

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North Shore Gas Company)
)
Petition Pursuant to Rider VBA)
of Schedule of Rates for Gas) Docket No. 12-
Service to Initiate a Proceeding to)
Determine the Accuracy of the)
Rider VBA Reconciliation Statement)

**PETITION OF
NORTH SHORE GAS COMPANY**

North Shore Gas Company (“North Shore”) submits to the Illinois Commerce Commission (“Commission”) this Petition to initiate an annual reconciliation proceeding to determine the accuracy of the statement that North Shore submitted pursuant to Rider VBA of its Schedule of Rates for Gas Service (“Rider VBA”).

1. North Shore is a corporation organized and existing under the laws of the State of Illinois, with its principal place of business at 130 East Randolph Street, Chicago, Illinois 60601. North Shore is engaged in the business of purchasing natural gas for and distributing and selling natural gas to approximately 158,000 customers in Lake and Cook Counties, Illinois.

2. North Shore’s Schedule of Rates for Gas Service (“Tariff”) includes Rider VBA, Volume Balancing Adjustment. The Commission approved Rider VBA in Docket Nos. 07-0241/07-0242 (Cons.) as a four-year pilot program. Rider VBA applies to North Shore’s Service Classification Nos. 1 and 2. Rider VBA became effective February 14, 2008. Each month, North Shore submits a statement to the Commission showing the adjustments to be effective for the next month. In Docket Nos. 11-0280/11-0281

(cons.), the Commission approved Rider VBA on a permanent basis. Rider VBA, as currently set forth in North Shore's Tariff, includes provisions necessary to wind-up the pilot program and to implement the permanent program.

3. Section D of Rider VBA requires North Shore to file, no later than March 31, 2012, a statement of the reconciliation adjustment components that apply to the nine-month period beginning April 1. This reconciliation statement is for the last year of the pilot program.

4. Section D of Rider VBA requires that North Shore, at the time it files its reconciliation statement, file a petition seeking initiation of an annual reconciliation to determine the accuracy of the statement. It also requires North Shore to submit a report showing North Shore's rate of return with and without the effect of Rider VBA.

5. Attachment A, attached to and made a part of this Petition, is the Direct Testimony of Karen A. Tiedmann (NSG Ex. 1.0). NSG Ex. 1.1 of Ms. Tiedmann's direct testimony is the statement of the reconciliation adjustment components (the "2011 Reconciliation Statement"). Ms. Tiedmann describes the 2011 Reconciliation Statement, including the reconciliation components to be effective for the period April 1, 2012, through December 31, 2012.

6. Attachment B, attached to and made a part of this Petition, is the annual report of North Shore's rates of return and Rider VBA's effect on the return.

7. Attachment C, attached to and made a part of this Petition, is a list of municipalities that North Shore serves.

8. By this Petition, North Shore is requesting that the Commission initiate the proceeding described in Section D of Rider VBA. The purpose of the proceeding is to determine the accuracy of the 2011 Reconciliation Statement.

WHEREFORE, for the foregoing reasons, North Shore Gas Company respectfully requests that the Illinois Commerce Commission initiate a proceeding to determine the accuracy of the statement of the reconciliation adjustment components under Rider VBA.

Respectfully submitted,
North Shore Gas Company

By: /S/ MARY KLYASHEFF

Mary Klyasheff
An Attorney for
North Shore Gas Company

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Attorney for
North Shore Gas Company

Dated at Chicago, Illinois
this 28th day of March, 2012

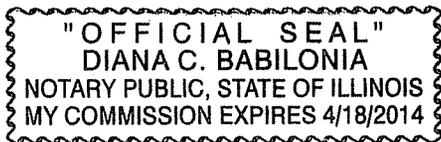
STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

Thomas Aridas, being first duly sworn, upon oath states that he is Director, Gas Regulatory Policy, of Integrys Business Support, LLC providing service to North Shore Gas Company; that he has read the foregoing Petition and knows the contents thereof; and that said contents are true to the best of his knowledge and belief.

