

North Shore Gas Company
Volume Balancing Adjustment
Under Rider VBA
Schedule of Rates, ILL C.C. No. 17

Applicable to Service Classification Nos. 1 and 2

Statement of Reconciliation Adjustment

Effective With Service Rendered
March 1, 2009 through December 31, 2009

<u>Line No.</u>	<u>Service Classification No.</u>				
	<u>1 Sales</u> [A]	<u>1 Transportation</u> [B]	<u>2 Sales</u> [C]	<u>2 Transportation</u> [D]	
1	Reconciliation Adjustment per therm	(0.28) ¢	(0.31) ¢	(0.12) ¢	(0.02) ¢

Submitted By: James F. Schott
Vice President

North Shore Gas Company
Volume Balancing Adjustment
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Schedule of Rates, ILL C.C. No. 17

Determination of Reconciliation Adjustment

Annual Reconciliation Adjustment Effective March 1, 2009 through December 31, 2009

<u>Line No.</u>		<u>Service Classification No.</u>				<u>Total</u> [A] + [B] + [C] + [D]
		<u>1 Sales</u> [A]	<u>1 Transportation</u> [B]	<u>2 Sales</u> [C]	<u>2 Transportation</u> [D]	
	Statement of Reconciliation Adjustment 2008					
1	Rate Case Margin (1)	\$ 16,828,037.30	\$ 383,909.81	\$ 2,918,266.34	\$ 2,759,498.55	\$ 22,889,712.00
2	Actual Margin (2)	\$ 17,232,230.00	\$ 730,744.00	\$ 3,057,828.00	\$ 3,147,158.00	\$ 24,167,960.00
3	Actual Customers (3)	141,421	6,277	10,910	2,448	
4	Rate Case Customers (RCC) (4)	142,645	3,342	10,733	2,404	
5	AM / AC X RCC (line 2 / line 3 x line 4)	\$ 17,381,375.10	\$ 389,062.68	\$ 3,008,218.87	\$ 3,090,591.43	\$ 23,869,248.08
6	Percentage of Fixed Costs (PFC) (5)	99%	99%	99%	99%	
7	(Line 1 - Line 5) x Line 6	\$ (547,804.42)	\$ (5,101.34)	\$ (89,053.00)	\$ (327,781.95)	\$ (969,740.72)
8	VBAR - Rider VBA revenues (6)	\$ (209,445.61)	\$ 11,301.04	\$ (53,930.32)	\$ (313,289.86)	\$ (565,364.75)
9	Amount due Company or (Customer) (line 7 - line 8)	\$ (338,358.81)	\$ (16,402.38)	\$ (35,122.68)	\$ (14,492.09)	\$ (404,375.97)
10	Interest Rate - i (7)	1.00%	1.00%	1.00%	1.00%	
11	Interest amount (line 9 x line 10)	\$ (3,383.59)	\$ (164.02)	\$ (351.23)	\$ (144.92)	\$ (4,043.76)
12	RA ₁ Reconciliation Adjustment (line 9 + line 11)	\$ (341,742.40)	\$ (16,566.40)	\$ (35,473.91)	\$ (14,637.01)	\$ (408,419.73)
13	Factor T (therms for the reconciliation period) (8)	<u>120,190,873</u>	<u>5,416,617</u>	<u>28,680,153</u>	<u>75,056,288</u>	
14	RA - Reconciliation Adjustment Per Therm (line 12 / line 13) x 100	<u>(0.28) ¢</u>	<u>(0.31) ¢</u>	<u>(0.12) ¢</u>	<u>(0.02) ¢</u>	

- (1) See page 3, Determination of Rate Case Margin (RCM), line 11, columns A, C, E and G for the 10 month period March - December total.
(2) See page 4, Determination of Actual Margin (AM), line 11, columns A, C, E and G for the 10 month period March - December total.
(3) See page 4, Determination of Actual Margin (AM), line 11, columns B, D, F, and H for the 10 month period March - December average
(4) See page 3, Determination of Rate Case Margin (RCM), line 11, columns B, D, F and H for the 10 month period March - December average.
(5) Pursuant to the order of the Illinois Commerce Commission entered February 5, 2008 in Docket 07-0241.
(6) Rider VBA revenues billed in 2008.
(7) Interest rate established pursuant to order 08-0679 of the Illinois Commerce Commission entered December 17, 2008.
(8) Estimated therms for March through December 2009.

