

North Shore Gas Company
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	Company Surrebuttal Pro Forma Present (NS-PGL Ex. 42.1N)	Staff Adjustments (App. A, p. 4)	Staff Pro Forma Present (Cols. b+c)	Company Surrebuttal Proposed Increase (NS-PGL Ex. 42.1N)	Staff Gross Revenue Conversion Factor	Proposed Rates With Staff Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Staff Pro Forma Proposed (Cols. g+h)	Tax Effect of Order to NOL (App. A, p. 11)	Staff Pro Forma Proposed with Effect of NOL (Cols. i+j)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	Base Rate Revenues	\$ 76,133	\$ -	\$ 76,133	\$ 9,570	\$ -	\$ 85,703	\$ (6,224)	\$ 79,479	\$ -	\$ 79,479
2	PGA Revenues	-	-	-	-	-	-	-	-	-	-
3	Coal Tar Revenues	-	-	-	-	-	-	-	-	-	-
4	Other Revenues	1,571	-	1,571	39	-	1,610	-	1,610	-	1,610
5	Total Operating Revenue	77,704	-	77,704	9,609	\$ -	87,313	(6,224)	81,089	-	81,089
6	Uncollectible Accounts	747	-	747	82	-	829	(53)	776	-	776
7	Cost of Gas	-	-	-	-	-	-	-	-	-	-
8	Other Production	527	(92)	435	-	-	435	-	435	-	435
9	Storage	-	(4)	(4)	-	-	(4)	-	(4)	-	(4)
10	Transmission	128	2	130	-	-	130	-	130	-	130
11	Distribution	16,069	(2,168)	13,901	-	-	13,901	-	13,901	-	13,901
12	Customer Accounts	7,197	(429)	6,768	-	-	6,768	-	6,768	-	6,768
13	Customer Service and Informational Service	588	48	636	-	-	636	-	636	-	636
14	Administrative and General	25,961	(367)	25,594	-	-	25,594	-	25,594	-	25,594
15	Depreciation and Amortization	10,802	(111)	10,691	-	-	10,691	-	10,691	-	10,691
16	Taxes Other Than Income	2,968	(63)	2,905	-	-	2,905	-	2,905	-	2,905
17	Total Operating Expense										
18	Before Income Taxes	64,987	(3,184)	61,803	82	-	61,885	(53)	61,832	-	61,832
19	State Income Tax	655	329	984	905	-	1,889	(586)	1,303	(1,303)	-
20	Federal Income Tax	-	1,097	1,097	3,018	-	4,115	(1,955)	2,160	(2,160)	-
21	Deferred Taxes and ITCs Net	2,777	-	2,777	-	-	2,777	-	2,777	3,463	6,240
22	Total Operating Expenses	68,419	(1,758)	66,661	4,005	-	70,666	(2,594)	68,072	-	68,072
23	NET OPERATING INCOME	\$ 9,285	\$ 1,758	\$ 11,043	\$ 5,604	\$ -	\$ 16,647	\$ (3,630)	\$ 13,017		\$ 13,017
24	Staff Rate Base (App. A, p. 5, Column (d))								\$ 195,783		
25	Staff Overall Rate of Return (ICC Staff Exhibit 15.0, Schedule 15.01)								6.65%		
26	Revenue Change (Col. (i) Line 3 minus Col. (d), Line 3)								\$ 3,385		
27	Percentage Revenue Change (Col. (i), Line 3 divided by Col. (d), Line 35)								4.36%		