By: 
Thomas Aridas
Director, Gas Regulatory
Policy

Subscribed and sworn to
before me this 28th day
of March, 2012


Notary Public



STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North Shore Gas Company)	
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ATTACHMENT A

Direct Testimony and Exhibit of Karen A. Tiedmann

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North Shore Gas Company)	
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Petition Pursuant to Rider VBA)	Docket No. 12-
of Schedule of Rates for Gas)	
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DIRECT TESTIMONY
OF
KAREN A. TIEDMANN

- 1 Q. Please state your name and business address.
- 2 A. Karen A. Tiedmann, 130 East Randolph Street, Chicago, Illinois 60601.
- 3 Q. By whom are you employed?
- 4 A. Integrys Business Support, LLC (“IBS”).
- 5 Q. What position do you hold with IBS?
- 6 A. I am a Senior Rate Planner/Analyst in Gas Regulatory Services.
- 7 Q. What are your responsibilities in that position?
- 8 A. I am responsible for performing activities related to rate research, rate
- 9 design, rate and tariff administration, and billing and rate impact studies for
- 10 Petitioner, North Shore Gas Company (“North Shore Gas”) and an affiliated
- 11 company, The Peoples Gas Light and Coke Company (“Peoples Gas”).
- 12 Q. Please summarize your educational background and experience.
- 13 A. In 1985, I graduated from Northern Illinois University with a Bachelor of
- 14 Science Degree in Computer Science and a minor in Business. In 1991, I

15 received a Master of Business Administration Degree from DePaul University
16 with a Finance Emphasis. I have been employed by IBS since July 2011 in my
17 present position but was employed by Peoples Gas from 1985 through 1998, and
18 provided services to North Shore Gas and Peoples Gas as a contractor from
19 August 2006 through June 2011. I began my employment at Peoples Gas in the
20 Information Technology Services (“ITS”) department. From 1985 through 1998, I
21 was employed in various positions and levels of responsibility at Peoples Gas in
22 the ITS Department, the Financial Reporting Department and the Rates
23 Department. From August 2006 through June 2011, I was employed by
24 Stafflogix Corporation as a contractor and provided service to IBS’ Gas
25 Regulatory Services Department, assisting in rate case proceedings.

26 Q. Please give a brief description of the operations and status of Petitioner.

27 A. I am advised by counsel that North Shore Gas is a corporation organized
28 and existing under the laws of the State of Illinois, having its principal office at
29 130 East Randolph Street, Chicago, Illinois 60601. It is engaged in the business
30 of purchasing natural gas for and distributing and selling natural gas to
31 approximately 158,000 customers in Cook and Lake Counties, Illinois. I am
32 advised by counsel that North Shore Gas is a public utility within the meaning of
33 the Public Utilities Act.

34 Q. Please describe the subject matter of this proceeding.

35 A. North Shore Gas’ Schedule of Rates for Gas Service includes Rider VBA,
36 Volume Balancing Adjustment. Rider VBA applies to Service Classification
37 (“S.C.”) Nos. 1 and 2. The Illinois Commerce Commission (“Commission”)