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Determination of Rate Case Margin (RCM)

Annual Reconciliation Adjustment Effective March 1, 2009 through December 31, 2009

<u>Line No.</u>	<u>Actual Month</u>	<u>Service Classification No. 1 Sales</u>		<u>Service Classification No. 1 Transportation</u>		<u>Service Classification No. 2 Sales</u>		<u>Service Classification No. 2 Transportation</u>	
		<u>Rate Case Margin RCM (1)</u> [A]	<u>Rate Case Customers RCC (2)</u> [B]	<u>Rate Case Margin RCM (1)</u> [C]	<u>Rate Case Customers RCC (2)</u> [D]	<u>Rate Case Margin RCM (1)</u> [E]	<u>Rate Case Customers RCC (2)</u> [F]	<u>Rate Case Margin RCM (1)</u> [G]	<u>Rate Case Customers RCC (2)</u> [H]
1	March	\$ 2,772,813.70	144,250	\$ 64,192.25	3,347	\$ 557,716.25	11,237	\$ 437,546.46	2,323
2	April	\$ 1,950,976.45	145,155	\$ 47,769.33	3,460	\$ 310,417.92	10,979	\$ 348,427.07	2,377
3	May	\$ 1,191,286.74	146,389	\$ 25,567.65	3,453	\$ 170,431.08	11,108	\$ 209,052.35	2,438
4	June	\$ 905,016.79	136,916	\$ 22,081.28	3,379	\$ 125,084.89	10,159	\$ 180,440.73	2,402
5	July	\$ 1,056,708.57	141,630	\$ 26,896.87	3,401	\$ 140,985.26	10,540	\$ 158,721.34	2,432
6	August	\$ 786,190.98	143,883	\$ 19,375.68	3,715	\$ 118,408.61	10,490	\$ 154,386.16	2,458
7	September	\$ 1,089,080.05	142,903	\$ 27,303.90	3,653	\$ 158,193.84	10,583	\$ 163,842.82	2,490
8	October	\$ 1,595,304.50	145,404	\$ 35,183.79	3,077	\$ 233,043.76	10,950	\$ 258,769.78	2,282
9	November	\$ 2,382,497.35	143,323	\$ 50,314.27	3,000	\$ 432,711.29	10,867	\$ 370,100.47	2,373
10	December	\$ 3,098,162.17	136,600	\$ 65,224.79	2,930	\$ 671,273.44	10,419	\$ 478,211.37	2,462
11	10 months	\$ 16,828,037.30	142,645	\$ 383,909.81	3,342	\$ 2,918,266.34	10,733	\$ 2,759,498.55	2,404

(1) Distribution revenues (margin), excluding customer charge revenues, established pursuant to order of the Illinois Commerce Commission entered February 5, 2008 in Docket No. 07-0241.
(2) Customers as established pursuant to order of the Illinois Commerce Commission entered February 5, 2008 in Docket 07-0241.

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Determination of Actual Margin (AM)

Annual Reconciliation Adjustment Effective March 1, 2009 through December 31, 2009

Line No.	Actual Month	Service Classification No. 1 Sales		Service Classification No. 1 Transportation		Service Classification No. 2 Sales		Service Classification No. 2 Transportation	
		Actual Margin AM (1)	Actual Customers AC (2)	Actual Margin AM (1)	Actual Customers AC (2)	Actual Margin AM (1)	Actual Customers AC (2)	Actual Margin AM (1)	Actual Customers AC (2)
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
1	March	\$ 2,901,289.00	147,331	\$ 113,470.00	6,135	\$ 597,792.00	11,612	\$ 442,270.00	2,452
2	April	\$ 2,035,291.00	140,303	\$ 84,523.00	6,069	\$ 353,246.00	10,964	\$ 357,153.00	2,436
3	May	\$ 1,327,228.00	147,384	\$ 49,682.00	6,284	\$ 207,356.00	11,577	\$ 284,392.00	2,479
4	June	\$ 826,350.00	137,292	\$ 34,138.00	5,969	\$ 97,744.00	10,413	\$ 183,672.00	2,426
5	July	\$ 1,031,319.00	137,757	\$ 47,906.00	5,875	\$ 129,184.00	10,609	\$ 205,398.00	2,424
6	August	\$ 808,874.00	142,294	\$ 32,288.00	6,136	\$ 114,909.00	10,791	\$ 199,900.00	2,441
7	September	\$ 862,091.00	139,365	\$ 33,987.00	5,800	\$ 129,104.00	10,620	\$ 203,266.00	2,418
8	October	\$ 1,678,180.00	144,264	\$ 72,393.00	6,582	\$ 262,449.00	10,980	\$ 302,137.00	2,459
9	November	\$ 2,375,947.00	139,637	\$ 108,167.00	6,758	\$ 443,160.00	10,815	\$ 412,621.00	2,446
10	December	\$ 3,385,661.00	138,583	\$ 154,190.00	7,160	\$ 722,884.00	10,716	\$ 556,349.00	2,503
11	10 months	\$ 17,232,230.00	141,421	\$ 730,744.00	6,277	\$ 3,057,828.00	10,910	\$ 3,147,158.00	2,448

(1) Actual distribution revenues (margin), excluding customer charge revenues booked for the month.

(2) Actual customers booked for the month.