North Shore Gas Company
Adjustments to Operating Income
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	Interest Synchronization (App. A, p. 8)	Not Used	Gross Plant Additions (Staff Ex. 24.0, Sch. 24.02 N)	Not Used	Not Used	Not Used	Not Used	Subtotal Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Base Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	PGA Revenues	-	-	-	-	-	-	-	-
3	Coal Tar Revenues	-	-	-	-	-	-	-	-
4	Other Revenues	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectible Accounts	-	-	-	-	-	-	-	-
7	Cost of Gas	-	-	-	-	-	-	-	-
8	Other Production	-	-	-	-	-	-	-	-
9	Storage	-	-	-	-	-	-	-	-
10	Transmission	-	-	-	-	-	-	-	-
11	Distribution	-	-	-	-	-	-	-	-
12	Customer Accounts	-	-	-	-	-	-	-	-
13	Customer Service and Informational Services	-	-	-	-	-	-	-	-
14	Administrative and General	-	-	-	-	-	-	-	-
15	Depreciation and Amortization	-	-	(110)	-	-	-	-	(110)
16	Taxes Other Than Income	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	-	-	-	-	-	-	-
18	Before Income Taxes	-	-	(110)	-	-	-	-	(110)
19	State Income Tax	27	-	10	-	-	-	-	37
20	Federal Income Tax	88	-	35	-	-	-	-	123
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	115	-	(65)	-	-	-	-	50
23	NET OPERATING INCOME	<u>\$ (115)</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50)</u>

North Shore Gas Company
Adjustments to Operating Income
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	(App. A, p. 2)	Not Used	Non-Union Wages (Staff Ex. 25.0, Sch. 25.01 N)	Not Used	Not Used	Advertising Expense (Staff Ex. 13.0, Sch. 13.03 N)	Promotional & Goodwill (Staff Ex. 13.0, Sch. 13.04 N)	Subtotal Operating Statement Adjustments
	(a)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Base Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	PGA Revenues	-	-	-	-	-	-	-	-
3	Coal Tar Revenues	-	-	-	-	-	-	-	-
4	Other Revenues	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectible Accounts	-	-	-	-	-	-	-	-
7	Cost of Gas	-	-	-	-	-	-	-	-
8	Other Production	-	-	(92)	-	-	-	-	(92)
9	Storage	-	-	(4)	-	-	-	-	(4)
10	Transmission	-	-	2	-	-	-	-	2
11	Distribution	-	-	432	-	-	-	-	432
12	Customer Accounts	-	-	(429)	-	-	-	-	(429)
13	Customer Service and Informational Se	-	-	48	-	-	-	-	48
14	Administrative and General	-	-	(340)	-	-	(25)	(2)	(367)
15	Depreciation and Amortization	(110)	-	(1)	-	-	-	-	(111)
16	Taxes Other Than Income	-	-	(34)	-	-	-	-	(34)
17	Total Operating Expense	-	-	-	-	-	-	-	-
18	Before Income Taxes	(110)	-	(418)	-	-	(25)	(2)	(555)
19	State Income Tax	37	-	40	-	-	2	-	79
20	Federal Income Tax	123	-	132	-	-	8	1	264
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	50	-	(246)	-	-	(15)	(1)	(212)
23	NET OPERATING INCOME	\$ (50)	\$ -	\$ 246	\$ -	\$ -	\$ 15	\$ 1	\$ 212

North Shore Gas Company
Adjustments to Operating Income
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	(App. A, p. 3)	Invested Capital Tax (App. A, p. 10)	Cross Bore Expenses (Staff Ex. 16.0)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
1	Base Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	PGA Revenues	-	-	-	-	-	-	-	-
3	Coal Tar Revenues	-	-	-	-	-	-	-	-
4	Other Revenues	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectible Accounts	-	-	-	-	-	-	-	-
7	Cost of Gas	-	-	-	-	-	-	-	-
8	Other Production	(92)	-	-	-	-	-	-	(92)
9	Storage	(4)	-	-	-	-	-	-	(4)
10	Transmission	2	-	-	-	-	-	-	2
11	Distribution	432	-	(2,600)	-	-	-	-	(2,168)
12	Customer Accounts	(429)	-	-	-	-	-	-	(429)
13	Customer Service and Informational Se	48	-	-	-	-	-	-	48
14	Administrative and General	(367)	-	-	-	-	-	-	(367)
15	Depreciation and Amortization	(111)	-	-	-	-	-	-	(111)
16	Taxes Other Than Income	(34)	(29)	-	-	-	-	-	(63)
17	Total Operating Expense								
18	Before Income Taxes	(555)	(29)	(2,600)	-	-	-	-	(3,184)
19	State Income Tax	79	3	247	-	-	-	-	329
20	Federal Income Tax	264	9	824	-	-	-	-	1,097
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	(212)	(17)	(1,529)	-	-	-	-	(1,758)
23	NET OPERATING INCOME	\$ 212	\$ 17	\$ 1,529	\$ -	\$ -	\$ -	\$ -	\$ 1,758