38 approved Rider VBA, as a four-year pilot program, in Docket Nos. 07-0241/07-
39 0242 (cons.) (the “2008 Rate Order”). Rider VBA became effective February 14,
40 2008. The Commission approved a permanent decoupling mechanism in Docket
41 Nos. 11-0280/11-0281 (cons.) (the “2012 Rate Order”), and the permanent
42 mechanism differs somewhat from the pilot mechanism. Among other things,
43 North Shore Gas revised Rider VBA to address changes related to moving to an
44 annual filing for the effective component calculation as well as moving to a total
45 distribution revenue calculation rather than a revenue per customer calculation
46 beginning with the 2012 reporting year. The change to a total revenue
47 calculation required changing the word “margin” throughout the tariff with the
48 word “revenue.” In conjunction, language was revised to address the final
49 monthly filings and annual reconciliation filing for the 2011 reporting year, which
50 is the final year of the pilot program. For the 2011 reporting year and prior
51 periods, North Shore Gas submitted monthly statements to the Commission
52 showing the monthly Rider VBA adjustments to be effective for the next month.
53 Section D (1) of Rider VBA requires North Shore Gas to file no later than March
54 31, 2012, a statement of the reconciliation adjustment (“RA”) components that
55 apply to the nine-month amortization period beginning April 1, 2012 for the
56 monthly adjustments that were billed as a result of the prior year (2011) monthly
57 adjustments. Section D (1) of Rider VBA also requires that North Shore Gas, at
58 the time it files its reconciliation statement, file a petition seeking initiation of an
59 annual reconciliation to determine the accuracy of the statement.
60 Q. Please describe the annual period that will be reconciled.

61 A. The reconciliation period, which is the subject of my testimony, is the
62 period January 1, 2011 through December 31, 2011.

63 Q. Were there any changes to Rider VBA or North Shore Gas' Schedule of
64 Rates that affect the reconciliation period?

65 A. Yes. In January 2010, the Commission issued an Order in North Shore
66 Gas' rate case in Docket Nos. 09-0166/09-0167 (cons.) (the "2010 Rate Order").
67 The Rider VBA rate case margins and customers that North Shore Gas filed on
68 the Commission's e-Docket system in Docket Nos. 09-0166/09-0167 (cons.) on
69 January 28, 2010, pursuant to the 2010 Rate Order, reflect two different
70 baselines. The first baseline, which was applicable to the 2010 Rider VBA
71 reconciliation filing only, includes a proration of revenue (margins) and customers
72 for January since the rates from the 2010 Rate Order became effective on
73 January 28, 2010. The second baseline, which is the baseline rate case revenue
74 (or margins) and customers that are applicable for 2011, reflects an entire year at
75 the rates approved in the 2010 Rate Order. In addition, as mentioned above, the
76 2012 Rate Order required changes throughout Rider VBA to replace the word
77 "margin" with the word "revenue". For the baseline amounts that were filed via
78 the e-Docket system on January 28, 2010, the amounts shown in the columns
79 labeled Rate Case Margin or RCM are the same as Rate Case Revenue or RCR
80 as now defined in Rider VBA.

81 Q. Please describe NSG Ex. 1.1.

82 A. NSG Ex. 1.1 is a statement of the RA components that will apply for each
83 month of the nine-month amortization period beginning April 1, 2012, and ending
84 December 31, 2012 (“Statement”).

85 Q. Was the Statement prepared under your supervision and direction?

86 A. Yes, it was.

87 Q. What is the purpose of the Statement?

88 A. The Statement shows the applicable RA for customers served under North
89 Shore Gas’ S.C. Nos. 1 and 2. It also shows the derivation of each RA
90 component and provides supporting data.

91 Q. Please describe the elements of the Statement.

92 A. The Statement includes the following information:

- 93 • Page 1 shows each RA that will be billed over the nine-month amortization
94 period beginning April 1, 2012.
- 95 • Page 2 shows the determination of each RA as described under Section B
96 of Rider VBA.
- 97 • Page 3 shows the determination of the Rate Case Revenue (“RCR”) and
98 Customers (“RCC”) for the reconciliation period. This data is used on
99 page 2 in the determination of the RA.
- 100 • Page 4 shows the determination of the Actual Revenue (“AR”) for the
101 reconciliation period. This data is used on page 2 in the determination of
102 the RA.

