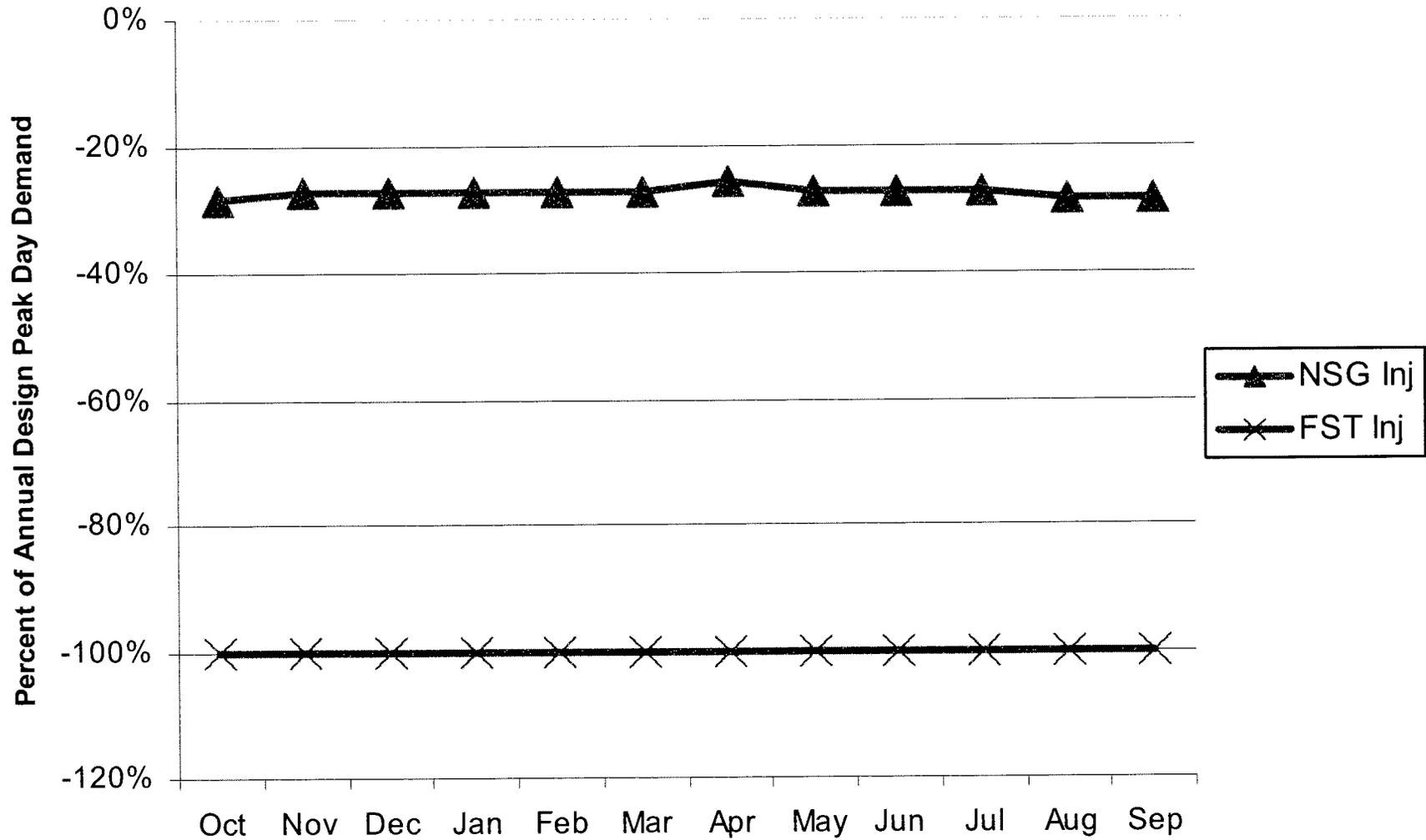
Notes: (1) Excludes add-on state and municipal taxes and state charges under Riders 1 and CCA in the present tariff and Rider 1 in the proposed tariff.