North Shore Gas Company
Rate Base
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	Company Surrebuttal Pro Forma Rate Base (NS-PGL Ex. 43.1N)	Staff Adjustments (App. A, p. 6)	Staff Pro Forma Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant	\$ 466,382	\$ (15,284)	\$ 451,098
2	Accumulated Provision for Depr. & Amort.	(189,609)	4,393	(185,216)
3	-	-	-	-
4	Net Plant	276,773	(10,891)	265,882
5	Additions to Rate Base			
6	Cash Working Capital	(74)	(2,170)	(2,244)
7	Materials and Supplies	1,992	-	1,992
8	Gas in Storage	7,268	-	7,268
9	Retirement Benefits, Net	(3,758)	1,132	(2,626)
10	Budget Plan Balances	247	-	247
11	-	-	-	-
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	-	-	-	-
16	Deductions From Rate Base			
17	Accumulated Deferred Income Taxes	(68,599)	(1,404)	(70,003)
18	Customer Deposits	(2,454)	-	(2,454)
19	Customer Advances for Construction	(586)	-	(586)
20	Reserve for Injuries and Damages	(1,693)	-	(1,693)
21	-	-	-	-
22	-	-	-	-
23	Rate Base	<u>\$ 209,116</u>	<u>\$ (13,333)</u>	<u>\$ 195,783</u>

North Shore Gas Company
Adjustments to Rate Base
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	Cash Working Capital (App. A, p. 12)	Average Rate Base (Staff Ex. 12.0, Sch. 12.01 N Rev.)	Gross Plant Additions (Staff Ex. 24.0, Sch. 24.02 N)	Not Used	Net Operating Loss (App. A, p. 11)	Non-Union Wages (Staff Ex. 25.0, Sch. 25.01 N)	Pension Asset (Staff Ex. 14.0, Sch. 14.01 N)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Utility Plant	\$ -	\$ (11,235)	\$ (4,018)	\$ -	\$ -	\$ (31)	\$ -	\$ (15,284)
2	Accumulated Provision for Depr. & Amort.	-	4,282	110	-	-	1	-	4,393
3		-	-	-	-	-	-	-	-
4	Net Plant	-	(6,953)	(3,908)	-	-	(30)	-	(10,891)
5	Additions to Rate Base								-
6	Cash Working Capital	(2,170)	-	-	-	-	-	-	(2,170)
7	Materials and Supplies	-	-	-	-	-	-	-	-
8	Gas in Storage	-	-	-	-	-	-	-	-
9	Retirement Benefits, Net	-	1,611	-	-	-	-	(479)	1,132
10	Budget Plan Balances	-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-
16	Deductions From Rate Base								-
17	Accumulated Deferred Income Taxes	-	(11)	519	-	(2,098)	(4)	190	(1,404)
18	Customer Deposits	-	-	-	-	-	-	-	-
19	Customer Advances for Construction	-	-	-	-	-	-	-	-
20	Reserve for Injuries and Damages	-	-	-	-	-	-	-	-
21		-	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-	-
23	Rate Base	\$ (2,170)	\$ (5,353)	\$ (3,389)	\$ -	\$ (2,098)	\$ (34)	\$ (289)	\$ (13,333)

North Shore Gas Company
Revenue Effect of Adjustments
 For the Test Year Ending December 31, 2013
 (In Thousands)