103 Q. Please describe the data on page 2 which are used to derive the RA for
104 each service classification.

105 A. Page 2, columns A and B, provides data applicable to S.C. Nos. 1 and 2,
106 respectively. Column C provides totals for information purposes. The data found
107 in each line are as follows:

- 108 • Line 1 shows the annual RCR, which was approved by the Commission in
109 the 2010 Rate Order, in effect from January 1, through December 31,
110 2011.
- 111 • Line 2 shows the annual AR which was recorded for the reconciliation
112 period.
- 113 • Line 3 shows the number of average Actual Customers (“AC”) for the
114 reconciliation period.
- 115 • Line 4 shows the number of Rate Case Customers (“RCC”) approved in
116 the 2010 Rate Order, in effect from January 1, through December 31,
117 2011.
- 118 • Line 5 calculates an adjusted Actual Revenue based on Actual Revenue
119 per customer assuming RCC.
- 120 • Line 6 shows the percentage of fixed costs (“PFC”) approved in the 2010
121 Rate Order.
- 122 • Line 7 shows the difference between the RCR and the adjusted Actual
123 Revenue assuming RCC, adjusted by the PFC.

- 124 • Line 8 shows Rider VBA Revenues (“VBAR”), the sum of the actual
125 monthly revenues arising from the Effective Component of Rider VBA for
126 the 12-month period ending February 2012¹.
- 127 • Line 9 shows RA₁, the reconciliation amounts due North Shore Gas or
128 customers for 2011.
- 129 • Line 10 shows the RA amounts due North Shore Gas or customers for the
130 Previous Reconciliation Period, 2010.
- 131 • Line 11 shows RAR, the sum of actual revenues arising from the
132 application of the RA for 2010.
- 133 • Line 12 shows RA₂, the amounts due North Shore Gas or customers
134 arising from a reconciliation of the RA for 2010.
- 135 • Line 13 shows no amounts for Factor O, as the Commission did not order
136 North Shore Gas to include any adjustment amounts in its Order in Docket
137 Nos. 11-0301/11-0302 (cons.) in the determination of the RA to be
138 effective April 1, 2012.
- 139 • Line 14 shows the sum of the RA₁, RA₂ and Factor O amounts, the RA
140 amounts before interest, to be effective April 1, 2012.
- 141 • Line 15 shows the interest rate that is applicable to the amounts on Line
142 14.
- 143 • Line 16 shows the interest amount (if applicable) to be recovered from or
144 refunded to customers.

¹ VBAR for the 12-month period ending February 2012 arise from monthly Effective Components which used data (RCR, AR, AC, and RCC) from the months of January 2011 through December, 2011.

145 • Line 17 shows the RA amounts, including interest, to be recovered from or
146 refunded to customers.

147 • Line 18 shows Factor T, the estimated number of therms of gas to be
148 delivered to customers by North Shore Gas for the period April 1, through
149 December 31, 2012.

150 • Line 19 shows the RA components, in cents per therm, to be recovered
151 from or refunded to customers.

152 Q. How much will be refunded to or recovered from S.C. No. 1 customers
153 over the nine-month period beginning April 1, 2012?

154 A. Over the nine-month period beginning April 1, 2012, \$330,924.44 will be
155 recovered from S.C. No. 1 customers (page 2, line 17, column A).

156 Q. What is the RA component that will be effective for S.C. No. 1 sales and
157 transportation customers beginning April 1, 2012?

158 A. The RA component that will be effective for S.C. No. 1 customers is a
159 charge of 0.35 cents per therm (page 2, line 19, column A).

160 Q. How much will be refunded to or recovered from S.C. No. 2 customers
161 over the nine-month period beginning April 1, 2012?

162 A. Over the nine-month period beginning April 1, 2012, \$98,965.22 will be
163 recovered from S.C. No. 2 customers (page 2, line 17, column B).

164 Q. What is the RA component that will be effective for S.C. No. 2 beginning
165 April 1, 2012?

166 A. The RA component that will be effective for S.C. No. 2 sales and
167 transportation customers is a charge of 0.21 cents per therm (page 2, line 19,
168 column B).

169 Q. Please describe how the RA components will be reflected on customers'
170 bills.

171 A. The RA components were filed with the Commission on Information Sheet
172 No. 50 and will be effective on customers' bills from April 1, through December
173 31, 2012.

