

North Shore Gas Company

Comparison of Prior Forecasts to Actual Data
Income Statement

Historical Year Ended December 31, 2005

Line No.	Description [A]	Actual [B]	Budget (1) [C]	Actual vs. Budget [D]	Percentage Variation Actual vs. Budget [E]	Line No.
1	Operating Revenues	\$ 295,829,000	\$ 283,278,000	\$ 12,551,000	4.4%	1
2	Operating Expenses:					2
3	Cost of Gas	214,043,000	197,926,000	16,117,000	8.1%	3
4	Other Operation and Maintenance	54,098,000	38,009,000	16,089,000	42.3%	4
5	Depreciation Expense	5,426,000	7,039,000	(1,613,000)	(22.9%)	5
6	Amortization of Other Limited Term Gas Plant	-	-	-	-	6
7	Taxes Other Than Income	17,297,000	17,956,000	(659,000)	(3.7%)	7
8	Federal Income Taxes-Current	(1,763,000)	10,455,000	(2) (12,218,000)	(116.9%)	8
9	State Income Taxes-Current	(505,000)	-	(2) (505,000)	-	9
10	Deferred Income Taxes	2,230,000	(3,402,000)	5,632,000	(165.5%)	10
11	Investment Tax Credit	(34,000)	(90,000)	56,000	(62.2%)	11
12	Total Operating Expenses	<u>290,792,000</u>	<u>267,893,000</u>	<u>22,899,000</u>	8.5%	12
13	Operating Income	<u>5,037,000</u>	<u>15,385,000</u>	<u>(10,348,000)</u>	<u>(67.3%)</u>	13
14	Income from Utility Plant Leased to Others	-	-	-	-	14
15	Utility Operating Income	<u>5,037,000</u>	<u>15,385,000</u>	<u>(10,348,000)</u>	<u>(67.3%)</u>	15
16	Other Income, Net of Income Deductions	<u>452,000</u>	<u>628,000</u>	<u>(176,000)</u>	<u>(28.0%)</u>	16
17	Income Before Interest Charges	<u>5,489,000</u>	<u>16,013,000</u>	<u>(10,524,000)</u>	<u>(65.7%)</u>	17
18	Interest Charges	<u>3,843,000</u>	<u>3,703,000</u>	<u>140,000</u>	<u>3.8%</u>	18
19	Net Income	<u>\$ 1,646,000</u>	<u>\$ 12,310,000</u>	<u>\$ (10,664,000)</u>	<u>(86.6%)</u>	19

Note: (1) During this year, the Company was on a September 30 fiscal year so the budget data shown here is a combination of nine months from the 2005 budget and three months from the 2006 budget.

(2) Budget detail pertaining to breakout of income taxes by federal and state is not available.

North Shore Gas Company

Comparison of Prior Forecasts to Actual Data
Income Statement

Historical Year Ended December 31, 2006

Line No.	Description	Actual	Budget (1)	Actual vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	\$ 261,700,000	\$ 308,706,000	\$ (47,006,000)	(15.2%)	1
2	Operating Expenses:					2
3	Cost of Gas	184,572,000	222,374,000	(37,802,000)	(17.0%)	3
4	Other Operation and Maintenance	25,599,000	40,315,000	(14,716,000)	(36.5%)	4
5	Depreciation Expense	5,836,000	6,061,000	(225,000)	(3.7%)	5
6	Amortization of Other Limited Term Gas Plant	-	1,000	(1,000)	(100.0%)	6
7	Taxes Other Than Income	15,539,000	18,730,000	(3,191,000)	(17.0%)	7
8	Federal Income Taxes-Current	3,605,000	6,064,000	(2,459,000)	(40.6%)	8
9	State Income Taxes-Current	165,000	1,276,000	(1,111,000)	(87.1%)	9
10	Deferred Income Taxes	6,269,000	(805,000)	7,074,000	(878.8%)	10
11	Investment Tax Credit	(29,000)	(34,000)	5,000	(14.7%)	11
12	Total Operating Expenses	<u>241,556,000</u>	<u>293,982,000</u>	<u>(52,426,000)</u>	<u>(17.8%)</u>	12
13	Operating Income	<u>20,144,000</u>	<u>14,724,000</u>	<u>5,420,000</u>	<u>36.8%</u>	13
14	Income from Utility Plant Leased to Others	-	-	-	-	14
15	Utility Operating Income	<u>20,144,000</u>	<u>14,724,000</u>	<u>5,420,000</u>	<u>36.8%</u>	15
16	Other Income, Net of Income Deductions	<u>768,000</u>	<u>552,000</u>	<u>216,000</u>	<u>39.1%</u>	16
17	Income Before Interest Charges	<u>20,912,000</u>	<u>15,276,000</u>	<u>5,636,000</u>	<u>36.9%</u>	17
18	Interest Charges	<u>4,171,000</u>	<u>3,914,000</u>	<u>257,000</u>	<u>6.6%</u>	18
19	Net Income	<u>\$ 16,741,000</u>	<u>\$ 11,362,000</u>	<u>\$ 5,379,000</u>	<u>47.3%</u>	19

Note: (1) During this year, the Company was on a September 30 fiscal year so the budget data shown here is a combination of nine months from the 2006 budget and three months from the 2007 budget.

North Shore Gas Company

Comparison of Prior Forecasts to Actual Data
Income Statement

Historical Year Ended December 31, 2007

Line No.	Description	Actual	Budget (1)	Actual vs. Budget	Percentage Variation Actual vs. Budget	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operating Revenues	\$ 285,783,000	\$ 279,971,000	\$ 5,812,000	2.1%	1
2	Operating Expenses:					2
3	Cost of Gas	205,205,000	197,083,000	8,122,000	4.1%	3
4	Other Operation and Maintenance	41,372,000	40,625,000	747,000	1.8%	4
5	Depreciation Expense	5,994,000	6,158,000	(164,000)	(2.7%)	5
6	Amortization of Other Limited Term Gas Plant	-	66,000	(66,000)	(100.0%)	6
7	Taxes Other Than Income	17,026,000	16,943,000	83,000	0.5%	7
8	Federal Income Taxes-Current	3,820,000	2,057,000	1,763,000	85.7%	8
9	State Income Taxes-Current	2,176,000	355,000	1,821,000	513.0%	9
10	Deferred Income Taxes	(1,229,000)	2,885,000	(4,114,000)	(142.6%)	10
11	Investment Tax Credit	(35,000)	(32,000)	(3,000)	9.4%	11
12	Total Operating Expenses	<u>274,329,000</u>	<u>266,140,000</u>	<u>8,189,000</u>	3.1%	12
13	Operating Income	11,454,000	13,831,000	(2,377,000)	(17.2%)	13
14	Income from Utility Plant Leased to Others	-	-	-	-	14
15	Utility Operating Income	11,454,000	13,831,000	(2,377,000)	(17.2%)	15
16	Other Income, Net of Income Deductions	<u>714,000</u>	<u>438,000</u>	<u>276,000</u>	63.0%	16
17	Income Before Interest Charges	12,168,000	14,269,000	(2,101,000)	(14.7%)	17
18	Interest Charges	4,268,000	4,167,000	101,000	2.4%	18
19	Net Income	<u>\$ 7,900,000</u>	<u>\$ 10,102,000</u>	<u>\$ (2,202,000)</u>	(21.8%)	19

Note: (1) budget data shown here is a combination of nine months from the 2007 budget and three additional months of budget data that was prepared due to the merger.