Line No.	Description	Per Company	Staff Adjustments	Per Staff
	(a)	(b)	(c)	(d)
1	Present Revenues	\$ 77,704 ⁽¹⁾	\$ -	\$ 77,704 ⁽²⁾
2	Proposed Increase	<u>9,609 ⁽³⁾</u>	<u>(6,224) ⁽⁴⁾</u>	<u>3,385 ⁽⁵⁾</u>
3	Proposed Revenues	<u>\$ 87,313</u>	<u>\$ (6,224)</u>	<u>\$ 81,089</u>
4	% Increase	12.37%		4.36%
5	Staff Adjustments:			
6	Cross Bores Expense		(2,622)	
7	Rate of Return (Applied to Company Rate Base)		(1,690)	
8	Average Rate Base		(531)	
9	Gross Plant Additions		(447)	
10	Non-Union Wages		(425)	
11	Cash Working Capital		(215)	
12	Net Operating Loss		(208)	
13	Invested Capital Tax		(29)	
14	Pension Asset		(29)	
15	Advertising Expense		(26)	
16	Promotional and Goodwill Expense		(2)	
17	Interest Synchronization		-	
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33	Rounding		-	
34	Total Revenue Effect of Staff Adjustments		<u>\$ (6,224)</u>	-

Sources:

- (1) App. A, p. 1, column (b), line 5
- (2) App. A, p. 1, column (d), line 5
- (3) App. A, p. 1, column (e), line 5
- (4) App. A, p. 1, columns (f) + (h), line 5
- (5) App. A, p. 1, column (i), line 26

North Shore Gas Company
 Interest Synchronization Adjustment
 For the Test Year Ending December 31, 2013
 (In Thousands)

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 195,783 (1)
2	Weighted Cost of Debt	2.09% (2)
3	Synchronized Interest Per Staff	4,092
4	Company Interest Expense	<u>4,371</u> (3)
5	Increase (Decrease) in Interest Expense	<u>(279)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	<u>\$ 27</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 88</u>

(1) Source: App. A, p. 5, Column D.

(2) Source: ICC Staff Exhibit 15.0, Schedule 15.01.

(3) Source: NS-PGL Ex. 42.2N, p. 5

North Shore Gas Company
Gross Revenue Conversion Factor
 For the Test Year Ending December 31, 2013
 (In Thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	0.85810%	<u>0.008581</u>	
3	State Taxable Income		0.991419	1.000000
4	State Income Tax	9.5000%	<u>0.094185</u>	<u>0.095000</u>
5	Federal Taxable Income		0.897234	0.905000
6	Federal Income Tax	35.0000%	<u>0.314032</u>	<u>0.316750</u>
7	Operating Income		<u>0.583202</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.714671</u>	<u>1.699958</u>

North Shore Gas Company
 Invested Capital Tax Adjustment
 For the Test Year Ending December 31, 2013
 (In Thousands)

Line (A)	Description (B)	Amount (C)	Source (D)
1	Rate Base	\$ 195,783	App. A, p. 1, col. i, line 23
2	Rate of Return	<u>6.65%</u>	App. A, p. 1, col. i, line 25
3	Operating Income Required	\$ 13,017	Line 1 x Line 2
4	Pro forma operating income at present rates adjusted before ICT adjustment	<u>11,072</u>	App. A, p. 1, col. d line 23 - App. A, p. 4, col. s line 16
5	Operating Income Additional Allowed	\$ 1,945	Line 3 - line 4
6	Invested Capital Tax Rate	<u>0.80%</u>	NS Schedule WPC-2.14
7	Incremental Invested Capital Tax Impact per Staff	\$ 16	Line 5 x line 6
8	Incremental Invested Capital Tax Impact per Company	<u>45</u>	NS-PGL Ex. 42.2 N, p. 4
9	Staff Proposed Adjustment	<u><u>\$ (29)</u></u>	Line 7 - line 8

North Shore Gas Company
 Adjustment For Revenue Increase Impact on Net Operating Loss
 For the Test Year Ending December 31, 2013
 (In Thousands)

Line (A)	Description (B)	Amount (C)	Source (D)
1	Net Operating Loss Deferred Tax Asset per Company Surrebuttal	\$ 2,098	NS-PGL Ex. 43.2N, p. 1, col. [E], line 10
2	Effect of Revenue Increase	<u>(2,098)</u>	Appendix A, p. 1, col. (j) line 19 + 20 **
3	Net Operating Loss Deferred Tax Asset per Staff	\$ -	Line 1 + line 2
4	Adjustment to Rate Base- Deferred Tax Asset	<u>\$ (2,098)</u>	Line 2