174 Q. Does this conclude your direct testimony?

175 A. Yes, it does.

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
April 1, 2012 through December 31, 2012

<u>Line No.</u>	<u>Service Classification No.</u>		
	<u>1</u>	<u>2</u>	
	<u>[A]</u>	<u>[B]</u>	
1	Reconciliation Adjustment per therm	0.35 ¢	0.21 ¢

Submitted By: Thomas G. Aridas
Director

Attachment A

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

Determination of Reconciliation Adjustment for 2011

Annual Reconciliation Adjustment Effective April 1, 2012 - December 31, 2012

<u>Line No.</u>		<u>Service Classification No.</u>		
		<u>1</u> [A]	<u>2</u> [B]	<u>Total</u> [C] [A] + [B]
	Reconciliation Adjustment 2011			
1	Rate Case Revenue (1)	\$ 26,312,137.34	\$ 6,600,610.32	\$ 32,912,747.66
2	Actual Revenue (AR) (2)	\$ 26,407,266.18	\$ 6,981,797.93	\$ 33,389,064.11
3	Actual Customers (AC) (3)	146,099	13,313	
4	Rate Case Customers (RCC) (4)	149,731	13,525	
5	AR / AC X RCC (line 2 / line 3 x line 4)	\$ 27,063,747.00	\$ 7,092,978.07	\$ 34,156,725.07
6	Percentage of Fixed Costs (PFC) (5)	99%	99%	
7	(Line 1 - Line 5) x Line 6	\$ (744,093.56)	\$ (487,444.07)	\$ (1,231,537.63)
8	VBAR - Rider VBA revenues (6)	\$ (1,071,331.57)	\$ (593,153.11)	\$ (1,664,484.68)
9	RA₁ - Amount due Company or (Customer) (line 7 - line 8)	\$ 327,238.01	\$ 105,709.04	\$ 432,947.05
	RA₂			
10	RA revenues to be recovered (7)	\$ (64,310.43)	\$ (115,059.05)	\$ (179,369.48)
11	RAR Actual Revenues arising through Application of RA (8)	\$ (67,996.86)	\$ (108,315.23)	\$ (176,312.09)
12	Amount to be Recovered (Refunded) through RA ₂ (line 10 - line 11)	\$ 3,686.43	\$ (6,743.82)	\$ (3,057.39)
13	Factor O (9)	\$ -	\$ -	\$ -
14	Total RA ₁ + RA ₂ + Factor O to be recovered (lines 9 + line 12 + line 13)	\$ 330,924.44	\$ 98,965.22	\$ 429,889.66
15	Interest Rate (10)	0.00%	0.00%	
16	Interest Amount (line 14 x line 15)	\$ -	\$ -	\$ -
17	Total to be recovered including Interest (line 14 + line 16)	\$ 330,924.44	\$ 98,965.22	\$ 429,889.66
18	Factor T - estimated terms April through December 2012	93,949,660	47,210,209	
19	RA = (Line 17/Line 18) x 100	0.35 ¢	0.21 ¢	

(1) Per final order of the Illinois Commerce Commission entered January 21, 2010 in Docket Nos. 09-0166/09-0167 (cons.). See page 3, Determination of Rate Case Revenue and Rate Case Customers, line 13, columns A and C. The term Rate Case Margin was renamed to Rate Case Revenue in Docket Nos. 11-0280/11-0281 (cons.).

(2) See page 4, Determination of Actual Revenue and Actual Customers, line 13, columns A and C.

(3) See page 4, Determination of Actual Revenue and Actual Customers, line 13, columns B and D.

(4) See page 3, Determination of Rate Case Revenue and Rate Case Customers, line 13, columns B and D.

(5) Pursuant to the order of the Illinois Commerce Commission entered January 21, 2010 in Docket Nos. 09-0166/09-0167 (Cons.).

(6) Rider VBA revenues arising from the effective component billed March 2011 through February 2012.