(2) Aggregation Balancing Gas Charge ("ABGC") as forecasted under Present and Proposed rates and assumes suppliers pass this charge in its entirety through to their customers.

### North Shore Gas Fiscal 2006 Daily Withdrawal Limits Expressed as a Percent of Annual Design Peak Day Demand



### North Shore Gas Fiscal 2006 Daily Injection (-) Limits Expressed as a Percent of Annual Design Peak Day Demand



**North Shore Gas Company**  
**Average Annual Bill of 5,000 Therms**  
**Service Classification No. 2, Meter Class 1**  
**Present and Proposed Rates**

**Transportation Customer**  
**Served Under Present Rider FST Moving to Proposed Riders CFY/AGG**  
**FST Customer is at 100% Standby**

Line No.	[A] Charges	[B]	[C]	[D]
		Present Rates (1) FST	Proposed Rates (1) CFY/AGG	Change
1	Base Rate	\$ 885.33	\$ 814.21	\$ (71.12)
2	SDGC/ABGC (ABGC) (2)(3)	\$ 106.06	\$ 332.15	\$ 226.09
3	Administrative Charge	\$ 576.00	\$ 16.80	\$ (559.20)
4	Rider 11	\$ 31.50	\$ 31.50	\$ -
5	Rider UBA	\$ -	\$ -	\$ -
6	Rider EEP	\$ -	\$ 21.00	\$ 21.00
7	Total	<u>\$ 1,598.89</u>	<u>\$ 1,215.66</u>	<u>\$ (383.23)</u>

Notes: (1) Excludes add-on state and municipal taxes and state charges under Riders 1 and CCA in the present tariff and Rider 1 in the proposed tariff.

(2) Standby Demand Charge Per Therm for FY2006 using the following Diversity Factor:  
Present Rates: 50%

(3) Aggregation Balancing Gas Charge ("ABGC") as forecasted under Present and Proposed rates and assumes suppliers pass this charge in its entirety through to their customers.

**North Shore Gas Company**  
**Average Annual Bill of 30,000 Therms**  
**Service Classification No. 2, Meter Class 2**  
**Present and Proposed Rates**

**Transportation Customer**  
**Served Under Present Rider FST Moving to Proposed Riders CFY/AGG**  
**FST Customer is at 100% Standby**

Line No.	[A] Charges	[B] Present Rates (1) FST	[C] Proposed Rates (1) CFY/AGG	[D] Change
1	Base Rate	\$ 3,395.08	\$ 3,076.27	\$ (318.81)
2	SDGC/ABGC (ABGC) (2)(3)	\$ 638.20	\$ 1,992.98	\$ 1,354.78
3	Administrative Charge	\$ 576.00	\$ 16.80	\$ (559.20)
4	Rider 11	\$ 189.01	\$ 189.01	\$ -
5	Rider UBA	\$ -	\$ -	\$ -
6	Rider EEP	\$ -	\$ 21.00	\$ 21.00
7	Total	<u>\$ 4,798.29</u>	<u>\$ 5,296.06</u>	<u>\$ 497.77</u>

Notes: (1) Excludes add-on state and municipal taxes and state charges under Riders 1 and CCA in the present tariff and Rider 1 in the proposed tariff.

(2) Standby Demand Charge Per Therm for FY2006 using the following Diversity Factor:  
Present Rates: 50%

(3) Aggregation Balancing Gas Charge ("ABGC") as forecasted under Present and Proposed rates and assumes suppliers pass this charge in its entirety through to their customers.