** Adjustment cannot exceed amount on line 1

North Shore Gas Company
Cash Working Capital Adjustments
For the Test Year Ending December 31, 2013
(In Thousands)

Line No. (A)	Item (B)	Amount (C)	Lag (Lead) (D)	CWC Factor (D) / 365 (E)	CWC Requirement (C) x (E) (F)	Column (C) Source (G)
1	Revenues	\$ 167,429	40.50	0.11096	\$ 18,578	App. A, p. 13, Line 7
2	Pass Through Taxes	15,849	0.00	0.00000	-	Sum of lines 21 - 24 below
3	Total	<u>\$ 183,278</u>			<u>\$ 18,578</u>	Line 1 + Line 2
4	Payroll and Withholdings	\$ 9,012	(14.04)	(0.03847)	(347)	App. A, p. 14, Line 3
5	Incentive Pay	170	(250.50)	(0.68630)	(117)	NS-PGL Ex. 27.10N, p. 1, Line 5
6	Inter Company Billings	30,239	(33.91)	(0.09290)	(2,809)	App. A, p. 14, Line 12
7	Natural Gas	109,510	(40.39)	(0.11066)	(12,118)	NS-PGL Ex. 27.10N, p. 1, Line 7
8	Pension and OPEB	4,720	(33.91)	(0.09290)	(439)	NS-PGL Ex. 27.10N, p. 1, Line 8
9	Other Benefits	1,968	(41.46)	(0.11359)	(224)	NS-PGL Ex. 27.10N, p. 1, Line 9
10	Other Operations and Maintenance	1,927	(44.28)	(0.12132)	(234)	App. A, p. 13, Line 21
11	Federal Insurance Contributions (FICA)	595	(16.13)	(0.04419)	(26)	App. A, p. 14, Line 9
12	Federal Unemployment Tax	4	(60.88)	(0.16679)	(1)	NS-PGL Ex. 27.10N, p. 1, Line 13
13	State Unemployment Tax	13	(72.11)	(0.19756)	(3)	NS-PGL Ex. 27.10N, p. 1, Line 14
14	Property/Real Estate Taxes	260	(378.73)	(1.03762)	(270)	NS-PGL Ex. 27.10N, p. 1, Line 15
15	Invested Capital Tax	1,410	(30.14)	(0.08258)	(116)	App. A, p. 14, Line 6
16	Corporation Franchise Tax	25	(179.73)	(0.49241)	(12)	NS-PGL Ex. 27.10N, p. 1, Line 17
17	Sales, Use and Accelerated Tax	6	(42.88)	(0.11748)	(1)	NS-PGL Ex. 27.10N, p. 1, Line 18
18	Federal Excise Tax	1	(75.75)	(0.20753)	-	NS-PGL Ex. 27.10N, p. 1, Line 19
19	-	-	-	-	-	
20	Unauthorized Insurance Tax	15	155.39	0.42573	6	NS-PGL Ex. 27.10N, p. 1, Line 20
21	ICC Gas Revenue Tax	198	35.74	0.09792	19	NS-PGL Ex. 27.10N, p. 1, Line 21
22	Gross Receipts/Municipal Utility Tax	6,656	(101.02)	(0.27677)	(1,842)	NS-PGL Ex. 27.10N, p. 1, Line 22
23	Energy Assistance Charges	1,777	(60.05)	(0.16452)	(292)	NS-PGL Ex. 27.10N, p. 1, Line 23
24	IDOR Gas Revenue/Public Utility tax	7,218	(31.06)	(0.08510)	(614)	NS-PGL Ex. 27.10N, p. 1, Line 24
25	-	-	-	-	-	
26	Interest Expense	4,092	(91.25)	(0.25000)	(1,023)	App. A, p. 8, line 3
27	Federal Income Tax	2,160	(37.88)	(0.10378)	(224)	App. A, p. 1, col. (i), line 20
28	State Income Tax	1,303	(37.88)	(0.10378)	(135)	App. A, p. 1, col. (i), line 19
29	Total	<u>\$ 183,279</u>			<u>\$ (20,822)</u>	Sum of Lines 4 through 28
30	Cash Working Capital per Staff				\$ (2,244)	Line 3 + Line 29
31	Cash Working Capital per Company				(74)	NS-PGL Ex. 43.1N p. 1, Line 4
32	Difference -- Staff Adjustment				<u>\$ (2,170)</u>	Line 30 - Line 31

