

**Determination of Three Year Rate Increase Cap**

Item	PY4 Forecast
2014 Forecast of Revenues	\$ 1,950,000,000
Less:	
Rider 30 EEP Cost Recovery	58,607,000
Section (m) revenues	24,241,000
Chicago Hub	1,990,000
Tax Gross-Up CIAC	901,000
Gas Exchange Revenues	1,032,000
Rent for Gas Property	475,000
Other	54,000
Total	<u>\$ 87,300,000</u>
Plus:	
Customer Select Commodity (see below)	<u>\$ 205,662,000</u>
Revenue for determining 2 Percent Cap	<u><u>\$ 2,068,362,000</u></u>
2 Percent Revenue Cap	\$ 41,367,240
Total 3-year Available Revenues	\$ 124,101,720
3-year Reduction in Available Revenues	
Nicor Gas' 75% of Reduced Available Revenues	

**Determination of Customer Select Commodity Gas Costs**

Estimated Commodity Revenue 1/	\$ 199,284,652
State Utility Fund Tax of 0.1 Percent	199,285
Municipal Tax of 3.1 percent 2/	6,177,824
Total Customer Select Commodity Revenue	<u><u>\$ 205,661,761</u></u>

1/ June 2011 to May 2012 monthly deliveries for Customer Select multiplied by Rider 6, Gas Supply Cost, Factor GC.

2/ Commodity revenue multiplied by the average municipal tax per therm.