**North Shore Gas Company**  
**Average Annual Bill of 30,000 Therms**  
**Service Classification No. 2, Meter Class 2**  
**Present and Proposed Rates**

**Transportation Customer**  
**Served Under Present Rider FST Moving to Proposed Rider SST**  
**FST Customer is at 100% Standby**

Line No.	[A] Charges	[B]	[C]	[D]
		Present Rates (1) FST	Proposed Rates (1) SST	Change
1	Base Rate	\$ 3,395.08	\$ 3,076.27	\$ (318.81)
2	SDGC (2)	\$ 638.20	\$ 957.30	\$ 319.10
3	Administrative/Device Charges	\$ 576.00	\$ 660.00	\$ 84.00
4	Rider 11	\$ 189.01	\$ 189.01	\$ -
5	Rider UBA	\$ -	\$ -	\$ -
6	Rider EEP	\$ -	\$ 21.00	\$ 21.00
7	Total	<u>\$ 4,798.29</u>	<u>\$ 4,903.58</u>	<u>\$ 105.29</u>

Notes: (1) Excludes add-on state and municipal taxes and state charges under Riders 1 and CCA in the present tariff and Rider 1 in the proposed tariff.

(2) Standby Demand Charge Per Therm for FY2006 using the following Diversity Factor:

Present Rates	50%
Proposed Rates	75%

**North Shore Gas Company**  
**Average Annual Bill of 50,000 Therms**  
**Service Classification No. 2, Meter Class 2**  
**Present and Proposed Rates**

**Transportation Customer**  
**Served Under Present Rider FST Moving to Proposed Rider SST**  
**FST Customer is at 100% Standby**

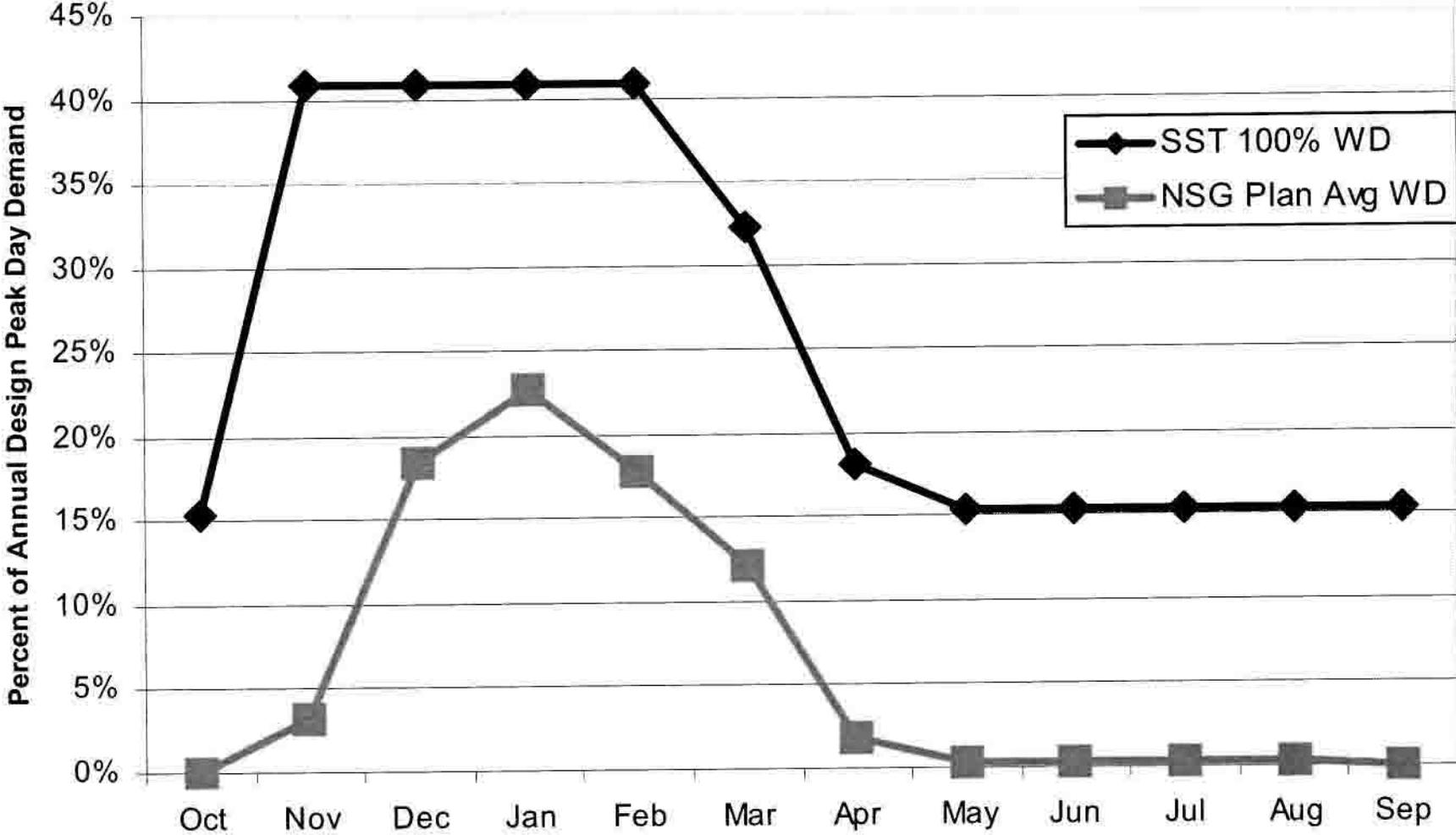
Line No.	[A] Charges	[B]	[C]	[D]
		Present Rates (1) FST	Proposed Rates (1) SST	Change
1	Base Rate	\$ 4,758.76	\$ 3,917.12	\$ (841.64)
2	SDGC (2)	\$ 1,062.85	\$ 1,594.25	\$ 531.40
3	Administrative/Device Charges	\$ 1,020.00	\$ 660.00	\$ (360.00)
4	Rider 11	\$ 315.00	\$ 315.00	\$ -
5	Rider UBA	\$ -	\$ -	\$ -
6	Rider EEP	\$ -	\$ 21.00	\$ 21.00
7	Total	<u>\$ 7,156.61</u>	<u>\$ 6,507.37</u>	<u>\$ (649.24)</u>

