

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)	Year End Rate Base including 2012 NOL Amount (C)	Final Order Average Rate Base including 2012 NOL Amount (D)	Corrected Average Rate Base including 2012 NOL Amount (D)	Source (E)
1	Net Operating Loss Deferred Tax Asset per Company Surrebutta	\$ 2,098	\$ 2,123	\$ 2,123	NS-PGL Ex. 43.5 P, p. 1, cols. [C] and [D], line 7
2	Effect of Revenue Increase*	<u>(2,098)</u>	<u>(2,123)</u>	<u>(1,050)</u>	Appendix B, p. 1, col. (j) line 20
3	Net Operating Loss Deferred Tax Asset per Order	\$ -	\$ -	1,073	Line 1 + line 2 See Note (1)
4	Adjustment to Rate Base- Deferred Tax Asset at Year End	<u>(2,098)</u>			Line 2
5	Adjustment to Rate Base- Deferred Tax Asset at Average		<u>(2,098)</u>	<u>(1,050)</u>	Line 3 col. (D) - line (1) col. [C]

**Adjustment cannot exceed amount on line 1

This amount should only be 50%
to reflect Average Rate Base ("RB")

Note (1)

	Final Order Corrected	
NS Surrebuttal - Year End Rate Base 2013	2,098	Line 1, col (C)
Final Order Average RB Adjustment	<u>\$ 25</u>	Line 1, col (D) minus Line 1, col (C)
Final Order NOL Converted to Ave RB	\$ 2,123	Line 1, col (D)
Final Order Adj for Increase in FIT - current due to Rate Increase		
Average Adj for Increase in FIT - current - due to Rate Increase	<u>(1,050)</u>	Corrected line 5, col (D)
Final Order NOL with Average RB and including Impact of Rate Increase	<u>\$ 1,073</u>	Corrected line 3, col (D)