(7) Per 2010 Rider VBA Reconciliation Statement, filed March 30, 2011, NSG Ex. 1.1, page 2, line 17.

(8) Rider VBA revenues arising from the RA component billed.

(9) Factor O not applicable based on order entered December 21, 2011 in Docket Nos. 11-0301/11-0302 (Cons.).

(10) Interest Rate established pursuant to order 11-0793 of the Illinois Commerce Commission entered December 21, 2011.

Attachment A

NSG Ex. 1.1
Page 3 of 4

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

Determination of Rate Case Revenue and Rate Case Customers for 2011

Annual Reconciliation Adjustment Effective April 1, 2012 through December 31, 2012

<u>Line No.</u>	<u>Actual Month</u>	<u>Service Classification No. 1</u>		<u>Service Classification No. 2</u>	
		<u>Rate Case Revenue RCR (1)</u>	<u>Rate Case Customers RCC (2)</u>	<u>Rate Case Revenue RCR (1)</u>	<u>Rate Case Customers RCC (2)</u>
		<u>[A]</u>	<u>[B]</u>	<u>[C]</u>	<u>[D]</u>
1	January	\$ 3,708,199.04	147,168	\$ 1,102,865.67	13,472
2	February	3,366,921.73	143,748	961,690.98	13,183
3	March	3,169,124.10	157,055	837,223.12	14,345
4	April	2,415,315.00	149,795	565,426.02	13,711
5	May	1,391,668.95	157,262	271,842.34	14,340
6	June	988,233.31	142,813	173,299.04	13,051
7	July	961,142.60	154,658	184,867.74	13,612
8	August	920,294.89	147,797	170,348.37	13,125
9	September	1,222,709.34	146,235	233,476.71	13,093
10	October	1,880,468.94	152,032	366,057.36	13,397
11	November	2,764,837.49	150,488	722,257.59	13,597
12	December	<u>3,523,221.95</u>	<u>147,723</u>	<u>1,011,255.38</u>	<u>13,369</u>
13	Annual	\$ 26,312,137.34	149,731	\$ 6,600,610.32	13,525

(1) Rider VBA Rate Case Margins for 2011 filed via e-Docket on January 28, 2010, Page 2 of 7, in Docket Nos. 09-0166/09-0167 (cons.).
Rate Case Margin renamed Rate Case Revenue in Docket Nos. 11-0280/11-0281 (cons.).
(2) Rider VBA Rate Case Customers for 2011 filed via e-Docket on January 28, 2010, Page 2 of 7, in Docket Nos. 09-0166/09-0167 (cons.).

Attachment A

NSG Ex. 1.1
Page 4 of 4

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

Determination of Actual Revenue and Actual Customers for 2011

Annual Reconciliation Adjustment Effective April 1, 2012 through December 31, 2012

<u>Line No.</u>	<u>Actual Month</u>	<u>Service Classification No. 1</u>		<u>Service Classification No. 2</u>	
		<u>Actual Revenue</u>	<u>Actual Customers</u>	<u>Actual Revenue</u>	<u>Actual Customers</u>
		<u>AR (1)</u>	<u>AC (2)</u>	<u>AR (1)</u>	<u>AC (2)</u>
		<u>[A]</u>	<u>[B]</u>	<u>[C]</u>	<u>[D]</u>
1	January	\$ 4,108,071.99	146,550	\$ 1,295,828.91	13,443
2	February	3,392,625.66	135,272	1,019,038.43	12,450
3	March	3,168,874.54	148,134	928,566.70	13,794
4	April	2,405,138.83	147,176	594,523.34	13,339
5	May	1,477,633.63	152,332	340,300.02	13,977
6	June	1,166,923.63	140,851	249,568.13	12,802
7	July	1,189,387.48	149,239	208,063.11	13,505
8	August	888,391.73	146,905	179,141.99	13,195
9	September	1,116,343.50	140,541	227,122.93	12,837
10	October	1,793,399.02	151,727	375,012.34	13,472
11	November	2,500,792.39	147,798	631,591.07	13,498
12	December	<u>3,199,683.78</u>	<u>146,661</u>	<u>933,040.96</u>	<u>13,449</u>
13	Annual	\$ 26,407,266.18	146,099	\$ 6,981,797.93	13,313

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

(2) Actual customers booked for the month.