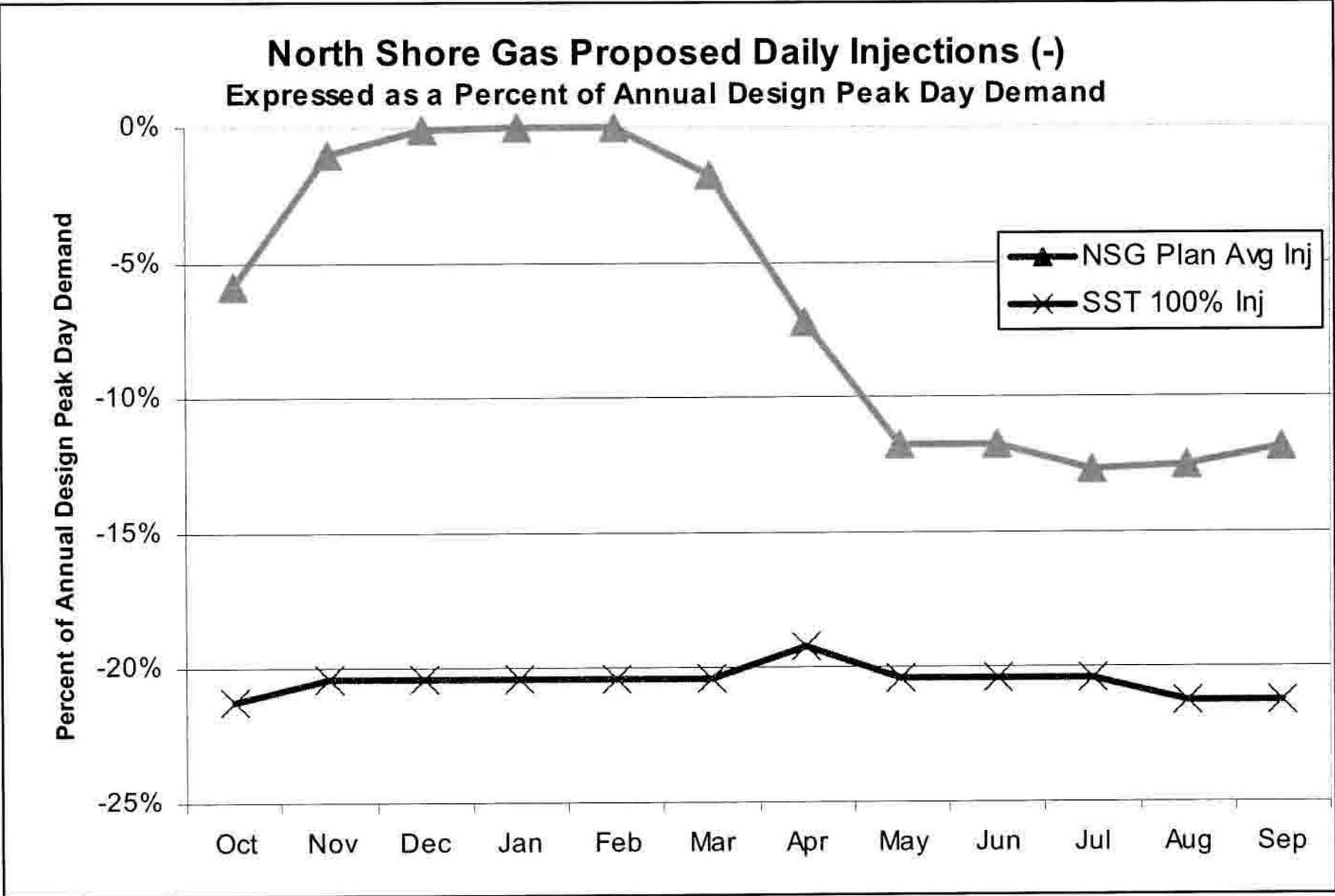
Notes: (1) Excludes add-on state and municipal taxes and state charges under Riders 1 and CCA in the present tariff and Rider 1 in the proposed tariff.