Note: Lag (Lead) is from PGL Ex. 7.1, p. 14; except for lines 2 and 8
Line 2 lag: ICC Staff Ex. 12.0, p. 17
Line 8 lead: Staff Data Request DGK-13.03

North Shore Gas Company
Cash Working Capital Adjustments
For the Test Year Ending December 31, 2013
(In Thousands)

Line No.	Description	Amount	Source
(A)	(B)	(C)	(D)
1	Total Operating Revenues	\$ 81,089	Appendix A, p. 1, Column I, Line 5
2	PGA Revenue	109,510	NS-PGL Ex. 27.10N, p. 1, Line 7
3	Uncollectible Accounts	(776)	Appendix A, p. 1, Column I, Line 6
4	Depreciation & Amortization	(10,691)	Appendix A, p. 1, Column I, Line 15
5	Deferred Taxes and ITCs Net	(2,777)	Appendix A, p. 1, Column I, Line 21
6	Return on Common Equity	<u>(8,926)</u>	Line 10 below
7	Total Revenues for CWC calculation	<u>\$ 167,429</u>	Sum of Lines 1 through 6
8	Total Rate Base	\$ 195,783	Appendix A, p. 5, Line 23
9	Weighted Cost of Common Equity	<u>4.56%</u>	ICC Staff Ex. 15.0, Schedule 15.01
10	Return on equity deduction from revenue	<u>\$ 8,926</u>	Line 8 x Line 9
11	O & M Expenses	\$ 61,832	Appendix A, p. 1, Column I, Line 18
12	Payroll and Withholdings	(9,012)	App. A, p. 14, Line 3
13	Incentive Pay	(170)	NS-PGL Ex. 27.10N, p. 1, Line 5
14	Inter-Company Billings	(30,239)	App. A, p. 14, Line 12
15	Pension and OPEB	(4,720)	NS-PGL Ex. 27.10N, p. 1, Line 8
16	Other Benefits	(1,968)	NS-PGL Ex. 27.10N, p. 1, Line 9
17	FICA	(595)	App. A, p. 14, Line 9
18	Taxes Other Than Income excluding FICA	(1,734)	Appendix B, p. 12, Sum of Lines 12 through 20
19	Uncollectible Accounts	(776)	Appendix A, p. 1, Column I, Line 6
20	Depreciation & Amortization	<u>(10,691)</u>	Appendix A, p. 1, Column I, Line 15
21	Other Operations & Maintenance	<u>\$ 1,927</u>	Sum of Lines 11 through 20

North Shore Gas Company
Cash Working Capital Adjustments
 For the Test Year Ending December 31, 2013
 (In Thousands)

Line No. (A)	Description (B)	Amount (C)	Source (D)
1	Payroll and Withholdings per Company Filing	\$ 9,396	NS-PGL Ex. 27.10N, p. 2, Line 36
2	Non-Union Wages Adjustment	(384)	ICC Staff Ex. 13.0, Sch. 13.02N; Excluding FICA (see line 8)
3	Payroll and Withholdings per Staff	<u>\$ 9,012</u>	Sum of Lines 1 and 2
4	Invested Capital Tax per Company Filing	\$ 1,439	NS-PGL Ex. 27.10N, p. 2, Line 23
5	Invested Capital Tax Adjustment	(29)	Appendix A, p. 10, line 9
6	Invested Capital Tax per Staff	<u>\$ 1,410</u>	Sum of Lines 4 and 5
7	FICA per Company	629	NS-PGL Ex. 27.10N, p. 2, Line 39
8	Non-Union Wages Adjustment	(34)	Appendix A, p. 3, col. (k) line 16
9	FICA per Staff	<u>\$ 595</u>	Sum of Lines 7 and 8