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ATTACHMENT B

Report of Rates of Return

North Shore Gas Company - 2011

RATE OF RETURN WITH RIDER VBA

	Amount (millions)	% of total	% cost	Weighted Average
Common Equity	\$ 95.0	55.9% (1)	10.38%	5.81%
Long Term Debt	\$ 74.8	44.1% (1)	5.30%	2.34%
	\$ 169.8	100.00%		8.15% Rate of Return

RATE OF RETURN WITHOUT RIDER VBA

	Amount (millions)	% of total	% cost	Weighted Average
Common Equity	\$ 95.1	56.0% (1)	11.13%	6.23%
Long Term Debt	\$ 74.8	44.0% (1)	5.30%	2.33%
	\$ 169.9	100.00%		8.56% Rate of Return

(1) Based on 13 month average ending balances

North Shore Gas Company - 2011

<i>(millions)</i>	<u>WITH VBA</u>	<u>WITHOUT VBA</u>
Total 13-month Average Utility Equity	\$ 95.0	\$ 95.1
<u>Average Adjustments to Utility Equity:</u>		
Goodwill		
Trade Name		
Customer List - Home Services		
Deferred Taxes related to goodwill and intangible assets		
Non-utility property		
Net Average Adjustments	<u>-</u>	<u>-</u>
Adjusted Average Utility Equity	<u>\$ 95.0</u>	<u>\$ 95.1</u>
Utility Net Income	\$ 9.9	\$ 10.6
2011 Utility ROE	10.38%	11.13%
Net Income		9.9
Rider VBA in Revenues		(2.8)
Rider VBA in 495 accounts		<u>1.6</u>
Pre-tax Total		(1.2)
After Tax Total		(0.7)
Revised Net Income		10.6

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ATTACHMENT C

Municipalities Served by North Shore Gas Company

North Shore Gas Company**SCHEDULE OF RATES FOR GAS SERVICE**

**THIS RATE SCHEDULE APPLIES TO THE
MUNICIPALITIES AND UNINCORPORATED AREAS LISTED BELOW
AND/OR TO TERRITORIES CONTIGUOUS THERETO**

<u>Municipality or Unincorporated Area</u>	<u>County</u>	<u>Municipality or Unincorporated Area</u>	<u>County</u>
Antioch	Lake	Lincolnshire	Lake
Aptakisic	"	Lindenhurst	"
Bannockburn	"	Long Grove	"
Beach Park	"	Mettawa	"
Buffalo Grove	"	Millburn	"
Deerfield	"	Mundelein	"
Diamond Lake	"	Nimitz Village	"
Druce Lake	"	North Chicago	"
Forrestal Village	"	Northbrook	Cook
Fort Sheridan	"	Old Mill Creek	Lake
Gages Lake	"	Park City	"
Glencoe	Cook	Prairie View	"
Grayslake	Lake	Riverwoods	"
Great Lakes	"	Rondout	"
Green Oaks	"	Rosecrans	"
Gurnee	"	Round Lake Beach	"
Half Day	"	Russell	"
Halsey Village	"	Third Lake	"
Hawthorn Woods	"	Venetian Village	"
Highland Park	"	Vernon Hills	"
Highwood	"	Wadsworth	"
Indian Creek	"	Waukegan	"
Knollwood	"	Wheeling	"
Lake Bluff	"	Wildwood	"
Lake Forest	"	Winnetka	Cook
Lake Villa	"	Winthrop Harbor	Lake
Libertyville	"	Zion	"

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**Issued by James F. Schott, Vice President
130 East Randolph Drive, Chicago, Illinois 60601**

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