(2) Standby Demand Charge Per Therm for FY2006 using the following Diversity Factor:

Present Rates	50%
Proposed Rates	75%

### North Shore Gas Proposed Daily Withdrawals Expressed as a Percent of Annual Design Peak Day Demand





**North Shore Gas Company**  
**Determination of Proposed Base and Gas Charge Allowable Bank Days**  
**Based on Test Year Fiscal 2006**

Line	Description [A]	Therms	
		[B]	[C]
1	Total Storage Top Gas (TG)	100,660,000	therms
2	Design Peak Day Supply (DPDS) (1)	3,829,310	therms
3	Company Max Days of Allowable Bank		
4	Factor CMD	= TG/DPDS	
5	Line 1 / Line 2	= 100,660,000 /	3,829,310
6	Total Number of Bank Days	= 26	
7	Company Maximum Days of Bank (CMD)	= <u>26</u>	<u>days</u>
8	Base Rate Costs	= \$ 2,672,360	14.72%
9	Gas Charge Costs	= \$ 15,479,224	<u>85.28%</u>
10	Total Storage Costs	\$ 18,151,584	100.00%
11	Number of Base Days (Column B, Line 7 x Column C, Line 8)	= <u>4</u>	<u>days</u>
12	Gas Charge Days (Column B, Line 7 x Column C, Line 9)	= <u>22</u>	<u>days</u>

Note (1): Excludes Customer-Owned Gas Supply.



**North Shore Gas Company**  
**Average Annual Bill of 50,000 Therms**  
**Service Classification No. 2, Meter Class 2**  
**Present and Proposed Rates**

**Transportation Customer**  
**Served Under Present Rider SST Moving to Proposed Rider SST**  
**100% Standby**

Line No.	[A] Charges	[B]	[C]	[D]
		Present Rates (1) SST	Proposed Rates (1) SST	Change
1	Base Rate	\$ 4,758.76	\$ 3,917.12	\$ (841.64)
2	SDGC (2)	\$ 1,062.85	\$ 1,594.25	\$ 531.40
3	Administrative/Device Charges	\$ 1,164.00	\$ 660.00	\$ (504.00)
4	Rider 11	\$ 315.00	\$ 315.00	\$ -
5	Rider UBA	\$ -	\$ -	\$ -
6	Rider EEP	\$ -	\$ 21.00	\$ 21.00
7	Total	<u>\$ 7,300.61</u>	<u>\$ 6,507.37</u>	<u>\$ (793.24)</u>

Notes: (1) Excludes add-on state and municipal taxes and state charges under Riders 1 and CCA in the present tariff and Rider 1 in the proposed tariff.

(2) Standby Demand Charge Per Therm for FY2006 using the following Diversity Factor:

Present Rates	50%
Proposed Rates	75%

**North Shore Gas Company**  
**Average Annual Bill of 50,000 Therms**  
**Service Classification No. 2, Meter Class 2**  
**Present and Proposed Rates**

**Transportation Customer**  
**Served Under Present Riders SST/P Moving to Proposed Riders SST/P**  
**20% Standby**

Line No.	[A] Charges	[B] Present Rates (1) SST	[C] Proposed Rates (1) SST	[D] Change
1	Base Rate	\$ 4,758.76	\$ 3,917.12	\$ (841.64)
2	SDGC (2)	\$ 218.59	\$ 327.90	\$ 109.31
3	Administrative/Device Charges	\$ 564.00	\$ 564.00	\$ -
4	Rider 11	\$ 315.00	\$ 315.00	\$ -
5	Rider UBA	\$ -	\$ -	\$ -
6	Rider EEP	\$ -	\$ 21.00	\$ 21.00
7	Total	<u>\$ 5,856.35</u>	<u>\$ 5,145.02</u>	<u>\$ (711.33)</u>

Notes: (1) Excludes add-on state and municipal taxes and state charges under Riders 1 and CCA in the present tariff and Rider 1 in the proposed tariff.

(2) Standby Demand Charge Per Therm for  
FY2006 using the following Diversity Factor:  
Present Rates 50%  
Proposed Rates 75%

**North Shore Gas Company**

Fiscal Year 2006

DDEV Revenue Requirement

North Shore Ex. TZ 1.17

Line No.	(A) Assigned Investment Accounts	(B) Investment at 9/30/06	(C) Total	(D)	(E) Annual	(F) Annual Per meter	(G) Monthly Per Meter
				Rate of Return	<b>8.57%</b>		
				Gross Revenue Conversion Factor w/pass thru	1.6713125		
1	Acct. 381.2 - Demand Devices Automated Meter Reading Systems	616,345		<b><u>DDEV Meter</u></b>			
2	Accumulated Depreciation	\$ (305,941)		Depr. Expense	\$ 25,953.55	\$ 42.27	\$ 3.52
3	Net Demand Device Cost	\$ 310,404		Pre-Income Tax Return	\$ 44,460	\$ 72.41	\$ 6.03
4	Acct. 382.2 - Demand Devices Automated Meter Reading System Installations	356,731		<b><u>Meter Install</u></b>			
5	Accumulated Depreciation	\$ (211,857)		Depr. Expense	\$ 15,311.07	\$ 24.94	\$ 2.08
6	Net Installation Cost	\$ 144,873		Pre-Income Tax Return	\$ 20,750	\$ 33.80	\$ 2.82
7	Total Cost of DDEV (original cost)	\$ 973,076		<b><u>General O&amp;M</u></b>			
8	Accumulated Depreciation	\$ (517,799)		DDEV O&M	\$ 142,519.00	\$ 232.12	\$ 19.34
9	Net Cost of DDEV Including installation)	\$ 455,277					
	Number of Gas Measurement (Demand) Devices		<b>614</b>				
10				<b><u>DDEV Revenue Requirement</u></b>			<b><u>\$ 33.79</u></b>
11				<b><u>Proposed DDEV Monthly Charge</u></b>			<b><u>\$ 34.00</u></b>
12				<b><u>Current DDEV Charges</u></b>			
13				Single meter w/o correcting device			\$ 34.00
14				Single meter w/correcting device			\$ 37.00
15				Two meters w/o correcting device			\$ 45.00